SECURITY IN THE BALTIC SEA REGION: REALITIES AND PROSPECTS

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**THE RĪGA CONFERENCE PAPERS
2017**

Security in the Baltic Sea Region: Realities and Prospects
The Rīga Conference Papers 2017

The Rīga Conference Papers 2017 offers a collection of articles reflecting on the realities and prospects of the area in the transforming security landscape. The changing national security strategies in the Baltic States and Poland are discussed, as well as the transformation of regional defence policies. Authors also reach beyond the region towards the manifestations of solidarity and assess the Baltic Sea Region amid the "new normal" in the relationship between the West and Russia. Last but not least, energy and economic security issues, as well as the non-traditional aspects of security are discussed.

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Note by the Director of the Latvian Institute of International Affairs

The Latvian Institute of International Affairs and its partners are pleased to offer you a publication of articles on security developments in the Baltic Sea region. This year's Rīga Conference Papers build on the success of previous annual contributions to the Rīga Conference and endeavour to assess changing realities and outline the prospects for regional security. An outstanding group of distinguished international experts provide their insights on changes in Baltic security and defence policies, the transatlantic dimension and regional presence, repercussions of the "new normal" in relations between the West and Russia and non-traditional security challenges and responses in the Baltic Sea region. We acknowledge the generous support provided by the Ministry of Foreign Affairs of the Republic of Latvia and the NATO Public Diplomacy Division. As this publication demonstrates, solidarity and strong partnerships remain instrumental to successfully navigate times of uncertainty and transforming regional security landscapes. We hope you enjoy reading this volume!

Andris Sprūds

Director, Latvian Institute of International Affairs

Address to the Participants of The Rīga Conference 2017

Edgars Rinkēvičs

Minister of Foreign Affairs of the Republic of Latvia

The Riga Conference, with its extensive security focus over the years, has become a well-known and respectable forum for politicians, security experts, diplomats and journalists, promoting the discussion and assessment of issues affecting the transatlantic community. Riga is a great place for such discussions as it has been not only the most dynamic and vibrant city of the Baltic region but also a city located on NATO's eastern flank.

In the spirit of the European Union, NATO and the Charter of Partnership signed between the United States of America and the Baltic States almost 20 years ago, I am proud of the achievements of Estonia, Latvia and Lithuania — be they on political, economic, security, defence or environmental issues. It brings me confidence that the Baltic States are well prepared to deal with the current challenges to their security and well-being.

Internal and external security are interlinked. We in the Baltic region are doing our homework to guarantee our common European and transatlantic security. I am proud that the Baltic states are receiving the highest level of trust from our allies and partners.

For the last two decades, we have been a part of the transatlantic community, not as free riders, but as contributors to European and transatlantic security. The vision given by academia and scholars on security issues a decade ago has now become our reality.

We are currently experiencing a mix of traditional and new security layers. Our own territories are sites for a great number of new

challenges. We face questions about the liberal international world order, deepening divisions among the globalisation winners and losers, foreign-fighter terrorism, cyber-attacks, disinformation campaigns and other hybrid warfare elements.

I am confident that our common security rests profoundly on each and every country and region of the world. Northern Europe, our home region, is a good example of regional cooperation creating a good basis for deeper Euroatlantic cooperation.

Once again, I am proud that Riga is host to this traditional and exceptional international Conference. I wish to express my deepest gratitude to the Latvian Institute of International Affairs for gathering a wide contribution of scholars on challenges to the security of the Baltic region.

The Baltic States and Poland: Adjusting to the New Realities

Transforming Regional Defence Policies

Beyond the Region and the Transatlantic Solidarity

The Baltic Sea Region amid the "New Normal"

Energy and Economic Security of the Baltic Sea Region

Beyond Traditional Security: Strategic Communication and Cyber

Introduction by the Editors: The Realities and Prospects of the Baltic Sea Region in the Transforming Security Landscape

Māris Andžāns, Andris Sprūds

History has yet again attested that peace tends to be tranquillizing, whereas conflicts are an unavoidable and integral part of the relationship among units of the international system. Almost two-and-half decades of peaceful development on the shores of the Baltic Sea have led to the perception of post-historical and post-geopolitical stability among the Baltic nations and others in the region. However, since the Russian occupation of Crimea in 2014, ghosts of the past have been re-invoked and each year has become formative for the regional security landscape and national strategic considerations in the region.

The Latvian Institute of International Affairs is pleased to continue to contribute to the Rīga Conference with the annual Rīga Conference Papers. In this year's Papers, authors from fifteen countries, both from the Baltic Sea region and beyond, offer their perspectives on the realities and prospects of the area amid the "new normal" – related to the "hard" and "soft" aspects of security. First, the changing national security strategies in the Baltic States and Poland are discussed. What was almost unthinkable prior to 2014 became a reality in 2017 when NATO allies established a permanent, though rotational and small, military presence in the Baltic States and Poland, thus making them members of the Alliance not only "on paper" but also in practice. All four countries have beefed up their defence expenditures and capabilities. Estonia and Poland have already reached the 2% NATO guideline, whereas Lithuania and Latvia are on course to reach the landmark in 2018. With combined national and allied efforts, the Baltic States and Poland are more secure than ever before.

Second, the transformation of regional defence policies is reviewed. Not surprisingly, the events in Ukraine led to beefing-up the defence capabilities in the Baltics and Poland. However, the regional security implications have been broader and deeper. Sweden is in the process of rebuilding its territorial defence capabilities and, among various measures, it has symbolically decided to reinstitute conscription. More importantly, Germany, the biggest economy in Europe, is rethinking its security policy and military posturing abroad. As a part of this process, Germany has taken a lead role in the NATO Enhanced Forward Presence battlegroup located in Lithuania. German military presence has become a paramount element of the stability of the wider Baltic Sea Region in combination with its economic and political power. Though not an explicit subject of this book, Islamic radical terrorist attacks have been a repeated reminder that the Baltic Sea region is very much dependent on global security tendencies.

Third, authors reach beyond the region towards the manifestations of solidarity, especially in the context of transatlantic links. Allies on both sides of the Atlantic have expressed their solidarity with the Baltic States and Poland in very practical terms. Importantly, North American NATO allies have taken the lead in the newly established battlegroups – Canada leads the battalion-sized unit in Latvia, whereas the Americans have taken charge of the battlegroup stationed in Poland. Moreover, the US also maintains a smaller military presence in each of the Baltic States. The new president of the United States clearly affirmed his commitment to Article 5 of the North Atlantic Treaty during a symbolic visit to Poland.

Fourth, authors assess the Baltic Sea Region amid the "new normal" in the relationship between the West and Russia. Even though Russia has remained constrained by the Western sanctions still in force, its assertiveness and activity in the region and beyond has not decreased. It has continued to absorb the occupied Crimea, whereas hostilities in Eastern Ukraine have not ceased – the conflict, though relatively frozen, is far from over. Russia, with a modest size economy, has continued to hit above its weight in the international arena – from saving the Assad regime from collapse in Syria, silently building new alliances in Libya, Afghanistan and elsewhere, to

apparent meddling in elections in the US and Europe. One thing is clear – Russia, with its economy returning to growth, is unlikely to significantly alter its external posture and modus operandi. Therefore, the West must think strategically about its long-term relations and any potential dialogue with Russia.

Fifth, energy and economic security issues in the Baltic Sea region are assessed. The economic outlooks around the shores of the Baltic Sea are grounds for optimism. However, the negative effects of a future financial and economic crisis and its potential effects on national security should not be underestimated and, therefore, lessons from the recent past should be learned to assure prudence in the future. At the same time, the energy security field has become one of the most transformed in the Baltic States, which were long considered an "energy island" of the European Union (EU) and NATO. With electricity interconnections to Finland, Sweden and Poland, a liquefied natural gas terminal in Lithuania and the expected natural gas pipelines between Estonia and Finland as well as between Lithuania and Poland, the Baltic States have become an "energy peninsula" in the EU and NATO.

Sixth, the non-traditional aspects of security are increasingly affecting the national security of the Baltic Sea region and beyond. The 2016 US Presidential election illuminated that the basic pillars of liberal democracies can be under external threats even in the most powerful countries. Therefore, the resilience of societies and strategic communication have increasing meaning in national security thinking. At the same time, cyber security has become an intrinsic issue of national security in almost every country. Today, a decade after the well-known cyber-attacks against Estonia, state sponsored or supported cyber-attacks are not an exception, as are the ever-growing threats posed by non-state actors.

Overall, the current state and character of international and regional affairs certainly do not manifest signs of "the end of history" on the shores of the Baltic Sea and beyond. Security landscapes across different fields of security are continuously evolving and transforming. Risks and challenges in times of uncertainty will remain, and closer cooperation is becoming increasingly instrumental and necessary, especially among like-minded partners.

The Baltic States and Poland: Adjusting to the New Realities

THE TRILATERAL MILITARY COOPERATION OF THE BALTIC STATES IN THE "NEW NORMAL" SECURITY LANDSCAPE

Uģis Romanovs, Māris Andžāns

The Baltic States are at the same time both different and similar. On the one hand, they have no shared linguistic and cultural features – linguistically Finno-Ugric and nominally Lutheran Estonia, linguistically Baltic and nominally Lutheran Latvia (both with sizable Slavic and nominally Orthodox minorities) and the linguistically Baltic and nominally Catholic Lithuania. The relationship of the three states has not always has been harmonic, especially related to economic issues. But their geographical proximity and common history since the 20th century have entangled them in an ever closer political, economic and societal interaction. All three are members of the North Atlantic Treaty Organization (NATO) and the European Union (EU) (all three also part of the Schengen Area and the Eurozone). All three are among each other's closest trade partners, and firms from one market widely operate in the other two markets. The people of the Baltic States are among the most frequent guests in each other's countries for various purposes. Though they are often perceived as merely symbolic, the trilateral institutional mechanisms – the Baltic Assembly (cooperation among the parliaments), the Baltic Council of Ministers (cooperation among the executive branches) and their related sub-mechanisms – ensure the regular interaction of country leaders and other officials, thus paving the way for policy cooperation across different fields.

Also, the defence policies of the Baltic States are different and similar at the same time. At the external strategic level, all three are on the same line, given their almost identical threat perception and the unified positions in NATO. But their armed forces have evolved in different directions: there are only rare similarities in military equipment purchases, and they have

different approaches to recruitment and therefore the organization of their armed forces. Nevertheless, the Baltic States have engaged in vibrant trilateral military cooperation. This cooperation has received different assessments, ranging from being considered a bright example of regional multilateral military engagement to an endeavour lagging behind its true potential. This article revisits this cooperation in the "new normal" security landscape of the Baltic sea region.

Setting the Record on Trilateral Military Cooperation to Date

After regaining their statehood in 1991, the armed forces of the Baltic States had to be built from the scratch, with the Armed Forces of the Russian Federation still present in the Baltic States (they were withdrawn from Lithuania in 1993 and from Latvia and Estonia the next year with instrumental support from Western partners, the United States and Sweden in particular). As the Baltic States were not successors to the Soviet Union, they did not inherit equipment from the Soviet armed forces like, for example, Russia, Ukraine and Belarus did. Therefore, assistance from Western countries, predominantly the Nordic, Western European and American, in building their armed forces was essential. For the Western countries, it was crucial to stabilise the newly restored states and thus the surrounding region at that time. For the Baltic States, in turn, this was a way of enhancing their military capacity and approaching the prospective membership of NATO.

While the Western partners wished to assist the Baltic States, they also did not want to antagonize Russia, which on many occasions has loudly protested any expansion of NATO eastwards. Western partners chose to support trilateral projects as a way to reach out to the three similar countries at once rather than treating each separately. Initially, each of the three countries was mentored by the Nordic countries – Estonia by Finland, Latvia by Sweden and Lithuania by Denmark, the only NATO member state among the informal mentors. This factor not only led to a coordinated approach as the Nordic countries supported the trilateral projects, but also resulted in a diversity of military approaches and military cultures among the three, thus impending military cooperation to this day (in particular, the influence of Finland on Estonia has differentiated the

Estonian Defence forces from Latvian and Lithuanian counterparts, with strong emphasis on territorial and total defence in the former).

Indigenous intentions to cooperate trilaterally among the Baltic States were expressed as early as 1991. But the first significant common project deserving the utmost attention was the Baltic Battalion (BALTBAT), inaugurated in 1995. Its primary roles were to contribute to the peacekeeping efforts of the international community and to enable Baltic cooperation with NATO in the same field. However, BALTBAT served a much broader spectrum of matters. First, it was used as a role model for other trilateral cooperation projects in the future. Second, it provided a platform for the professional development of military personnel and contributed to the improvement of military capabilities in the three states. And, finally, BALTBAT supported Baltic States' NATO membership aspirations by providing international experience and an opportunity to position themselves as contributors to international security. In practical terms, the Baltic Battalion was never deployed as a single unit; only company and platoon sized units were deployed to peacekeeping missions to Bosnia and Herzegovina and Lebanon. Battalion capabilities were trained to ensure maximal interoperability, however. The BALTBAT project was closed in 2003.

A common Baltic battalion was almost de facto re-established when all three countries agreed to contribute a common battalion sized formation to the NATO Response Force in 2010 (NRF-14). However, due to the economic and financial crisis, Latvia decided to significantly reduce its contribution, and the missing units and capabilities were covered by the remaining partners. In 2014, the three ministers of defence signed a memorandum of understanding regarding the land forces' cooperation, thus reviving a trilateral battalion for the third time. This time, the unit was named BALTFOR (Baltic Forces). The aforementioned memorandum of understanding defines BALTFOR as a standing non-permanent combined battalion sized unit which may be activated to participate in NATO and EU rapid reaction force structures, international operations and exercises, in other activities of military cooperation and, most importantly, to resist

a possible armed conflict if it occurred in the Baltic States.[1] BALTFOR was part of the standby rotation of the NATO Response Force (NRF-16) and participated in the Trident Juncture exercise in 2015. However, there are no known activities undertaken to carry out the intent of preparing the battalion to deal with a possible regional military conflict, thus leaving the BALTFOR project primarily as a tactical level initiative.

BALTBAT was not the only case in which a trilateral cooperation project was shattered due to financial limitations or other national priorities. In 2015, Estonia decided to withdraw its permanent contribution of ships in the Baltic Naval Squadron (BALTRON), focusing its resources on the operations of common NATO mine countermeasures instead. Inaugurated in 1998, BALTRON was composed of the Minesweeping Squadron and the Navy Training Base. It is primarily aimed at combining the efforts of three countries in mine countermeasures. Similar to BALTBAT, this project has served as a valuable personnel training platform and has accelerated the naval capability development of the three countries, as well as aiding the NATO integration efforts. As only Latvia and Lithuania remain fully committed to the project, the Estonian decision marked the end of another fully functional and integrated trilateral military cooperation project, which could serve as a platform for the further common development of naval capabilities.

Another notable project is the Baltic Air Surveillance Network and Control System (BALTNET), the air force cooperation initiative which was initiated in 1996 and survived a major crisis at the end of the 1990s due to a dispute over the number and location of the so-called control and reporting centres. Despite disagreements, the BALTNET system was inaugurated in 2000 and has evolved constantly since then. Since 2004, it has been a constituent part of the NATO integrated system and performs not only air surveillance but also weapons control, command-and-control, as well as training activities in the three countries. The Control and Reporting Centre in Karmėlava, Lithuania receives radiolocation data from the air-

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1   *Memorandum of Understanding between the Ministry of National Defence of the Republic of Lithuania and the Ministry of Defence of the Republic of Estonia and the Ministry of Defence of the Republic of Latvia Concerning the Formation of Combined Battalion Level Military Unit (BALTFOR)*, March 2014, p. 3, 4.

surveillance radars across the Baltic States and transmits information to the NATO Combined Air Operations Centre in Uedem, Germany. Furthermore, the Karmėlava centre has the authority to scramble NATO Air Policing fighter jets, operating from airbases in Šiauliai, Lithuania and Ämari, Estonia.

Another common project, the Baltic Defence College (BALTDEFCOL) is often considered one of, if not the best example of a successful trilateral cooperation in the military field. The college provides professional military education for operational and strategic level military leaders and civil servants. Aside from educational activities, BALTDEFCOL conducts and hosts conferences and seminars related to the matters of military history, military security and the defence of the Baltic region. In 2019, the college will celebrate its 20th anniversary. Since its establishment, more than 1200 officers and civil servants from almost 40 countries have graduated from the college.[2] The college has been instrumental in enhancing interaction and socialization among the military and civil workers of the defence sector of the three countries and also has provided knowledge to countries far from the Baltics.

From the point of view of institutionalisation, trilateral mechanisms for the exchange of information, communication and decision-making are all in place as well. A trilateral agreement on cooperation in defence and military relations, signed in 2013, defines the current cooperation areas and decision-making mechanisms across a range of issues of mutual interest. There are four separate trilateral communication and decision-making forums: political level matters are addressed by ministers of defence at the Ministerial Committee, strategic level issues are discussed by defence ministry policy directors at the Policy Coordination Committee, the commanders, as well as the chiefs of staff of the three armed forces meet at the Baltic Military Committee, whereas Defence Coordination Committee comprises various representatives of ministries and armed forces that are tasked with the implementation of decisions of the aforementioned higher-ranking constellations. There are also other agreements in place

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2   "Facts about the Courses," Baltic Defence College, 2017, http:// www.baltdefcol. org/?id=45

intended to ease and regulate cooperation between the three countries. For example, in 2015, Lithuanian and Latvian defence ministers and the Estonian minister responsible for economic affairs and communications signed a memorandum of understanding on cooperation in cyber-security.

It also must be mentioned that there have been a number of other projects that were suspended through the years for various reasons, such as BALTCCIS (Baltic Command, Control and Information System), BALTPERS (a military personnel registration and management system) and BALTMED (Baltic Medical Unit).

After becoming members of NATO and the EU, defence cooperation between the Baltic States lost some of its significance. Russia's aggression against Georgia and later Ukraine brought back the urge to demonstrate a commitment to local security through regional defence cooperation. This contributed to the various quick impact cooperation initiatives, including combined exercises, de facto restoration of a Baltic Battalion (as BALTFOR) and it also contributed to one of the most positive recent developments in the field of military cooperation – the establishment of a non-permanent Baltic Combined Joint Staff Element (BCJSE) in 2015. With the establishment of BCJSE, for the first time in the history of Baltic military cooperation, preconditions were established for a systematic coordination, cooperation and exchange of operational level information between joint level headquarters of the three Baltic States. In the future, it could serve as the foundation for a nucleus of a permanent regional headquarters.

The Unused Potential of Baltic Military Cooperation

One of the most commonly referred gaps in the trilateral military cooperation is the very limited number of common procurement projects. During the past few years, with the increase of the defence budgets, the Baltic States have initiated a number of very similar capability development projects independently from each other, including the procurement of infantry mobility and force protection platforms (armoured vehicles), indirect fire support systems (self-propelled howitzers), anti-tank, air surveillance and air defence systems. These procurements have not only demonstrated different choices in equipment, but also different primary

cooperation partners, with Lithuania choosing Germany as its main supplier, Estonia retaining Finland as an example and partner, and Latvia following a less coordinated approach to partnering. Therefore, it seems that ministries of defence of the three capitals refuse to see the potential benefits of joint procurements. From this authors' perspective, increasing the trilateral cooperation in the procurement domain would allow saving resources and increasing military interoperability. Joint procurement projects would not only allow purchasing equipment at a lower price but would enable three states to benefit from the sharing of resources required for the project management, allow saving financial resources for training of the military personnel operating and maintaining the equipment as well as decrease life-cycle management expenses. In the longer run, the possession of similar equipment would gradually close the gaps in military doctrine, military culture and capabilities, thus setting the preconditions for an expansion of military cooperation.

Second, the authors of this chapter would like to propose elevating the cooperation of land forces to the next level by establishing a multinational division-level headquarters, which would allow NATO operational-level headquarters and support elements of other allies and partners to "plug and play" into pre-established and functional regional command-and-control structure. Furthermore, the establishment of such an institution would help maintain the allied partners in the region after NATO's Enhanced Forward Presence would gradually end, as well as provide higher-level headquarters for the training of regional brigade-level units.

Third, the authors would like to suggest adding a political dimension to the trilateral exercises in the form of the participation of politicians representing different spheres beyond only the military. The current combined Baltic exercises give plenty of opportunities to exercise cross-governmental coordination and cooperation, particularly the exercises related to military scenarios involving cross-border operations. Expansion beyond the military would allow testing of cooperation mechanisms, effectiveness and security of the political-level communication systems, as well as validate and if necessary synchronise defence and security related legislation.

Fourth, the establishment of currently non-existent cooperation in defence research and innovation. Defence research and innovation cooperation is a tool that would allow the establishment of a certain level of military autonomy in the Baltic region, as well as increase the military capabilities of the three countries. In a broader context, such cooperation would have a positive effect on the regional economy due to spill-over effects resulting from the involvement of local defence industries, civil research institutions and experts. Cooperation in the field is the only way to compensate for limitations imposed by the restricted human and financial resources available for defence and innovation. Furthermore, the importance of defence research and innovation is growing in the EU and, therefore, these countries working together will have a better chance to use EU funds to boost national initiatives financially.

Last but not least, further strengthening the existing trilateral cooperation in the military education and science should be considered. BALTDEFCOL could offer much more than the current courses if conditions were set right. First, the college could become a regional centre of excellence for professional military education, enabling effective sharing of educational resources, professional development opportunities for instructors and management of best practices processes and databases. Second, the college could boost its research capabilities by becoming the hub of expertise on regional military security matters and professional military education. On top of that, decision makers should consider also broadening trilateral cooperation in military science. Currently, the only Baltic military education establishment to offer an opportunity to study for a doctoral degree is the General Jonas Žemaitis Military Academy of Lithuania (in collaboration with other Lithuanian universities), though only in political science.[3] Given the limited number of potential candidates, it would be wise to consider a common Baltic doctoral programme in military science that could give a boost to military research in the Baltics and attract potential military science students from overseas.

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3   "Department of Political Science," *The General Jonas Žemaitis Military Academy of Lithuania*, http://www.lka.lt/en/about-us/structure/vice-rector-for-yz5p/institute-of-university-studies/department-of-political-science.html

Concluding Remarks

Notwithstanding their differences, the Baltic States' geographical proximity, common recent history, political, economic and societal links, as well as almost identical national security landscape serve as reasons for cooperation across different fields now and in the future. Military cooperation will not be an exception – not only due to current intra-regional realities but also because of the allies' external pressures as they treat the Baltic States as a single space of operations. It is also not likely that Russia would change its political and military posture in the region, whereas NATO allies could revise their current assurance measures, the Enhanced Forward Presence among them, if Russia were to avoid visible confrontations and provocations over the coming years.

In these circumstances, the Baltic States should reassess the importance of their trilateral Baltic cooperation. In the view of the authors of this chapter, the Baltic States should strengthen their current initiatives and expand cooperation to others. One such field is common procurement, the lack of which leaves significant room for overly sceptical assessments of the Baltic States' cooperation, given the symbolism and visual significance of the assets procured. Apart from that, the authors suggest that the institutions of the three countries should consider the creation of a multinational divisional-level headquarters, to add a multi-vector political dimension to the trilateral exercises, to join efforts in defence research and innovation, as well as to further enhance the engagement in military education and science that is already in effect.

ESTONIA AND THE MILITARY ASPECTS OF THE SECURITY OF THE BALTIC SEA REGION

Henrik Praks

The year 2017 has seen a historic development in the security landscape of the Baltic Sea Region. Following the decisions made at the NATO Warsaw Summit in July 2016, the Alliance has deployed battalion-sized multinational battlegroups to the territories of Estonia, Latvia, Lithuania and Poland. This constitutes the first ever continuous presence of combat-capable forces from other Allies in these states. At the same time, the very reasons which caused the need for these NATO deployments remain as the security situation in the Baltic Sea region remains troublesome. Russia's leadership continues to follow its self-selected course of confrontation with the West, and may well continue to see the Baltic region as a potentially suitable area to test NATO's will and capabilities. This requires that both the Baltic states and their NATO Allies continue their efforts to build an effective deterrence and defence posture to reduce potential vulnerabilities and ensure that the region remains free of conflict and at peace. This task is not made easier by the multitude of crises in Europe, its neighbourhood and globally, along with the various challenges posed to the European and transatlantic unity. With Estonia currently having the honour and responsibilities of the rotating presidency of the Council of the European Union, security issues will never be far from the minds of its decision-makers.

Russia's Challenge

Security thinking in Estonia, as in its neighbouring countries, remains focussed on Russia. In its latest yearly public overview of the security environment, Estonia's Foreign Intelligence service characterised Russia as "the only country that could potentially pose a risk to the independence

and territorial integrity of the Republic of Estonia."[1] More than three years after the start of aggression in Ukraine and the ensuing confrontation with the Western community of nations, Russia's foreign policy and its hostility towards the West remain unaltered. It continues to look for opportunities to target weaknesses and exploit vulnerabilities both in Europe and in America. Russia aims to influence the decision-making processes and public opinion on both sides of the Atlantic, attempting to destabilize countries and undermine overall Western unity. Moscow's attempts to interfere with the 2016 US elections have made it bluntly clear how toxic the influence of Russia's corrupt money and practices can be to Western democracies. These Russian influence activities are very familiar in the Baltic states, who have been at their receiving end for years.

While the focus of much of the attention lately has been on Russia's use of cyber and disinformation tools, along with its support to extremist political movements abroad, particular challenges, especially to its neighbours, are posed by Russia's increased military capabilities and activities. For years Russia has been modernising its forces and preparing them to conduct large-scale military conflicts. In addition, Russia has shown repeatedly that it is ready to use these capabilities. Its ability to quickly launch large-scale military operations requires the Baltic region to be ready for situations where crises can rapidly escalate to a military dimension, and negative developments occur with little or no warning.

Russia's Western Military District, which borders the Baltic region, has retained its priority status with regards to Russia's force modernisation and deployment activities. Units located there usually take new high-tech weapons into service, and new divisional level manoeuvre units optimised for offensive combined arms warfare are being deployed in the western district. Russia continues to utilise intimidation and demonstrations of military muscle to influence its neighbours. In the Baltic Sea, incidents of dangerously close military encounters have continued as Russian aircraft frequently harass Western airplanes and ships. Furthermore, the preparations for the Zapad 2017 exercise in September have again raised

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1   Estonian Information Board. "International Security and Estonia 2017," February 2017, https://www.valisluureamet.ee/pdf/EIB_public_report_Feb_2017.pdf.

concerns about the real purposes and scale of this strategic exercise. The fact that there remains a military imbalance in the Baltic Sea region in favour of Russia, combined with a lack of transparency about Russia's military activities and their aims, remains a major worry.

Estonia's Response

The Estonian defence solution is based on the combination of two pillars: the initial national defence capability providing the first line of defence and the collective defence guarantee provided by membership in the NATO alliance. In Estonia, a wide political and societal consensus concerning defence matters remains strong. According to the latest public opinion poll on national defence matters, 72% of respondents provided a positive assessment of the state's activities regarding the development of Estonian national defence. Among the population, NATO membership continues to be considered Estonia's main security guarantee, followed by the development of Estonia's independent defence capability. People in Estonia have consistently held strongly favourable attitudes towards conscript service. In the latest survey, 93% of respondents believed that young men should be required to serve as conscripts.[2]

The continuity of security and defence policies was not affected by a change of government in November 2016, which brought to power a cabinet led by the Centre Party. The party had not been part of the government for a decade, and enjoys the support of the Russian-speaking population, creating some speculation in international media[3] whether the change could lead to more pro-Russian policies. Among the very first policy decisions of the new coalition government, however, was a reaffirmation of all the key principles relating to foreign, security and defence policy. Furthermore, two key new national security and defence documents, adopted in 2017, namely the National Security Concept 2017

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2   Juhan Kivirähk. "Public Opinion and National Defence," *Turu-Uuringute AS*, Spring 2017, http://www.kaitseministeerium.ee/sites/default/files/elfinder/article_files/public_opinion_and_national_defence_2017_march.pdf.
3   See, for example, Richard Martin-Hemphill's "Estonia's New Premier Comes From Party With Links to Russia," *New York Times*, November 21, 2016, https://www.nytimes.com/2016/11/21/world/europe/estonia-juri-ratas-center-party.html.

and the National Defence Development Plan 2017–2026, did not bring about any significant changes relating to major policy areas.[4]

Estonia continues to prioritise strengthening its military capabilities. The defence budget, which has already met the equivalent of 2% of the GDP for several years, is projected to amount to around 2.15% of the GDP in 2017.[5] Beyond providing budgetary guarantees to the sustained development of defence forces, this financial commitment has enabled Estonia to gain significant political capital over the years, especially in Washington, as one of only a handful of Allies living up to the commonly agreed upon goals.[6] Ongoing current major armament procurement projects are related to the entry into service of CV-90 infantry fighting vehicles procured from the Netherlands, and the acquisition of K9 self-propelled howitzers from South Korea. In 2017 a project aimed at replacing the automatic firearms used by defence forces was launched. Additional money has been allocated to speed up the procurement of ammunition, the latter being identified as a key shortfall.

Estonian defence forces remain one of the very few forces in Europe whose wartime structure is reserve-based. Conscripts are trained for 8 to 11 months, after which they are organised into reserve units. This allows a country of 1.3 million inhabitants to have a relatively large wartime high-readiness reserve structure of 21,000 personnel. The latest defence development plan further foresees an increase in the annual intake of

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4   This does not mean that there would not be elements within the Centre Party holding diverging views, but they have not affected Government's policies. On one particular case relating to the former Minister of Public Administration doubting the values of Estonia's NATO membership, see "Mihhail Korb Steps Down as Minister," *ERR News*, May 25, 2017, http://news.err. ee/597979/mihhail-korb-steps-down-as-minister.

5   According to the latest figures released by NATO, Estonia has spent at least 1,9% of GDP on defence since 2012, in 2015 its defence expenditures constituted 2,06% of the GDP, and in 2016 2,15%. "Defence Expenditure of NATO Countries (2010-2017)," *NATO Public Diplomacy Division*, June 29, 2017, http://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2017_06/20170629_170629-pr2017-111-en.pdf.

6   Andrew Hanna. "How a Tiny Baltic Nation Became a Top Destination for US Officials," *Politico*, July 29, 2017, http://www.politico.eu/article/estonia-america-how-a-tiny-baltic-nation-became-a-top-destination-for-us-officials/.

conscripts from current 3,200 to 4,000 per year.[7]

At the same time, the reserve-based model has particular challenges, most notably regarding readiness. In the initial stages of a conflict, it would place the Estonian military at a disadvantage relative to an opponent that can draw on regular troops in high-readiness mode. Therefore, Estonian defence planners are making it a priority to find ways of testing and facilitating readiness and call-up procedures for the reserve structure. In December 2016, the first ever national snap exercise was held, which included the recalling of reservists to service at a 48-hour notice.[8]

Furthermore, Estonia continues to place a high priority on cyber defence, both at national and international level. The national defence development plan includes a decision to create a national Cyber Command in order to develop both defensive and offensive cyber capabilities. Estonia also continues its role at the forefront of promoting cyber defence issues within the NATO alliance. Having hosted NATO Co-operative Cyber Defence Centre of Excellence since 2008, Estonia is now also home to two of the world's largest international cyber defence exercises: Locked Shields and Cyber Coalition, which are conducted at the cyber range capability Estonia has provided for the Alliance's use.[9]

NATO's Deterrence and Defence Posture

The implementation of the decisions of the NATO Warsaw Summit concerning the enhanced forward presence (EFP) has proceeded successfully. The establishment of four battlegroups has already brought troop contingents from a total of 15 other Allied nations to NATO's north-

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7   "Estonian Defense Chief: Raising Number of Conscripts Ambitious Goal," *ERR News*, October 14, 2016,
http://news.err.ee/119400/estonian-defense-chief-raising-number-of-conscripts-ambitious-goal.
8   "Estonian Defense Forces Summon 300 Troops for Snap Exercise," *ERR News*, December 1, 2016,
http://news.err.ee/119904/estonian-defense-forces-summon-300-troops-for-snap-exercise.
9   For further details, see "NATO Investing in the Development of Estonian Cyber Range," *Republic of Estonia Ministry of Defence*, June 14, 2016, http://www.kmin.ee/en/news/nato-investing-development-estonian-cyber-range.

eastern flank countries.[10] As a deterrent, it sends a clear and visible signal that the Alliance takes its collective defence commitments seriously, and that an attack on any single Ally will be considered an attack against all. But the EFP in the Baltic region also has a significant military effect. It raises the cost of potential military aggression, significantly limiting Russia's options.

In Estonia, the 1200-strong EFP battlegroup led by the UK and with France and Denmark as contributing nations,[11] is integrated into the 1st Estonian brigade structure. Considering the limited numbers of regular troops in Estonia's defence forces, the battlegroup, which consists of battle-ready troops with heavy equipment, greatly increases the number and capabilities of the forces that are immediately available to respond to military contingencies. Through their extensive training activities, the Allied troops can acquire valuable experience from operating in the local landscape and environment. These differ quite significantly from those encountered in their West European home countries, not to mention Afghanistan, Africa and the Middle East, where most of the allied militaries have become used to operating in recent decades.

Fears that the EFP would fall victim to orchestrated Russian provocations and a disinformation assault aimed at discrediting it have so far proven largely overblown. While there have been certain cases of fake news and other disinformation efforts targeted against Allied contingents in other EFP host nations, in the case of Estonia, no such activities of any significance have been detected.[12] However, in the present security environment, there is always a risk that Russia could see the presence of the EFP as an opportunity to try to test certain Allied reactions.

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10   Current number of contributing countries taken from NATO's "Boosting NATO's Presence in the East and Southeast," last modified August 11, 2017, http://www.nato.int/cps/en/natohq/topics_136388.htm?selectedLocale=en.

11   Until the end of 2017, the battlegroup includes 300 French troops. After that, the French unit will be replaced by a Danish contingent.

12   Jonathan Marcus. "Nato Sends 'Alive and Strong' Message from Estonia," *BBC News*, July 10, 2017, http://www.bbc.com/news/world-europe-40554104.

Another key element of the Allied military presence and activities in NATO's easternmost members, including in Baltic states, is provided by the US military's Operation Atlantic Resolve. In the beginning of 2017, the arrival of the 3rd Armoured Brigade Combat Team – first of the planned rotations of US armoured brigade combat teams in Europe – signalled the return of the US Army's heavy combat capabilities to Europe. Furthermore, despite all of the controversies surrounding the Trump administration, the fact that the funds allocated to the European Reassurance Initiative in the 2018 US defence budget are planned to further increase to 4.7 billion USD[13] sends a strong message about US commitment to its allies.

NATO's enhanced forward presence and the US deployments to Eastern Europe are not ends in themselves, but are rather means to achieve more effective deterrence vis-à-vis Russia. Further work is clearly needed to firmly embed the forward presence into the overall Alliance defence and deterrent posture, which would include enablers, rapid-reaction capabilities, follow-on forces etc. Only in these circumstances can the trigger function of the EFP be made fully credible. As part of this long-term effort, it requires rebuilding military capabilities and formations within the NATO force structures in Europe, as well as addressing the problem of the low readiness levels prevalent among European forces, which are insufficient in the context of today's challenges. Here, low defence spending levels in many Allied countries continue to pose serious limitations.

While EFP provides a continuous Allied presence in the land domain, the air defence of the Baltic region and the aspects relating to Allied maritime presence in the Baltic Sea remain issues yet to be systematically addressed. In particular air defence – beyond the limited short-range systems in Baltic inventories – is a major capability gap and can only be credibly met by unified region-wide efforts. Estonia has so far renounced options to develop national medium-range air defence capabilities as financially beyond national possibilities, working instead on achieving deployment of

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13   Cheryl Pellerin. "2018 Budget Request for European Reassurance Initiative Grows to $4.7 Billion," *Defense News*, June 1, 2017, https://www.defense.gov/News/Article/Article/1199828/2018-budget-request-for-european-reassurance-initiative-grows-to-47-billion/.

air defence systems from other Allies on Baltic territory.[14]

The Transatlantic Alliance and European Defence

Effective deterrence requires these military developments to be supported by strong political leadership, unity of Allied nations and clarity and consistency in messaging. Here, the serious political turmoil and unpredictability affecting key Western nations – be they the developments around the Trump administration, the Brexit process and its effect on the European Union or Europe's vulnerability to populist political forces – pose particular challenges.

The election of Donald Trump as the 45th President of the United States of America has resulted in a highly unusual and controversial presidency, which has led to the questioning of the US role as the leader of the free world. While on issues relating to NATO – notwithstanding some of the original statements by Trump – transatlantic unity has been maintained, there has been significant friction between Europe and US in other areas, most notably relating to trade and climate policies. This can only benefit those like the Russian leadership, whose aim is to undermine and destroy Western unity and is a major concern for vulnerable allies, like Baltic states. With regards to NATO, Defense Secretary Mattis and the Department of Defense have continued policies aimed at strengthening deterrence in Europe, however, the longer-term US strategy relating both to NATO and Russia remains unclear. Administration officials, most prominently Vice President Mike Pence in his visit to Estonia in July, have delivered strong and reassuring messages to Baltic and other allies, but the Commander in Chief himself avoided committing to NATO's Article 5 guarantees for months, and his personal attitude towards Putin's Russia remains an enigma.

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14   Ott Ummelas. "Russia's NATO Neighbor in Talks Over Anti-Aircraft Weapons," *Bloomberg,* July 13, 2017,
 https://www.bloomberg.com/news/articles/2017-07-13/russia-s-nato-neighbor-in-talks-over-anti-aircraft-weapons.

Both Brexit and the election of Donald Trump have given new impetus to the European Union's Common Security and Defence Policy, which only very recently seemed to be largely heading towards oblivion. Instead, with issues like Permanent Structured Co-operation (PESCO) and the Commission's European Defence Action Plan now at the table, defence issues have for the first time become regular topics of discussion among EU leaders. There is a widespread realisation that Europe has to do more to ensure its security, but as yet it remains unclear how far nations are ready to go in building defence identity within the EU project. By holding the Presidency of the EU Council in the second half of 2017 Estonia has a unique opportunity to actively shape this ongoing processes. Unsurprisingly, it has chosen as its priority the promotion of more and better defence spending in order to reverse the trend of declining European military capabilities. This remains an uphill battle, as the NATO requirement for 2% of the GDP to be spent on defence is controversial in many nations. For evidence, look no further than Germany – a key country in that respect – and the debates during the election campaign for its September 2017 federal elections.

Concluding Remarks

In 2004, as the Baltic states managed to fulfil their aspirations of joining both NATO and EU, it may have initially seemed to many that a kind of "end of history" moment had been reached regarding their external security concerns. Geopolitical developments in the last years have proven the prudence of the NATO and EU accession decisions, however, the Baltic security issues remain at the European and transatlantic agenda nonetheless.

It is fair to say that the independence of Estonia is now better protected against military threats than ever before in its history. At the same time, as long as Russian ambitions remain revisionist, living next to its eastern neighbour means that security concerns can never be taken lightly. Moreover, as the global security environment remains volatile and its development unpredictable, regional security in the Baltic Sea area can be affected by far-away developments influencing NATO and EU allies. In this context, despite the fact that the development of the EU defence dimension has recently increased pace, there cannot be doubt that the role

of the United States, as well as those of the United Kingdom and Canada, will remain indispensable for European and regional security. Any danger, however implausible, of the US turning its back on NATO would result in a catastrophic worsening of the security environment. The strengthening of the NATO alliance both politically, militarily and financially will, therefore, have to remain a key goal.

In 2018, Estonia will mark the 100th anniversary of its statehood. A strong and healthy trans-Atlantic alliance, alongside a rejuvenated and well-functioning EU have to be at the very top of its birthday wish-list.

REINSTATING CONSCRIPTION IN LITHUANIA: BRINGING SOCIETY BACK INTO DEFENCE?

Tomas Jermalavičius

In 2015, with the security environment on NATO's eastern frontiers deteriorating as a result of Russia's aggression against Ukraine, Lithuania made a rather sudden and dramatic decision to resume the mandatory military draft and thus return to the two-tier (mixed conscript and contract military personnel) force format for the Lithuanian Armed Forces. Hailed as a sign of the state and society finally rising to meet the potential of Russia's military challenge, this decision went against a well-established post-Cold War trend in Europe and drew the attention of those studying the factors behind the defence policy decision to change the format of the armed forces. This article aims to explore the drivers – and also inhibitors – of Lithuania's decision, mainly from the perspective of defence policymaking and societal debate. It gives an overview of the overall trend in Europe and establishes how Lithuania's decision to suspend conscription in 2008 aligned with it. The article goes on to more closely examine the consequences and problems created by this change in Lithuania, followed by a closer look at how the country arrived at the decision to reinstate conscription and how society responded. It closes with an attempt to draw some more conceptual lessons from this interesting case, which still stands as one of very few contemporary examples – some others being Georgia and, more recently, Sweden – of bringing society back into a tight embrace with defence, and vice versa.

The Trend

The end of the Cold War brought a "peace dividend" to the West, which included, among many other aspects, the decline of conscription. During the Cold War, the military draft was ended in only two nations – the UK and USA. During the 1990s and 2000s, the trend clearly accelerated, with much of the EU and NATO adopting an all-volunteer force (AVF) format,

or a format that relies mostly on full-time professionals, with the addition of reservists, defence civilians and private sector contractors. By the mid-2010s, only stalwarts like Austria, Denmark, Estonia, Finland, Greece, Norway and Turkey continued to practice some form of conscription among NATO and EU members (as well as Israel and Switzerland outside NATO and the EU). Even there, with some exceptions, the duration of service, the ratio of the conscripted force in the total military personnel and other indicators were nowhere close to those of the Cold War era.

This collapse of conscription occurred as a result of a combination of factors.[1] First, of course, was the change in the geopolitical situation which removed the threat of a massive military conflict in the European continent. Such a conflict would have required large amounts of military manpower, and conscription was the only means to deliver it. Parallel to this, a new focus of NATO and the EU on peace support, crisis management and expeditionary "out-of-area" operations emerged. The prevailing military consensus was that within the short period of time allocated to their mandatory service, conscripts could not be properly trained in all the intricacies and subtleties of being a "constabulary military."[2] Similarly, the growing technological sophistication of the armed forces meant that it took considerable time to learn how to introduce, maintain and operate very complex and expensive weapon systems. Again, conscripted manpower came to be seen as not fully fit for purpose in this regard.

Political decision-makers also came to view conscription as a risk in such operations: the phenomenon of a "strategic corporal" meant that the politics of conflict management and the skills of individual soldiers to handle complex situations became closely intertwined.[3] Young and inexperienced conscripts could not be depended upon to produce the required political

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1   For a comprehensive discussion of such factors, see Tomas Jermalavičius' "Conscription Debate in Lithuania: How to Approach the Issue?" *Baltic Defence Review*, August 3, 2002, http://www.bdcol.ee/files/docs/bdreview/bdr-2002-8-03.pdf.

2   This concept was first used in Morris Janowitz' *The Professional Soldier: A Social and Political Portrait* (Glencoe: Free Press, 1960).

3   For more in-depth analysis of what is needed to train "strategic corporals," see Major Lynda Liddy's "The Strategic Corporal: Some Requirements in Training and Education," *Australian Army Journal* 2, no. 2 (2004), 139-148.

and military outcome – supposedly a job that only professionals could handle. Thus, the value of conscription as an instrument in delivering effective military force became rather questionable. The functionalist school of thought did not waver in handing down a verdict that in a new political, strategic, military and technological context, conscription had to go. And so, it withered away.

It is quite notable that the trend spread from the West eastwards, which can be understood from the perspective of the so-called "alliance socialization." As NATO became obsessed with "out-of-area" operations and many of its members chose the AVF format, the newer allies started accepting this as a standard, or at least as an indicator showing that they have adopted the same "strategic lenses" and thus become fully integrated. In many cases, this did not represent any deep strategic thought or analysis but was rather an expression of "strategic mimicry" in order to be better accepted and fit in with the rest. This particular trend which emerged throughout the 2000s is yet to be thoroughly researched and understood, but it seems to have played a significant role in the decision-making of many newer members of NATO.[4]

However, the functionalists could not explain why conscription survived in places such as Finland, Estonia, Austria, Denmark or, for that matter, Germany until 2011. This is mainly because they also overlooked the other set of factors which led to its decline across the rest of Europe – various societal trends and resulting attitudes. As a result of the end of the Cold War, several subsequent generations developed in relatively "threat-free" and "warless," or in Martin Shaw's term, "post-military" societies. These societies were characterized by declining nationalism, rising diversity and consumerism, the elevation of individual self-fulfilment, critical thinking and creativity as well as an aversion to what is often termed "military values" such as discipline, collectivism, uniformity, austerity and unquestioning obedience to a higher authority. Members of such societies found it increasingly hard to stomach the need to spend part of their productive lives in organisations – armed forces – the nature of which was

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4   Alexandra Gheciu. "Security Institutions as Agents of Socialization? NATO and the 'New Europe,'" *International Organization* 59, no. 4 (2005), 973–1012.

seen as too different, even alien to the rest of the society.[5]

Furthermore, legal coercion by the state to serve in the military encountered the serious problem of societal legitimacy in a relatively benign security environment. First, it is one thing for the state to demand sacrifice for homeland defence against a clear, present and overwhelming threat of conventional military aggression, it is quite another for it to insist on supplying military manpower to pursue ambiguous, complex and often contested interventionist political and security agendas in distant theatres of operations. Second, the ever-shrinking size of the armed forces meant that the required number of conscripts was also decreasing. Universal in theory, mandatory military draft became very selective in practice, raising questions about the equal treatment and fair distribution of the burden. The "post-military society" and an accompanying implosion of societal legitimacy of the coercive military draft became one of the key drivers that eroded conscription as an institution.

Conversely, and again with some exceptions, conscription standing out as a societal institution rather than just as a military instrument was the main reason why it endured even in some "warless" societies. In such countries, military service was a long-standing tradition which commanded a high degree of respect and proved its societal utility as a vehicle for the integration of different groups, nation-building, social mobility and society's involvement in military affairs to exercise democratic control. Even then, however, governments found it necessary to adapt conscription to the way society thinks about itself and its relationship to the state. In Norway, for instance, it became mandatory for female citizens. In Denmark, its duration was shortened to an absolute minimum so that it was not regarded as a waste of time, and a principle of lottery in selection was applied to avoid charges of bias in selectively drafting conscripts.

The appeal of conscription as an institution to the older generation did not prevent Sweden from abolishing it from 2010: both a steady erosion of the social compact underpinning it, or *värnplikt,* and a strong instrumental reasoning due to the focus on expeditionary operations provided enough

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5   Martin Shaw. *Post-Military Society: Militarism, Demilitarization and War at the End of the Twentieth Century* (Cambridge: Polity Press, 1991).

political ground to suspend it.[6] Yet, in countries such as Estonia or Finland, lingering concerns about the possible resurgence of Russia and a broad societal support to conscription as an institution sustained military draft. It is necessary to combine the functionalist and institutionalist pictures in order to see a full set of factors which lead to the decisions to abolish, sustain or reinstate the military draft. While one set of arguments – either functionalist or institutionalist – might be sufficiently pressing to move in one direction or another, without understanding and addressing the second set of arguments might put into question the sustainability of the chosen format of the armed forces in the long-term. This is a lesson that Lithuania has been, and is still, learning from in its transition back to two-tier (a mix of professionals and conscripts) force format.

The Problem

The debate on conscription's military utility and societal legitimacy began in Lithuania in the early 2000s or so. Some political parties – mostly centre-right liberals – advocated for the abolition of the military draft on ideological grounds. Their arguments focused on conscription as unacceptable coercion against free citizens of a free society. Military advice on the issue was rather muted, although some discussions in military-academic circles did take place. In 2003, for instance, the Lithuanian Military Academy hosted an international conference focusing on the issue.[7] In private, some military commanders were more candid: one battalion commander acknowledged to the author of this article that he preferred working with full-time professionals since they were far more motivated to do a good job. "Conscripts only care about showing up on time at the right place, but do not care about performing what they actually do," he complained. Some senior military officials also privately echoed this sentiment in the context of defence acquisition: one of those officials promised in a conversation with this author that after Lithuania took the first delivery of "Javelin" anti-tank systems in 2004, he would not

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6   Tomas Jermalavičius. "Sweden's Farwell to Conscription," *ICDS Blog*, June 26, 2009, https://www.icds.ee/blog/article/swedens-farewell-to-conscription/.

7   *Profesionalioji kariuomenė: Vakarų šalių patirtis ir perspektyvos Lietuvoje* (*Professional Armed Forces: Western Experience and Prospects in Lithuania*) (Vilnius: General Jonas Žemaitis Lithuanian Military Academy, 2001).

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let conscripts anywhere near these new expensive weapons. Both of these episodes reveal that officers at different levels had certain expectations regarding the professionalism – knowledge, skills, attitude, behaviours – of their troops but did not consider that conscription was delivering upon them well enough.

It is also important that Lithuania, in its drive to integrate into NATO, wholeheartedly embraced the Alliance's "out-of-area" posture, which also included targets for a pool of deployable and sustainable national forces, or the so-called Istanbul Capabilities Initiative and Prague Capability Commitment. Inevitably, the AVF format, which was a prevalent force format across the Alliance, became the unofficial standard to aspire to. This was reinforced by the comments of various senior NATO officials: for instance, the then Chairman of Military Committee Admiral Giampaolo Di Paola, during his visit to Vilnius in 2009, supported Lithuania's decision to suspend conscription on the grounds that it made the country better prepared to contribute to the Alliance's "power projection" to combat terrorism and other non-conventional threats globally.[8]

However, "strategic mimicry" aside, practical military and broader societal considerations flowing from the "out-of-area" posture also played a role. Lithuania – a veteran of peace support operations in the Balkans during the 1990s – also became an active contributor to the campaign in Afghanistan as well as to the US-led Second Gulf War and occupation of Iraq. Eventually, this produced a decision in 2005 to lead a Provincial Reconstruction Team (PRT) in Afghanistan, which increased the operational and personnel tempo and put high pressure on the armed forces to keep generating sufficient numbers of well-trained and equipped troops. Mandatory military draft, with its short service period, administrative burden and propensity to tie up precious human resources – both sergeants and non-commissioned officers – became a drag on the ability of the armed forces to focus on such operations. There was also lack of popular support for deploying conscripts to the dangerous theatres of

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8   "Aukšto rango NATO atstovas: 'Lietuvos gynyba Aljansui tokia pat svarbi kaip ir JAV'" ("High-ranking NATO Representative: 'Lithuania's Defence is as Important to the Alliance as of the USA'"), *lrytas.lt*, April 29, 2009, http://lietuvosdiena.lrytas.lt/-12410290331239757056-aukšto-rango-nato-atstovas-lietuvos-gynyba-aljansui-tokia-pat-svarbi-kaip-ir-jav.htm.

operations – especially Afghanistan, with the echoes of the terrible human cost suffered by many young Lithuanian men forced into the Soviet army and then deployed to that country as part of the Soviet invasion and occupation forces during the 1980s.

Thus, by the time of parliamentary elections in 2008, Lithuania appeared to be ripe for abandoning conscription, even though there had been no extensive political or societal debate or any publicly visible push from the military. It is hardly surprising then that the social-democrats, a centre-left party leading the governing coalition at the time, sought to capitalize on the underlying sentiment. Just before the parliamentary elections, Defence Minister Juozas Olekas issued a decree suspending conscription and thereby switching the Lithuanian Armed Forces to the AVF format.[9] Even the Russia-Georgia war of August 2008 did not make the political decision-makers pause and consider the strategic and military implications of what is often termed "a wake-up call" to Europe about Russia's grand strategic designs in its neighbourhood.

The decision did not deliver electoral victory to the social-democrats. Yet, in the subsequent parliamentary term of 2008-2012, the new coalition led by the conservatives did next to nothing to reverse it. Instead, various modest measures were introduced to mitigate some of the more immediate consequences overlooked by the social-democrats – namely that, with conscription suspended, the military lost its easiest way to access the labour market and recruit new soldiers to the ranks of full-time professionals. One of such measures created a 12-week long basic military training course – an entry course for the new voluntary recruits, which gave lip service to the duty of military service still inscribed in the constitution.[10] It provided a vehicle for the voluntary performance of duty and, upon completion, for joining the armed forces as a full-time private or as a reservist. In this regard, while having some very limited

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9   "Stabdomas šaukimas į privalomą pradinę karo tarnybą" ("Call-up to the Mandatory Military Service is Being Stopped"), *lrytas.lt*, September 15, 2008, http://lietuvosdiena.lrytas.lt/-12214791101220230314-stabdomas-šaukimas-j-privalomą-pradinę-karo-tarnybą-papildyta.htm.

10   "Baziniai kariniai mokymai keičia būtinuosius karinius mokymus" ("Basic Military Training Replaces Mandatory Military Training"), *Karys*, n.d., http://www.karys.lt/naujienos/8-baziniai-kariniai-mokymai-keicia-butinuosius-karinius-mokymus.html.

functional utility, this kind of "pseudo-conscription" represented a tacit acknowledgement by the conservative-led coalition government that the societal and political conditions for reinstating universal obligatory military service simply did not exist.

Such measures, however, proved too little and too late to sustain the required troop levels in the armed forces. They could not overcome the woeful lack of preparation for a switch to a new format and the dearth of financial resources in the midst of the "global recession," when the defence budget was below 1% of GDP. The resources and capabilities necessary for the promotion of the military profession and recruitment, training and retention of qualified personnel were not available, and therefore the suspension of conscription laid the ground for a massive problem a few years down the road. The Lithuanian Armed Forces, starved of finances and denied their privileged access to the labour market through conscription as a recruitment tool, began encountering severe shortages of personnel at the lower ranks – especially privates, but also sergeants and NCOs. By the end of 2014, even the most capable land force units were only 70% manned and those of lesser priority had dropped to around 25%.[11]

It would not have mattered in the short or even medium-term if Lithuania's security environment remained benign, but this had not been the case since Russia-Georgia war and, particularly, since the beginning of Russia's aggression against Ukraine. The poor state of the Lithuanian Armed Forces was increasingly out of tune with the country's effort to mobilise its NATO Allies to confront the security challenge posed by Moscow, an issue that clearly required some political intervention to rectify the situation domestically.

The Decision

In Lithuania, which is a parliamentary republic, the ultimate authority to settle key issues of defence, such as authorising staffing levels and approving the defence budget, rests with the parliament, *Seimas.* However, the executive branch – the government and the president – wields significant power in shaping Lithuania's defence policy. After all, it is

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11   Interviews by Tomas Jermalavičius, Vilnius, Lithuania, May-August 2016.

the president who, together with the government, implements the nation's foreign and security policy. The president is the commander-in-chief who, upon submission of the defence minister, appoints and dismisses Commander of the Armed Forces (chief of defence) and also convenes and chairs the State Defence Council, a constitutional body comprised of the speaker of *Seimas,* prime minister, defence minister and chief of defence. The role of the council is to deliberate and coordinate national defence issues, effectively making it a key format where consensus between the legislative and executive branches can be built and sustained.

The above is the legal framework flowing from the constitution and laws governing national defence, while in practice much depends on the alignment of personalities and circumstances in a particular period of time. More often than not, the defence minister is a principal agent of change, who sometimes can ride roughshod over the due strategic analysis, consensus-building or even lengthy parliamentary deliberation if he or she desires to enact smaller or bigger changes in the defence organisation. This was amply demonstrated by the decision to abolish conscription in 2008, which did not encounter much opposition from either the parliament or the president, nor was it subject to any extensive public or parliamentary debate. The ministerial political will, supported by senior military advice at the time, prevailed. Coincidentally, the very same defence minister, Juozas Olekas, after a stint on the opposition benches, was in charge again in 2014, when the security situation was calling for serious homework to reinforce national defence. This time, however, the inter-institutional and political dynamics were aligned against his desire to continue the all-volunteer format of the armed forces.

The genesis of the decision to revert back to conscription is simple: in early 2015, President Dalia Grybauskaitė summoned the Commander of the Armed Forces, Lieutenant General Jonas Vytautas Žukas, to discuss the situation within and the needs of the military. The most senior military official of the nation gave a frank and honest picture about the consequences of financial austerity – earlier supported by President Grybauskaitė herself who claimed that the defence funding at that time was perfectly sufficient in 2008-2009 – and subsequent manning issues, which prompted the president's enquiry into what could be done to resolve

those issues. According to the officials interviewed by this author, the chief of defence mentioned the resumption of conscription in order to replenish the depleted manpower reserves and the ranks of active duty personnel, among various possible solutions. Never to miss a good opportunity to seize political initiative and appear decisive, President Grybauskaitė immediately announced the intent to reinstate conscription, which caught everyone – including the defence minister and the chief of defence himself – off guard.

Shortly after the initial announcement, the president convened the State Defence Council which, in a meeting that lasted less than an hour, approved the initiative to go ahead with a temporary reinstatement of compulsory military draft to last five or six years.[12] The defence minister appeared totally isolated and, according to interviewed officials, even offered to tender his resignation in case he wished to oppose this initiative (he had not, although he remained sceptical, even in public). In the matter of a few months, a raft of legislative measures to modify the laws governing mandatory military service was passed through the *Seimas*. In a pivotal vote – in which 112 out of the 141 members of the *Seimas* cast their votes in favour, 3 against and 5 abstained – the parliament established that all male citizens in the age cohort of 19-26 years were, once again, obliged to do mandatory military service lasting 9 months.[13] During the preceding debate, only some members of the *Seimas* voiced their reservations that conscription did not really suit the needs of modern armed forces and that it could be too disruptive to society.

The option that quickly became the solution evidently derived from functionalist thinking about the change of armed forces format: the nature of the threat and the needs of the armed forces became its primary drivers. In addition, two important contextual factors specific to

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12   "VGT sprendimas: atėjo laikas grąžinti privalomąją karo tarnybą" ("The SDC Decision: The Time Has Come to Return Mandatory Military Service"), *Delfi.lt*, February 24, 2015, http://www.delfi.lt/news/daily/lithuania/vgt-sprendimas-atejo-laikas-grazinti-privalomaja-karo-tarnyba.d?id=67259680.

13   "Sprendimas priimtas – šauktiniai grįžta" ("The Decision Has Been Passed – Conscripts Return"), *Delfi.lt*, March 19, 2015, http://www.delfi.lt/news/daily/lithuania/sprendimas-priimtas-sauktiniai-grizta-i-kariuomene.d?id=67473984.

the time of the decision played a significant role in determining its scope and speed. One was the importance of sending a strong signal to the NATO Allies that Lithuania took its own defence seriously. A monumental decision like reinstating conscription, combined with the dramatic hike in defence spending in the wake of Russia's aggression against Ukraine, served to convey the sense of a nation mobilizing itself to confront an existential threat and thus not only a security consumer within NATO. Another factor was Russia's potential ability to interfere in getting the decision to its final form and to the implementation stage. Russia's hostile propaganda and political influence-peddling campaign to discredit and possibly halt the change was almost inevitable. The speedy process to enact the decision – even at the expense of a deeper analysis, preparation and strategic communication – was essential in preventing the effects of such a campaign on public opinion and the emergent political consensus. The significance of public opinion and the readiness of society to accept the change in the armed forces' format thus, once again, reasserted the importance of the societal imperatives in implementing those changes. Conscription had to be returned as an institution, not merely as a functional instrument.

The Reaction

It is understandable that the sudden public announcement of the intent to resume conscription had all the ingredients of a shock to the public. The defence ministry itself was left scrambling to explain the modalities and implications, with little more for reference than just a set of dated laws which have not been applied for six years. To a certain degree, the decision captured the mood of resurgent patriotism and voluntarism in the country, as the paramilitary Riflemen Union and National Defence Volunteer Forces (part of the Lithuanian Armed Forces) witnessed a significant upsurge of membership in the wake of Crimea's annexation. On the other hand, the "public square" of debate became steadily filled with voices raising serious objections to the decision.

Naturally, the arguments put forward in public debate against switching back to conscription represented the "post-military" segments of the society rather than those deeply affected by Russia's military threat. The

arguments could be clustered into the following:

- The move represented an illegitimate act of state coercion in relation to the citizens who already fulfilled their duty by paying taxes. (There was also a corollary argument specific to Lithuania: that the state was not giving back enough for those taxes anyway, so it could not demand more from its citizens either).

- Conscription would severely impair economic opportunities for those drafted into the military, as this would delay career and/ or educational advancement or deprive them of work-related income.

- Conscription forces young people into a culturally alien military environment which is harmful to their self-fulfilment (one of the most vivid examples capturing this mood was a photographic art project portraying young men crying about being drafted into the military[14]).

- Conscription would reinforce societal inequality as it would only target those who could not evade it or who did not hold some privileged positions in the society.

- Conscription was futile when faced with a far more numerically superior adversary, so conscripts would become just a "cannon fodder" in the event of war. Thus, society should focus on and practice civil disobedience and other non-military means of resistance rather than militarize itself.

Needless to say, many such arguments about "post-military society" drew ire, ridicule and condemnation from more patriotically-minded and threat-conscious circles of the society. From this side of the debate – let us call it the "military society" – reinstatement of conscription was a long-overdue undoing of an unwise choice which left national defence

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14   Rūta Pukenė. "Nufotografavo verkiančius vyrus: papiktino šauktinių grąžinimas"
("Took Photos of Crying Men: Outraged by the Return of Conscription"), *Delfi.lt*, June 2, 2015,
http://www.delfi.lt/news/daily/lithuania/nufotografavo-verkiancius-vyrus-papiktino-sauktiniu-
grazinimas.d?id=68131150.

weakened and exposed to the threat of Russia's military power. However, while they often correctly countered some of the misconceptions about impact or functional utility of conscription, the discussion sometimes swerved towards accusations that opponents of conscription were, wilfully or not, acting as Russia's influence agents. In this narrative, abolishing the all-volunteer force format was the only right course of action, and anyone opposing it – including the defence minister of the time – were consigned in the social media space to the category of "saboteurs."

In terms of building societal acceptance of the legitimacy of reintroducing conscription, there has been a string of errors that led to further confusion over and criticism of the decision from various parts of the public. At one point in the parliamentary debate, while addressing concerns about the risk to conscripts' economic opportunities, some members of the *Seimas* mused that conscription could target the youth from poor and unemployed backgrounds, or at least those who have not yet settled in their lives by starting their careers or studies. While this could have been intended to convey the message that conscription would not delay career advancement and could indeed promote social mobility or act as a gateway to the labour market, such argument did not go down well with those seeing the risk of selective military draft as just reinforcing the socio-economic divide between the "haves" (who could evade it) and "have-nots."

The male-centric model of the reinstated military draft, whereby it is only mandatory for male citizens of a certain age while remaining voluntary to female citizens, also drew criticism. The notion that only men are suited to be soldiers had been declining steadily, especially in the late 20th and early 21st centuries. The model of mandatory draft confined to male citizens also stemmed from the obsolete and long-ago discarded view that only men were entitled to full political participation, i.e. citizenship rights and duties such as voting (hence "one man, one vote, one gun"). With the rise of the full-fledged political, economic and societal participation of women, the view of military professions and conscription as male domains, where only occasionally some women were welcome, became unacceptable from the societal legitimacy point of view.

Some countries, such as Estonia and Finland, remain wedded to the conservative model of mandatory military draft only for male citizens. However, Israel, Norway, Sweden (which is in the process of reinstating draft) and Czech Republic (which retains the right to resume mandatory military service) see women as equally liable for military service. In Lithuania, where the current commander-in-chief and the initiator of the resumption of conscription is a woman, and where the constitution is gender-blind when it comes to the citizens' rights and duties (including to defend the country), the refusal to include all female citizens of the applicable age-cohort in the mandatory call-up lists seems to go against the constitutional framework and principles of gender equality. This line of argument has been picked up by some feminist groups, not to object to the re-introduction of conscription per se, but rather the limited inclusion of women in it as an institution. They insisted on it being made a mandatory duty, not just a right to be exercised voluntarily, an argument that did not find broader political support or military's endorsement, however.[15]

Another issue of societal perception emerged from the proposals that the mandatory military draft is to be reinstated for a limited period of time (5 years). This could be interpreted in many ways – for instance, as a measure to ease the burden of society's acceptance and secure political consensus. However, one of the effects was to prompt speculation that this would accelerate the already catastrophic rates of emigration, particularly of the age group liable to do military service. The underlying assumption was that living outside the country would somehow shield citizens from their legal obligation or prevent the government from handing in the call-up notices, and one needed to only evade the draft only for the next few years. It did not help that the then prime minister Algirdas Butkevičius argued that the reinstatement of military draft – temporary or not – was already driving up the emigration rates.[16] Eventually, the government realized that the 5-year limit established by parliament when reinstating

15   Rūta Pukenė. "Dėl šauktinių kariuomenės sukilo moterys: imkit mus" ("Women Revolt for the Conscript Armed Forces: Take Us In"), *Delfi.lt*, February 25, 2015, http://www.delfi.lt/news/daily/lithuania/del-sauktiniu-kariuomenes-sukilo-moterys-imkit-mus.d?id=67270554.

16   "A. Butkevičius aptiko ryšį tarp emigracijos ir šauktinių" ("A. Butkevičius Detected Connection between Emigration and Conscription"), *Delfi.lt*, January 12, 2016, http://www.delfi.lt/news/daily/lithuania/a-butkevicius-aptiko-rysi-tarp-emigracijos-ir-sauktiniu.d?id=70085542.

conscription was unreasonable on very practical grounds: given how much effort and resources had to be put into preparing for the resumption of conscription (e.g. creating system to administer conscription, restoring medical examination commissions, adapting infrastructure, etc.), it was difficult to justify such time constraints. Through later legislative changes, this time limit was abolished, re-establishing conscription indefinitely.

More fundamentally, however, the decision has to be placed in the context of society's chronic disengagement on defence issues: for years preceding it, there was a lack of profound and continuous public debate as to what sort of defence is necessary for the nation and, consequently, what role society should play in delivering it. At the time of the decision, neither a new iteration of the military strategy, last updated in 2012, nor a new military doctrine were ready and thus could not be used as tools to engage the public in such a debate, while military defence plans which could cast more light on the utility of conscription in a bigger picture of things were classified. Given that the Lithuanian Armed Forces have long been one of the most trusted institutions in Lithuania, this conceptual void in their ability to thoroughly explain the strategic rationale behind the military draft and showing how it fits with all other elements of national defence was not as damaging as it could have been. However, this is not free of risk in a society where there is pervasive scepticism and distrust of the political and administrative elites and which continuously questions their decisions.

The change in the format of the armed forces presented the opportunity to engage society in a deeper, more meaningful and enriching debate about national defence and the need for whole- society approach to it. In the short-term, the chief of defence — whose frequent media appearances and high social media visibility during the transition period went some way to reassure society — could only make a limited impact on the aforementioned societal context. Nevertheless, the decision to reinstate conscription triggered the most significant period of societal reflection by far about the need for, and the value of national defence in general, as well as the role of members of society in it. From high profile celebrities volunteering to do military service — or, conversely, criticizing it — and media outlets stepping up their efforts to provide more in-depth coverage, even to art projects, Lithuania's defence has been more in the public eye than ever before.

Broad societal acceptance was facilitated by a raft of measures to make the conscription process more transparent and increase the attractiveness of mandatory military service:

- The selection of draftees was based on a computerized lottery principle, thus assuaging concerns about any potential bias and/or corruption in the conscription administration system.

- Conditions that could qualify for exemption from or deferment of military service have been reviewed and updated, including those related to the parenting of young children, guardianship or care of dependents (e.g. family members with disabilities), etc.

- A 10-month long alternative civilian service option remained in place to those who could not perform military service due to religious or pacifist considerations, just as under the legal framework of conscription prior to 2008.

- Legal provisions were added providing, with certain conditions, those who performed military service extra points during the competitive tests to enter the civil service or for state-funded student slots at the universities.

- A financial compensation and motivation package was put together for conscripts, which included performance-linked pay-outs upon the completion of their service that also depended on whether a conscript volunteered for the service or was drafted through lottery.[17]

- Issues related to providing good conditions for those serving – down to such mundane but important aspects as establishing vegan options in food catering – were addressed.

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17   As a result, at the higher end, best performing conscripts who volunteered to do the military service could leave it with a one-off payout of close to 1,800 euros, and, at the other end of the range, those with just satisfactory performance and drafted in through lottery would end up receiving close to 700 euros; all this does not include a monthly allowance of 140 euros to every conscript throughout the duration of service. See "Informacija apie šaukimą į privalomąją karo tarnybą" ("Information on Drafting to the Mandatory Military Service"), Karys.lt, http://www.karys.lt/saukimai-duk.html.

- The state made financial subsidies available to employers who employ conscripts within 3 months after their completion of military service, or who retain job positions for their employees drafted into the military service until their return to the civilian life.

The effect of such measures, combined with an overall upsurge of patriotic sentiment and increased public relations efforts by the defence organisation, as well as the visibility and positive experience of the first intake of conscripts, meant that there was no need for the state to resort to coercive enforcement of the mandatory military draft. The annual quota of 3,000–3,500 conscripts was fulfilled by those who volunteered to do military service, with about 20% of those completing mandatory service expressing the wish to become full time-professionals.[18] This continues to be the case today (despite some incidents leading to negative publicity), thus defusing the potential for backlash on the basis of arguments that conscription is socially unfair, economically damaging or even illegitimately coercive. Indeed, the current policy succeeds at combining the functional benefits to the military with societal legitimacy and involvement in national defence in a "win-win" situation that was not seen in Lithuania before abolishing conscription in 2008.

Lessons Learned

Lithuania's experience in resuming a mandatory military draft showed that securing societal "buy-in" and participation in the defence model requires a significant adaptation of conscription as an institution to contemporary societal realities. This adaptation makes many of its aspects rather indistinguishable from the all-volunteer force format in terms of principles, policies and daily pressures. The defence organization has to address a variety of societal concerns and aspire to align its practices with societal trends in order to maintain legitimacy. It has to reach out, through strong public relations, to explain military service and advertise its benefits. It also has to do its utmost to ensure that military service is a positive and rewarding experience if it is to attract and retain suitable and motivated manpower. Conscription or not, Lithuania's defence

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18   Interviews by Tomas Jermalavičius, Vilnius, Lithuania, May–August 2016.

organization quite simply had to become better at managing people and managing societal expectations, and the switch back to conscription provided an opportunity for growth in this regard – an opportunity which, to a certain degree, is being seized and exploited. Compared to Finland or Estonia, where conscripts comprise over a half of the manpower of the standing force, the conscript ratio of the total force structure is and will remain relatively small in Lithuania: even after increasing the numbers to around 4,000-5,000 in 2017-2022, conscripts will constitute just around one quarter of the entire defence manpower in what could be considered "conscription-lite," similar to Denmark's system.[19] What the country learns by promoting and motivating voluntary conscription will be as useful in motivating and retaining the rest of the workforce – professionals, active reserve members, defence civilians – and vice versa.

Equally important is that a country needs a coherent and effective strategy that is well-understood and accepted by society and that explains the need for conscription in broader conceptual terms, not just with the narrow focus on force structure manning requirements. A broad, deep and meaningful defence debate elaborating upon the fundamental strategic and political aspects of the relationship between the state, society and the military is a staple of a mature democracy. Yet the quality of Lithuania's defence debate – despite its greater intensity in the wake of the conscription decision – leaves much to be desired: neither the political elites nor the rest of society understand defence well enough to be able to read the fine print of defence reforms and judge how those reforms align with societal and strategic imperatives in the present and future. When even serving and former defence ministers make statements in public discussions about the modalities of conscription that contradict, or do not accurately reflect, the provisions of the constitution related to defence, one cannot have high expectations about the general public's degree of knowledge.[20]

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19   "Pristatyta 2017 m. principinės kariuomenės struktūra" ("Planned Force Structure of 2017 Presented"), *Lietuvos Respublikos Seimas*, May 31, 2016, http://www.lrs.lt/sip/portal.show?p_r=119&p_k=1&p_t=164381.

20   During the parliamentary debate, defence minister Juozas Olekas suggested that those doing mandatory military service could still be members of local councils – something which is explicitly prohibited by Article 141 of the Constitution; during a radio talk-show, a former

Conscription as an institution is impaired without a solid understanding of its added value as a functional instrument, just as its functional effectiveness can be undermined by weak institutional foundations. Hostile information campaigns conducted by an adversarial power – in this case Russia – can target both aspects, but these campaigns cannot succeed if there is a clear understanding of a threat, a political and societal consensus regarding a strategy on how to deal with it and an increase in society's support for that strategy. Lithuania's success in reinstating conscription and "immunizing" it from Russia's efforts to undermine its legitimacy show that many of the strategic, societal, political and organisational ingredients necessary for this success were broadly aligned and available in sufficient amounts to make it work. But it was a narrow call, as the success of this decision and its implementation were not guaranteed from the start. Indeed, it could have been stymied by bureaucratic inertia, narrow political interests or a stronger backlash from society.

Herein lies another important lesson of Lithuania's transition back to conscription – leadership truly matters. The need for political leadership in triggering change, building consensus and removing obstacles, as well as military leadership in preparing the defence organization, explaining military service to the public and handling the inevitable incidents is obvious. Less obvious but just as important has been leadership demonstrated by members of the society from different walks of life – media, academia, the entertainment industry, the business community, the civil service, cultural entities – often leading by example and enlisting voluntarily as conscripts or defence volunteers. This helped to alleviate all those (often misguided) concerns about the possible socio-economic bias in selection, poor service conditions or treatment of conscripts, or the negative impact of the military draft on future economic prospects of the conscripts. When society is not prepared to fully trust and follow the political and administrative elite, the exercise of such broad "grassroots" societal leadership becomes essential.

Going back to the more general explanation of conscription's decline or

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defence minister Rasa Juknevičienė insisted that conscription as an obligation only for men was written into the Constitution, which is not the case per gender-neutral Article 139.

return, there are several other important takeaways from Lithuania's case. First, the case it lends weight to the thesis that a perceived existential military threat to the homeland seems to necessitate and sustain conscription, even regardless of the state's membership in a collective defence alliance and assured access to far greater generic power resources than a small state can generate itself. Second, many of the arguments about the decline of conscription's functional utility in a technologically and operationally sophisticated environment can be turned around: it can be shown that the military's ability to reach a broader skill-base in a small country's society is functionally beneficial, but this requires careful work by the defence organization to ensure that the military draft entices and properly uses all those who have the motivation, relevant technical skills and abilities to manage such complexity. Third, it is important to demonstrate that the benefits of conscription flow back to society, not only in the form of greater security but also through improvements to the human and social capital of the nation. This capital is formed by imparting new skills and abilities of members of society that are later highly valued in the nation's economic and public life; by improving socio-economic mobility; by enhancing cohesion, mutual support networks and the collective problem-solving skills of society, and by providing a fresh impetus to "grassroots" leadership development. These are all pillars of national resilience which small nations need in order to prosper in a turbulent and uncertain environment, and both the functionalist and societal schools of thought about conscription omit this paramount aspect from their debate.

Last, but not least, it is obvious from Lithuania's case that a post-modern, or "post-military" society, and a "military society" can exist simultaneously and side-by-side in the same country. The success of reinstating conscription therefore rests, to a significant degree, on those two societies having a dialogue and seeking compromises rather than engaging in a polarising and divisive conflict. There have been signs of such polarisation in Lithuania, especially at the beginning of the transition back to conscription, with each side labelling and trying to stifle the other. In the end, unity prevailed, but the country's leadership must tread carefully, so as not to allow the darker and uglier sides of both societies – on the one hand, ignorance to threats, egocentrism, chronic distrust of institutions and the lack of a sense of individual duty and responsibility

for the polity, and on the other hand morbid nationalism, militarism and "McCarthysim" – come to dominate the relationship between the state, society and defence in the future. There is currently a budding discussion about expanding conscription to all citizens who reach the age of 19 in Lithuania rather than enlisting just a small portion of the entire age cohort, meaning that the temptation to appeal to and invoke those dark sides will be strong, but the country cannot afford to become polarized on the vital matters of national security and defence.

Will Lithuania's case inspire others in the region to follow suit? As Pauli Järvenpää noted, conscription seems to be back in vogue in the wider Nordic-Baltic region.[21] With Sweden in the process of reintroducing conscription, there is only Latvia, Poland and Germany in the Baltic area of NATO and the EU who remain convinced that conscription is unnecessary. Germany and Poland are populous and rich enough to be able to attract sufficient numbers of professionals to man their force structures (which are even growing in the case of Poland). However, it remains to be seen whether Latvia's defence recruitment and personnel management system, the current surge of voluntarism, overall demographic trends and dynamics of the labour market will continue providing enough manpower to satisfy the current and, especially, future military requirements that might emerge if security environment continues deteriorating. Should Latvia deem it necessary to reinstate mandatory military draft at some point, Lithuania's experience supplies many valuable lessons and insights. However, baring a major military conflict on the continent, Latvia would probably be one of the last countries to switch back to a two-tier force format and resume conscription, faced with the overall preference across the West for an all-volunteer force format.

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21   Pauli Järvenpää. *Preparing for the Worst: Conscription and Reserve Forces in the Nordics* (Tallinn: International Centre for Defence and Security, 2016), https://www.icds.ee/fileadmin/media/icds.ee/failid/ICDS_Analysis_-_Preparing_for_the_Worst_-_Pauli_Jarvenpaa.pdf.

POLISH DEFENCE POLICY AND THE SECURITY OF THE BALTIC SEA REGION

Justyna Gotkowska

Warsaw perceives the aggressive policy of the Russian Federation as the main threat to Poland's security. Poland, along with other Baltic Sea countries, faces growing uncertainty as Moscow strives to enforce the idea of spheres of influence in Europe, with the Baltic Sea region as a grey zone between Russia and Western Europe. The worsening regional security environment has motivated Warsaw to develop multidimensional security and defence policy concentrated on strengthening national defence capabilities, collective defence within NATO, strong bilateral ties with the USA and expanding regional military cooperation.

Assessing Polish Threat Perception

Since Poland's democratic transition in 1989 and regaining of full sovereignty, the neighbourhood of the Soviet Union (and after 1991 Russia) has become a persistent factor influencing Polish threat perception. The Polish effort towards NATO membership[1] was driven by the need to have security guarantees against the former hegemon, which subdued Poland and made it politically, economically and militarily dependent after World War II. Poland's accession to NATO in 1999 took place in a time of political, economic and military weakness of the Russian state, which made it possible for the Polish Armed Forces to take part in NATO's transformation towards out-of-area operations. In the following years, Warsaw concentrated more on deploying forces to Iraq and Afghanistan than on territorial defence. The 2008 Russian-Georgian war was a wake-up call. The Zapad and Ladoga 2009 exercises held in Russian Western military district and in Belarus, were the largest military drills since the end of the Cold War and demonstrated Russia's military might to its Western

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1   "Poland's Path to NATO," *Ministry of Foreign Affairs Republic of Poland, n.d.*, http://www.msz.gov.pl/en/foreign_policy/nato_2016/poland_in_nato/poland_s_path_to_nato/.

neighbourhood.[2] These developments brought about a change in Polish threat perception which resulted in the "Komorowski doctrine" in 2013.[3] The then President Bronisław Komorowski, together with the Civic Platform government, made the defence of national territory to their priority. As a result, Polish participation in foreign military missions and operations was significantly reduced with the Ministry of Defence concentrating on strengthening national defence capabilities. The annexation of Crimea and the Russian military intervention in Donbas in 2014 confirmed to Warsaw that Russia, with its current politico-economic system, presents a threat of a long-term nature to its neighbours and to the West. Since the 2015 parliamentary elections, the Law and Justice government perceives aggressive Russian foreign and security policy similarly to its predecessor as one of the main threats and challenges that Poland faces now and will face in the perspective of 10 to 15 years.[4]

Poland views the neighbouring Russian Federation as an increasingly aggressive actor that is willing and able to use military force in international relations. Russia aims to enhance its position in the regional and global arena. First, it wants to restore its domination in the post-Soviet space and wants to subdue the post-Soviet republics (Baltic states excluded) by incorporating them into Russian-controlled integration projects like the Eurasian Economic Union or the Collective Security Treaty Organization. Second, the Kremlin wants to change the post-Cold War security architecture. President Putin has several times referred to the post-war Yalta system as to the best European order that can guarantee stability and peace in turbulent times.[5] Russia wants to become a hegemon over

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2   The exercises were based on offensive scenarios, also against Poland.

3   "Dokrtyna Komorowskiego" – czyli priorytet dla obrony własnego terytorium," *The National Security Bureau,* April 15, 2013, https://www.bbn.gov.pl/pl/wydarzenia/4549,Doktry-na-Komorowskiego-czyli-priorytet-dla-obrony-wlasnego-terytorium.html.

4   Antoni Macierewicz. "The Defence Concept of the Republic of Poland," *Ministry of National Defence Republic of Poland,* May 2017, http://en.mon.gov.pl/defence-concept/. Main threats and challenges listed in the document include, moreover, the unstable neighborhood on NATO's eastern and southern flanks, terrorism, evolution of the Western integration structures, economic and social environment, technological progress and the future battlespace.

5   "70th Session of the UN General Assembly," *President of Russia,* September 28, 2015, http://en.kremlin.ru/events/president/news/50385.

a Eurasian bloc of countries in a future multi-polar world. The ultimate goal is to create a new international order based on the "concert of great powers." This vision would contradict the principles of the current security order as it questions the sovereignty of smaller states by treating them not as the subjects of politics but as objects in the geopolitical struggle of regional or global powers.[6] In order to achieve its goals, the Kremlin wants to weaken the West. It aims to limit the presence and influence of the USA in Europe, undermine NATO and disintegrate the European Union.

To achieve its geopolitical goals Moscow uses both non-military and military tools. The Kremlin's main non-military instruments are corruption, espionage, subversion, propaganda and disinformation campaigns aimed at deepening political divisions in the EU/NATO countries and at driving a wedge within the EU and in the transatlantic relations. For Moscow, the use of force and coercion is equally important and the Kremlin is able and ready to deploy military force in order to seek a new balance of power.[7] Russia's military build-up continues and expenditure for the armed forces and other power structures ranks first in the federal budget with 15.5% of total government spending and constitutes 5.3% of Russia's GDP in 2016.[8] The militarisation of the Russian state has been introduced not only in the military domain but also economically (the Russian arms industry is the engine for economic development), socially (imperial resentment and the narrative of Western encirclement propagated in society) and politically (the management of the state).[9]

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6   Ulrich Speck. "Russia's Challenge to the International Order," *Carnegie Europe*, August 13, 2015, http://carnegieeurope.eu/2015/08/13/russia-s-challenge-to-international-order-pub-61059.

7   Sławomir Dębski. "What Would Kennan Say about Putin's Russia?" *Intersection,* November 15, 2015, http://intersectionproject.eu/article/russia-world/what-would-kennan-say-about-putins-russia.

8   "SIPRI Military Expenditure Database," *Stockholm International Peace Research Institute*, n.d., https://www.sipri.org/databases/milex.

9   Maria Domańska. "Russia's Crisis Budget for 2016," *Centre for Eastern Studies*, December 9, 2015, https://www.osw.waw.pl/en/publikacje/analyses/2015-12-09/russias-crisis-budget-2016; Andrzej Wilk. "Is Russia Making Preparations for a Great War?" *Centre for Eastern Studies*, September 24, 2014, https://www.osw.waw.pl/en/publikacje/analyses/2014-09-24/russia-making-preparations-a-great-war.

Poland, along with other Baltic Sea countries, faces growing uncertainty as Moscow strives to enforce the idea of spheres of influence in Europe, with the Baltic Sea region as a grey zone between Russia and Western Europe, prone to Russian interests. This uncertainty is also based on the politico-military geography of the Baltic Sea region (with non-allied Sweden and Finland) and on the regional asymmetry of military capabilities between Russia and NATO's eastern flank members. Russia has been developing conventional and nuclear capabilities along with abilities for the rapid deployment of troops in its Western military district for several years. Moreover, the recent deployment of new types of Russian air and missile defence, coastal defence and ballistic missile systems in the Kaliningrad Oblast has significantly expanded Russian offensive capabilities, creating a so-called anti-access/area denial (A2/AD) bubble in the Baltic Sea region.[10] Russia gained the significant potential to paralyse NATO's military activity such as the collective defence operation in the Baltic Sea region and in Central Europe.

Moreover, in recent years new patterns of Russia's provocative and aggressive behaviour have been observed in the Baltic Sea region. Since 2008, Russian military activity in the Baltic Sea region has been on the rise, with a significant surge after the annexation of Crimea.[11] Russia's more confrontational actions have included violations of national airspace and territorial waters, the intimidation of planes and vessels in international airspace and waters, an increasing number of military exercises based on

10   In the years 2012-2013, S-400 air and missile defence systems with a range of 230-400 km were deployed in Kaliningrad Oblast. November 2016 saw the deployment of Bastion coastal defence missile systems there. Onyx missiles used in the Bastion system have a range of 350 km against sea targets and 450 km against ground targets. In October 2016, the deployment of Iskander-M ballistic missile systems with a range of at least 500 km against ground targets had been commenced. Maria Domańska, Marek Menkiszak, Iwona Wiśniewska, Jan Strzelecki, Andrzej Wilk, and Piotr Żochowski. "Kaliningrad Oblast 2016. The society, Economy and Army," Centre for Eastern Studies, December 23, 2016, https://www.osw.waw.pl/en/publikacje/raport-osw/2016-12-23/kaliningrad-oblast-2016-society-economy-and-army.

11   Russian military aircraft in the Baltic Sea region were intercepted by NATO aircraft 110 times in 2016, 160 times in 2015 and 140 times in 2014. Before Russia's annexation of Crimea NATO jets intercepted Russian aircraft 43 times in 2013. Damien Sharkov. "NATO: Russian Aircraft Intercepted 110 Times Above Baltic in 2016," Newsweek, January 4, 2017, http://europe.newsweek.com/nato-intercepted-110-russian-aircraft-around-baltic-2016-538444.

aggressive scenarios, including a nuclear attack on Warsaw (Zapad 2009) as well as mock bombing raids against Sweden (2013) and Denmark (2014) conducted as a part of the Russian Air Force's military exercises.[12] Through these military shows of force, Russia demonstrates political will and military capabilities in the region. Russia's overarching goal with regard to the West is to intimidate both elites and societies in order to convince them that it is better to compromise with Russia than to risk a state of permanent instability or even an open military conflict. Russian military exercises like the large-scale Zapad 2017 drills from September this year are instrumental in this context. They are used to influence the Western public and to convince it about Russia's 'legitimate' concerns about the increased US and NATO military presence in the Baltic Sea region.

In the worst-case scenario, Russia might be willing to test or even confront the West militarily — by questioning and infringing on the sovereignty or territorial integrity of the states in the Baltic Sea region. Such a move would be based on the Kremlin's assumption that the USA and West European countries would be extremely hesitant to respond militarily and would prefer to shy away from conflict and strike a deal with Russia. If Russia perceives that there is a good chance to achieve its strategic goals by use of military force, it will attempt to do that.

Poland's Security and Defence Policy

The worsening regional security environment has motivated Poland to develop a multidimensional security and defence policy concentrated on strengthening national defence capabilities, collective defence within NATO, strong bilateral ties with the USA and expanding regional military cooperation. Generally, there is a broad consensus across Polish political parties on security and defence policy. However, some aspects of this consensus are being debated.

Poland has maintained a relatively high level of defence spending (1.8%–2%

12   Justyna Gotkowska. "Sweden's Reaction to a Simulated Russian Attack," *Centre of Eastern Studies*, April 24, 2013, https://www.osw.waw.pl/en/publikacje/analizy/2013-04-24/swedens-reaction-to-a-simulated-russian-attack.

of GDP) in recent years[13] and aims to spend above 2% of GDP in the future[14] in order to conduct the necessary modernisation and reforms of its armed forces. Warsaw wants to purchase several new weaponry systems. There is an ongoing procurement in the Air Force for short and medium range air and missile defence systems;[15] some important purchases have already been made (like JASSM air-to-surface long range cruise missiles for F-16 fighters). The Navy is set to get new naval platforms, the Land Forces are improving their heavy armoured and long-range artillery capabilities. The current government has made certain changes in national capabilities development. The Polish MoD has reviewed all of the major procurement programs, carried out a strategic defence review and plans to change the long-term technical modernization plan of the armed forces according to its results. Furthermore, it has established a fifth branch of the armed forces (besides land forces, air force, navy and special forces) – the territorial defence forces, similar to the Scandinavian home guard model, and plans to change the command structure of the military.

Poland's main priority has been to strengthen collective defence within NATO and to increase NATO's deterrence posture on the eastern flank. Poland has strived to increase allied military presence on its territory for years, which was meagre before 2014. Hence, the decisions of the Warsaw NATO summit in 2016 to transform the nature of US and NATO military involvement in the region from reassurance to deterrence have been perceived as a success. A US-led battalion-sized battlegroup (ca. 1,000

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13   "SIPRI Military Expenditure Database," *Stockholm International Peace Research Institute*, n.d., https://www.sipri.org/databases/milex.

14   According to the bill on modernization and financing of the Polish Armed Forces submitted by the government to the parliament in the summer of 2017, the military expenditure will be gradually raised from 2% of GDP in 2018 and 2019 to 2,5% of GDP in 2030. "Rządowy projekt ustawy o zmianie ustawy o przebudowie i modernizacji technicznej oraz finansowaniu Sił Zbrojnych Rzeczypospolitej Polskiej oraz ustawy - Prawo zamówień publicznych," *SEJM*, June 30, 2017, http://www.sejm.gov.pl/Sejm8.nsf/PrzebiegProc.xsp?id=D83E7AA62CA8A47C-C125815400280A18.

15   In the procurement for medium range air and missile defence, the Patriot system is being favoured by Warsaw. "Memorandum Regarding Purchasing the PATRIOT Missile System," *Ministry of National Defence Republic of Poland*, July 6, 2017, http://en.mon.gov.pl/news/article/latest-news/memorandum-regarding-purchasing-the-patriot-missile-system-t2017-07-06/.

soldiers) was deployed to Poland on a persistent rotational basis in spring 2017. NATO's enhanced Forward Presence is perceived as important in political more than in military terms, since Poland has its own armed forces 100,000 soldiers strong.[16] EFP has more of a political significance – the presence of NATO's battlegroups in the Baltic Sea region is aimed to deter the Kremlin from undertaking aggressive actions. In case of Moscow's aggression, the US and European forces would be engaged in fighting that would trigger the chain of NATO military response and engage whole NATO in a conflict with Russia.

From the Polish perspective, NATO must, however, undertake further steps and change its mode of functioning in order to make its deterrence policy on the eastern flank credible. This means updating contingency planning, developing follow-on forces, adjusting command structures, improving early warning capabilities, investing in military infrastructure for allied troops on the eastern flank and increasing the speed of dislocating forces in case of conflict.[17] Poland also urges further developing NATO's command structures in the Baltic Sea region, i.e. the HQ of Multinational Corps North-East (MNC NE) in Szczecin, that is to command and control the Very High Readiness Joint Task Force (VJTF) operating on the eastern flank, and the subordinated HQ of Multinational Division North-East in Elblag, that is to oversee the activity of the four battalion-sized battlegroups in Poland and in the Baltic States, among others.

Poland, like all NATO eastern flank countries, treats the USA as the main ally that has both military capabilities and the political will to guarantee peace and security in Europe vis-à-vis Russia. Poland has strived for years to expand the US military presence on its soil. Until 2016, cooperation with the US was developed mainly between the air forces, as a result of the purchase of F-16 combat aircraft by Poland and included pilot training, joint exercises and modernization. Since 2012, cooperation has been complemented by

16   According to NATO sources, Polish military personnel in 2016 amounted to 102 000 soldiers. "Defence Expenditure of NATO Countries (2010–2017)," *NATO*, June 29, 2017, http://www.nato.int/cps/en/natohq/news_145409.htm.

17   Justyna Gotkowska. "NATO's Eastern Flank – a New Paradigm," *Centre of Eastern Studies,* July 13, 2016, https://www.osw.waw.pl/en/publikacje/analyses/2016-07-13/natos-eastern-flank-a-new-paradigm.

the rotational presence of the US combat and transport aircraft in Polish Air Force bases (the so-called Aviation Detachment). Another important element of the US-Polish cooperation has been Poland's participation in the US ballistic missile defence development program in Europe (European Phased Adaptive Approach, EPAA), which has been under the umbrella of NATO's missile defence architecture since 2011. The US land-based missile SM-3 interceptor site based in North-West Poland will be fully operational by 2018. However, since 2016 the US presence in Poland has expanded to a large extent and Poland has become a hub of US military activity on the eastern flank. The US Armoured Brigade Combat Team (ABCT) has been rotationally stationed in Polish military bases and has conducted exercises in other NATO eastern flank countries. US Army decided also to store military equipment and munions in facilities in Poland (the so-called APS and MSA). The planned facilities in Polish Powidz military base, together with facilities in Germany and the Netherlands, will house equipment for additional US armoured division that in case of war will be relocated from US to Europe.[18]

Concentrating its activities on NATO, Poland views the current discussions on common EU defence with caution. Warsaw sees certain challenges in the development of the Common Security and Defence Policy (CSDP) of the EU. First, it fears that the current focus on the EU's security and defence may divert attention from the important processes taking place in NATO, like the shift from crisis management operations to collective defence, the increase in allied presence on NATO's eastern flank or the debate on transatlantic burden-sharing. Second, Poland sees several open questions related to enhancing EU's security and defence policy — will it take place in competition with or will it complement NATO? Shall the EU develop military crisis management capabilities only, or also strengthen collective defence capabilities? Will focus on CSDP weaken or strengthen transatlantic bond?[19]

18   APS (Army Prepositioned Stocks and Maintenance Complex) and MSA (Munionts Storage Area) in Poland will be funded by NATO. Ministerstwo Rozwoju, *Komunikat Nr 54/17*. 28 July 2017

19   Justyna Gotkowska. "The CSDP's Renaissance. Challenges and Ppportunities for the Eastern Flank," *Centre of Eastern Studies*, July 28, 2017, https://www.osw.waw.pl/en/publikac-

In recent years Poland has been furthermore reinvigorating military relations with its regional allies and partners, not only from the Visegrad Group (the Czech Republic, Slovakia, Hungary), but also with the Baltic and Nordic states. One example of these efforts is the jointly established V4 Battle Group, on standby in the EU in the first half of 2016, which is to be developed as a permanent format of cooperation designed for EU, NATO and UN operations. It will be on standby in the EU again in 2019. Poland has also been deepening its political and military ties with the Baltic states, which share the Polish perspective on Russia and the transformation of NATO. Poland has deployed an armoured company to NATO's battalion-size battlegroup in Latvia, which is the most visible Polish commitment to the security of its Baltic neighbours. But Warsaw has also expanded its participation in the military exercises in the three Baltic states and maintained its contribution to NATO's Baltic Air Policing mission. In addition, Poland has been seeking to deepen bilateral military ties with NATO partners Sweden and Finland.

The current Law and Justice government puts more emphasis on developing regional military cooperation. However, the recent Three Seas Initiative (TSI) should not be seen as an attempt to create an alternative alliance to NATO or to EU, as it is sometimes misinterpreted in the region and beyond. The TSI should not be mistaken with the *Intermarium* concept – the idea of organizing a security system and strengthening the sovereignty of states between Soviet Russia and Nazi Germany in the interwar period. The Three Seas Initiative is aimed at accelerating the economic integration and modernisation of countries between the Baltic, Adriatic and Black Seas. The Initiative was put forward by Poland's President Andrzej Duda together with Croatia's President Kolinda Grabar-Kitarovic and discussed first during Dubrovnik Forum in August 2016.[20] The joint Dubrovnik statement signed by officials from 12 Central and Eastern European countries underlined that the TSI is "an informal platform for

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je/osw-commentary/2017-06-28/csdps-renaissance-challenges-and-opportunities-eastern-flank.

20   "Three Seas Initiative Countres Sign Joint Declaration," *The President of the Republic of Poland*, August 25, 2016, http://www.prezydent.pl/en/news/art,245,three-seas-initiative-countries-sign-joint-declaration.html.

securing political support and decisive action on specific cross-border and macro-regional projects of strategic importance to the States involved in energy, transportation, digital communication and economic sectors in Central and Eastern Europe."[21] This was confirmed during the TSI Summit in Warsaw in July 2017 with the participation of US President Donald Trump.[22] As US analysts put it – the TSI is mainly about overcoming Europe's divisive infrastructural legacy within the network of pipelines, power lines, highways and railways in Central Eastern and Southern Europe.[23]

Concluding Remarks

Warsaw today faces the most volatile security environment since the early 1990s, when Poland's entire neighbourhood transformed as a result of Germany's reunification and the dissolution of the Soviet Union. At present, there is a wide understanding that the "golden period" of Polish peaceful post-Cold War development is coming to an end. On the one hand, the Russian Federation has become the main source of instability in Poland's eastern neighbourhood and an instigator of crises, conflicts and wars. On the other hand, the Western community – the EU, NATO and the transatlantic relations – is undergoing a transformation process that will impact European and regional security. Developments in the East and in the West present big challenges to Polish security and defence policy and bring about uncertainty about the future.

Polish security and defence policy has been well designed so far but will

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21   "The Joint Statement on the Three Sea Initiative (The Dubrovnik Statement)," *President of Croatia*, August 25, 2017, https://www.google.pl/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0ahUKEwjm6o7xu-3VAhVC-D5oKHcyxAmkQFggtMAA&url=http%3A%2F%2Fpredsjednica.hr%2Ffiles%2FThe%2520Joint%2520Statement%2520on%2520The%2520Three%2520Seas%2520Initiative(1).pdf&usg=AFQjC-NEgch2t7svY2HyTrZcpZWdZdJ4XWQ.

22   "President Duda: Many Infrastructure Projects Possible in CEE," *President of the Republic of Poland*, July 6, 2017, http://www.prezydent.pl/en/news/art,493,president-duda-many-infrastructure-projects-possible-in-cee-.html.

23   Ian Brzezinski and David Koranyi. "The Three Seas Summit: A Step Toward Realizing the Vision of a Europe Whole, Free, and at Peace?" *Atlantc Council*, July 5, 2017, http://www.atlanticcouncil.org/blogs/new-atlanticist/the-three-seas-summit-a-step-toward-realizing-the-vision-of-a-europe-whole-free-and-at-peace.

be faced with imminent challenges. Nationally, questions arise of how to accelerate the process of procuring armaments and military equipment in a way that is beneficial both to the Polish Armed Forces and to the Polish arms industry at the same time. Past experience has shown that complicated armament programmes need more time and money than initially planned. Regionally, there is a scope to strengthen security through more military cooperation on bilateral, multilateral, EU and NATO levels. Poland is interested in tighter regional military links, especially within the NATO force structure, such as the follow-on forces. Hopefully, deepening such collaboration will not be influenced by misunderstandings regarding regional cooperation concepts. With regard to the eastern neighbourhood, the long-term challenge is how to politically and economically stabilise Ukraine as a joint European effort. On the EU level, the challenge for Poland is how to moderate the European military integration process so that it complements NATO and strengthens transatlantic relations. The anti-Trump mood in parts of the EU might result in favouring "emancipatory" European policies towards Washington that might bring more distance of the EU towards the US under Donald Trump's administration. Within NATO, the biggest undertaking is to work towards more cohesion, not only between the European allies and the US but also between southern and eastern NATO member states. By taking part militarily in the stabilisation efforts in NATO's southern neighbourhood, Poland attempts to contribute its share.[24]

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24   Since July 2016, Poland has been taking part in the global coalition against ISIS. Four Polish F-16 fighter jets (ca. 150 soldiers) have been fulfilling reconnaissance tasks over Syria and Iraq from the base in Kuweit; a special forces unit (ca. 60 soldiers) has been training Iraqi special forces in Iraq. "Prezydent RP postanowił o użyciu PKW w Kuwejcie i Irak," *Ministry of National Defense of Poland*, June 18, 2016, http://www.mon.gov.pl/aktualnosci/artykul/na-jnowsze/prezydent-rp-postanowil-o-uzyciu-pkw-w-kuwejcie-i-iraku-s2016-06-18/.

Transforming Regional Defence Policies

GERMANY AND THE BALTIC SEA REGION: A TEST CASE FOR GERMANY'S NEW RESPONSIBILITY IN SECURITY POLICY

Claudia Major, Christian Mölling

Almost silently, Germany has changed its defence policy over the last four years. In 2013, the incoming government – led for a third term by Chancellor Angela Merkel – defined the leitmotif of a new security policy. The German national discourse on foreign and security policy increasingly took into account the growing international pressure on Germany to play a greater international role.[1]

Germany's New Responsibility in Security Policy

At the 2014 Munich Security Conference, then German President Joachim Gauck, German Foreign Minister Frank-Walter Steinmeier, and German Defense Minister Ursula von der Leyen called on Berlin to live up to a "new responsibility" in foreign and security policy.[2]

These three statements mark the starting point of an ongoing discussion

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1   This article is based i.a on Claudia Major and Alicia von Voss' "Nordic-Baltic Security, Germany and NATO," *German Institute for International and Security Affairs*, March 2016, https://www.swp-berlin.org/fileadmin/contents/products/comments/2016C13_mjr_vos.pdf.

2   Joachim Gauck. "Germany's Role in the World: Reflections on Responsibility, Norms and Alliances," *Der Bundespräsident,* January 31, 2014, http://www.bundespraesident. de/SharedDocs/Downloads/DE/Reden/2014/01/140131-Muenchner-Sicherheitskonferenz-Englisch.pdf?__blob=publicationFile; Ursula von der Leyen. "Speech by the Federal Minister of Defense, Dr. Ursula von der Leyen, on the Occasion of the 50th Munich Security Conference," *Bundesministerium der Verteidigung,* January 31, 2014, https://www.securityconference.de/fileadmin/MSC_/2014/Reden/2014-01-31-Speech-MinDef_von_der_Leyen-MuSeCo.pdf; Frank-Walter Steinmeier. "Rede von Außenminister Frank-Walter Steinmeier anlässlich der 50. Münchner Sicherheitskonferenz," *Auswärtiges Amt*, January 21, 2014, http://www.auswaertiges-amt.de/DE/Infoservice/Presse/Reden/2014/140201-BM_M%C3%BCSiKo.html.

about what a "new responsibility" in foreign and security policy would look like and how Germany should live up to it.[3] All three political figures had the same message: Germany can no longer shy away from recognizing its influence and using its growing means to shape the world – moreover, it has the responsibility to get engaged. Germany should be ready to engage in international affairs earlier, more decisively and more substantially. The traditional German culture of military restraint persists, but it should no longer serve as an excuse to do nothing. Military instruments will not be the first course of action, but should not be excluded in principle.

Yet, the new line is not about Berlin becoming trigger happy. This approach was rooted in Germany's growing importance: as a key European power and firmly established in global networks, it should be ready to do more for the security that others have been providing for decades and to support the kind of stability in the international order from which Germany benefits and on which its prosperity depends. If Berlin rejected such influence, it would mean reneging on an opportunity and responsibility to help shape the international order in a way that corresponds to its own values and interests.

This differed from the traditional German policy of restraint in international security affairs, particularly in the military realm. While there is a broad consensus in Germany on the use of civilian instruments in security policy, great differences persist on the role that the military should play therein, both in society and in politics. Yet, quite ironically, this is exactly what Germany's partners expect from Berlin: more commitment in the defence realm.

The reality test for these ambitions followed faster than was likely expected. Russia's annexation of Crimea in 2014 and the Ukraine crisis jolted the rule-based European security order that was particularly supported by Berlin. It pushed Germany – only weeks after the Munich Security Conference – to put its rhetoric into action. Particularly,

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3   Claudia Major and Christian Mölling. "Von Libyen nach Syrien. Die Rolle des Militärs in einer neuen deutschen Sicherheits- und Verteidigungspolitik," *Bundeszentrale für politische Bildung*, July 7, 2016, http://www.bpb.de/apuz/230579/das-militaer-in-einer-neuen-deutschen-sicherheits-und-verteidigungspolitik?p=all.

attached to rule-based order in Europe anchored in the Helsinki Final Act and the Charter of Paris (with its principles such as the inviolability of borders and free choice of alliances), the German government reacted in both the political and military dimensions.

Its political and diplomatic commitment is visible for example in the Minsk format negotiations, the Normandy format, and various other diplomatic initiatives like the 2016 Steinmeier initiative on arms control.[4] More surprisingly for Germany, it was accompanied by a stronger military commitment. The Ukraine conflict brought back a mission considered almost obsolete: deterrence and the territorial defence of the Alliance. Taking over the "new responsibility" was simplified for Berlin in that the first political defence challenge for Germany consisted of serving – once again – as the conventional backbone of NATO in the East. Yet, Berlin also substantially shaped the political and military course of NATO's strategic adaptation and its stance towards Russia, which the Alliance decided at its 2014 Wales summit and confirmed at the 2016 Warsaw summit. Its strong military commitment was accompanied by the willingness to also engage in dialogue, thereby taking up NATO's old Harmel formula, in which both deterrence and dialogue are the key ingredients to assuring security.[5]

Since 2013-2014 and its stated ambition, Germany's security policy did indeed change.[6] This change is most visible in Germany's military missions. Berlin now participates in operations more often, in different forms and more offensively. This is particularly visible in its strong participation

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4   Named after then German foreign minister Frank Walter Steinmeier, see Frank-Walter Steinmeier: Mehr Sicherheit für alle in Europa – Für einen Neustart der Rüstungskontrolle, Frankfurter Allgemeinen Zeitung, 26.08.2016. See also Wolfgang Richter. *Neubelebung der konventionellen Rüstungskontrolle in Europa.* SWP-Aktuell 2016/A 76, November 2016.

5   "Future Tasks of the Alliance – 'Harmel Report,'" *NATO*, last modified November 14, 2011, http://www.nato.int/cps/en/natolive/80830.htm; Claudia Major and Jeffrey Rathke. "NATO Needs Deterrence and Dialogue: Defining the New Balance in View of the Warsaw Summit," *German Institute for International and Security Affairs*, April 2016, https://www.swp-berlin.org/fileadmin/contents/products/comments/2016C18_mjr_Rathke.pdf.

6   Wolfgang Ischinger and Dirk Messner (Eds). *Deutschlands neue Verantwortung. Die Zukunft der deutschen und europäischen Außen-, Entwicklungs- und Sicherheitspolitik* (Berlin: Econ Verlag, 2017); Claudia Major. "Germany, The (Not So) Timid Leader," *Carnegie Europe*, February 3, 2017, http://carnegieeurope.eu/strategiceurope/67896.

in NATO's defence and deterrence activities. A new approach was the introduction of the Enable and Enhance Initiative (E2I), in which Germany trains and equips regional actors, including in Iraq and Mali, to help build capacity to provide their own security.

Another notable development was Germany's quick decision to participate in the anti-IS coalition following the November 2015 Paris attacks. Like the Iraq mission, this operation stretched the legal framework for Bundeswehr deployments because the missions do not operate in collective security systems (such as the UN) but as part of an ad-hoc coalition. In fact, within a short timeframe, Berlin crossed traditional red lines, thereby moving the points of reference for future military deployments.

For the Bundeswehr, this new ambition required substantial changes: over the last decade, it had concentrated on crisis management. Particularly, the operation in Afghanistan had informed strategic thinking and guided decisions on how to equip and train the soldiers. Now, the German armed forces had to relearn territorial defence, which required considerable modifications of and investments in personnel, doctrines and equipment. This was even more difficult given that, over time, budget and capability cuts combined with bad management had left the Bundeswehr in bad shape.

Taking up responsibility in defence, therefore, poses daunting political, military and financial questions for Berlin. Politically, it has to create the preconditions for rapid decision-making on any deployment and Germany's share thereof, including, where applicable, in multinational structures such as NATO's rapid reaction force VJTF. Militarily, German obligations imply a long-term, increased requirement for personnel, equipment, exercises and planning. Financially, the substantial contributions needed and related changes cannot be borne from current funds.

As a result of these considerations, Berlin is now reversing the downward trends of recent years. The number of main battle tanks and armoured personnel carriers will increase. Improved maintenance will also improve readiness. After several years of decline, Germany's defence budget increased in 2017 for the second year in a row, reaching roughly €37 billion. This increase is set to continue: for 2018, €38.5 billion are scheduled. The

overall goal is to reach €42 billion by 2021.[7] Yet, despite the increase, Berlin will still not reach NATO's goal of spending 2 percent of GDP on defence (Germany currently spends 1.2 percent) though it will come close to the 20 percent investment line.

Yet, it is not all sunshine and roses. Germany's partners were waiting for the conceptual underpinning of the new policy to see whether Berlin would put in writing what it announced in Munich in 2014. Germany's 2016 White Paper on security policy was not entirely convincing, mainly because it was a consensus document. But at least it spelled out the need to defend interests and values and the need for a stronger European defence. Particularly, it clearly puts the focus on collective defence. Armament policies also remain an issue, with the planned reform of export rules still lacking. And while the results of bilateral defence cooperation are promising (such as between Dutch and German land forces), bigger clusters, such as the Framework Nation Concept, have yet to deliver.

Overall, Germany has become the most active when partners or events created the necessary pressure, such as in the Ukraine crisis, which forced Berlin to take over diplomatic and military leadership. In other cases, like the fight against the Islamic State, Germany only became active when the crisis turned into a domestic issue (for instance, as refugee flows to Europe grew), or when it was critical for an important partner (for example, following the November 2015 Paris attacks).

It s easy to disparage the changes to Germany's defence policy, not least because Berlin struggles to develop a systematic policy for its new security responsibilities. Yet the rapidly changing security environment, combined with the West's current internal problems – from Trump to Turkey to populism – will not allow Germany to take a break. The challenge for the next government (with the election scheduled for 24 September) is not only to continue assuming a greater responsibility for European security but to increase it and make it sustainable.

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7   "Development and Structure of the Defense Budget," *Ministry of Defence of Germany*, n.d., https:/www.bmvg.de/de/themen/verteidigungshaushalt/entwicklung-und-struktur-des-verteidigungshaushalts.

The Baltic Sea Region: Applying Germany's New Responsibility

The Baltic Sea region emerged as one of the first tests for the stated German ambition. Not only because Germany is a Baltic Sea state and many of the Baltic Sea states are close allies, but also because this region turned into a test case for European security as such. This does not mean that Germany agrees with all countries, but it is concerned and has therefore increased considerably its commitment, both political and military.

The countries around the Baltic Sea are among Europe's frontline states affected by the conflict between Russia and Western Europe and share a common concern about a revisionist, aggressive and rearming Russia: since the onset of the crisis in and around Ukraine in 2014, these countries have felt increasingly exposed to Russian military and non-military intimidation. Currently, they can neither defend nor maintain regional security by themselves: their capacities are limited and their memberships in different security institutions (the EU and NATO) complicate a common assessment and response, as do their diverging security policies. They depend on the deterrence and defence efforts of their partners and NATO.[8] This has turned the regional Nordic-Baltic security challenge into a European and transatlantic one. NATO's credibility depends on whether it can guarantee the security of those countries. Germany, as one of the largest and most capable countries bordering the Baltic Sea, therefore decided to contribute to improving regional security by committing itself in the region, by supporting regional cooperation and by sharpening the Nordic-Baltic dimension of its security policy.

Yet, Germany is still in the process of finding its own strategy for the Nordic-Baltic area. Until recently (prior to 2014), its policy was built on an east-west axis (Washington/Paris-Moscow), also because the Nordic-Baltic region was not a particularly troublesome area. But the crisis with Russia since 2014 has brought the region to the forefront of security and defence issues. Since then, Germany has increased its commitment tremendously, in particular to the Baltic states and Poland. Yet, conceptually, the long-

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8   Claudia Major and Alicia von Voss. "Nordic-Baltic Security, Germany and NATO," *German Institute for International and Security Affairs*, March 2016, https://www.swp-berlin.org/fileadmin/contents/products/comments/2016C13_mjr_vos.pdf.

term goal of Berlin's Baltic–Nordic focus in security and defence policy is still not always clear, despite Germany being one of the largest states bordering the Baltic Sea and a key player in NATO.

Moreover, although Germany has responded with substantial material and political commitments to NATO, the EU and to multilateral and bilateral formats, it has also irritated regional partners with apparently contradictory decisions. Berlin's support for the Nord Stream 2 pipeline, which circumvents Ukraine and gives Russia a direct energy supply link to Europe, irritated states in the region and has been viewed as inconsistent (if not contradictory) with Berlin's other policies.

So far, Germany's security and defence interest in the region is particularly visible in its commitment to NATO and its greater level of bilateral support. In terms of bilateral support, Germany signed a series of agreements with the Baltic States to counter hybrid threats in various areas. These include cooperation in the areas of energy, culture, education and civil society. A particular focus is placed on media and communications, with the goal of promoting independent and objective media to counter Russian propaganda.

Within NATO, Berlin strongly supports the reassurance, defence and deterrence measures and the renewed focus on collective defence. Its commitments to the region are considerable in terms of rotating troops, providing personnel to NFIUs and the Multinational Corps Northeast (which Berlin runs jointly with Poland and Denmark), participating in exercises and its general standing contribution to NATO forces. Since 2017, Berlin has led one of the Enhanced Forward Presence battalions, thereby showing its long-term commitment to the region. Yet, this commitment leads to political, military and financial challenges for Germany which are not easy to deal with at the domestic level.

The Way Forward: Defining Germany's Role

Germany's considerable commitment in the east could have an even greater impact if guided by a concerted Nordic–Baltic approach. The countries in the region look to Germany as a key player and are calling on Berlin to get more involved in their regional security. Both Germany

and the countries of the region need to clarify their expectations and the scope of what they are realistically willing and able to commit. Regional security would benefit from more clarity on 1) Germany's role, 2) regional contributions and interactions and 3) transatlantic relations.

First, instead of broadly calling for a larger German role, the countries of the region should clarify what precisely they expect from Germany, in political and material terms. The Baltics and Poland have been calling for greater contributions of troops and equipment within the NATO measures, or on a bilateral basis. Yet, it should be further clarified what these countries would organise among themselves, and what they would organise in cooperation with Germany. Do they expect Germany to only provide troops, or also to help maintain capabilities, joint procurement and even develop resilience? Would Germany serve as a backbone, as it does within NATO, which the smaller countries of the region would plug into? This would reduce the sovereignty of those countries and increase their dependence on Germany, something that not all are comfortable with. Although it would send a strong message throughout Europe that close defence cooperation is possible, it would require a considerable amount of political trust. So far, not many countries have been willing to engage in such close cooperation. A possible step here could be the Framework Nation Concept (FNC), which Germany suggested as a tool to systematically organise defence cooperation, and to which several countries of the region have already signed up.[9] According to the FNC, a larger country (e.g. Germany) would provide the military backbone, i.e. logistics, command and control, etc. Into this framework, smaller nations would plug their specialized capabilities, such as air defence. The entire cluster would thereby become more effective and sustainable.

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9   Claudia Major and Christian Mölling. "The Twenty-First-Century German Question in European Defense," *Carnegie Europe*, July 20, 2017, http://carnegieeurope.eu/strategiceurope/71590; Claudia Major and Christian Mölling. "The Framework Nations Concept. Germany's Contribution to a Capable European Defence," *German Institute for International and Security Affairs*, December 2014, https://www.swp-berlin.org/fileadmin/contents/products/comments/2014C52_mjr_mlg.pdf.

Yet, a greater German commitment would not be limited to material support but also involve a political dimension – with the potential for friction. Many countries in the region, such as Poland, do not share Germany's support for an approach based on deterrence and détente towards Russia. Thus, if Germany were to live up to these greater expectations and turn more to the north-east, its greater role in European security might create tensions with some countries. Besides, such an eastern focus might irritate southern Allies, who already fear an imbalance in favour of the east.

Second, clarification is required as to what the Baltic and Nordic countries are able and willing to deliver themselves in terms of security, defence, deterrence and resilience. To what extent would they commit themselves to each other, such as the Nordics to Poland? Here, Germany could serve to enable regional cooperation. Yet, the prerequisite would be better regional interaction.

The non-NATO states of Finland and Sweden should also seek to clarify their commitments to NATO. Although it is difficult to imagine that these states would not receive any help from their partners if they were to be attacked, both have to understand that NATO Article 5 applies to members only. Free-riding on security comes at the price of uncertainty, whereas being a NATO ally has clear advantages. Yet, by limiting the debate to the membership issue, which is unlikely to materialize soon, NATO and Germany on the one hand, and Finland and Sweden on the other, are missing out on other cooperation issues. All parties should explore the opportunities for cooperation that are possible without it. Capability cooperation, as started in NATO with the FNC, could also be implemented in the EU – all sides would benefit from it. Besides, EU states should clarify what the implementation of the EU's Article 42.7 would mean in practical, including military, terms.

Third, particular attention should be paid to the role of the US, which has become more complicated since president Trump took office in early 2017. Although the US has not reduced its commitment to the region (it actually confirmed it), its critical statements about the Alliance deeply worried numerous Allies. Yet, given the considerable US commitment, and given that most countries see their bilateral ties with the US as the ultimate form

of life insurance, Washington will continue to play a key role. The Baltic states and Poland greatly value the bilateral troop deployments to their territories as a key element of reassurance and deterrence. Others, such as Sweden, are seeking to renew bilateral defence agreements. Yet, in order to strengthen regional security and move towards fairer transatlantic sharing of burden, the US and Europe should strive to overcome these bilateralisms. Although understandable, it is not a long-term solution.

Concluding Remarks

The current election phase in Germany has brought policy development to a pause. This is likely to continue until a new government is formed. Germany's partners will have to wait until 2018 to get new indications of whether the new government will maintain the current course and commitment and thus continue the implementation of Germany' new role, or whether a new government sets alternative tracks. Two things set the basic parameters for this. 1) Germany does not have the luxury to focus on one spot or on the military dimension of risks and threats alone. It is an actor in the south as well as in the east, it is an established economic power and has a long tradition of civilian contributions to crisis management. 2) German resources will remain limited. Even spending 2% of GDP would not generate lasting stability in the region. Thus, it is more effective and efficient to seek to overcome the phase of confrontation with a constellation that is less costly. However, one would expect that this will not entail sacrificing the values that the current approach to defence and security is based upon.

GERMANY'S DEFENCE POLICY AND BALTIC SECURITY

Bastian Giegerich

In the 25 years since the end of the Cold War, Germany has tried to balance support for the interests of the Baltic States with a desire to establish a constructive partnership with Russia. In the early-1990s, then Foreign Minister Klaus Kinkel stressed the importance of a transition to rules-based liberal market economic principles and close association with the structures of the Euro-Atlantic security order, but when it came to the question of EU and NATO enlargement, Germany regularly managed to disappoint the expectations of Estonia, Latvia and Lithuania in that period.[1] Germany's initial reluctance to support a permanent NATO presence in the Baltic States in 2014, following Russia's illegal annexation of Crimea, continued support for armed separatists in Eastern Ukraine and the generally increasingly aggressive Russian foreign policy, was an echo of this basic tension in German foreign policy.[2] And yet, in 2017, Germany was the only continental European state to lead a multinational battlegroup under NATO's Enhanced Forward Presence (EFP) initiative, it has actively supported and contributed to NATO's Readiness Action Plan (RAP) and reassurance measures since their inception in 2014, it has agreed to take on responsibility for setting up NATO's Very High Readiness Joint Task Force (VJTF) and lead its first iteration and it has turned the decline in its defence spending into modest and sustained growth.

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1   Thomas Schmidt. *Die Außenpolitik der baltischen Staaten: Im Spannungsfeld zwischen Ost und West. Westdeutscher Verlag* (Wiesbaden: Publisher for Social Sciences, 2003), 200-1; Karl-Ludwig Günsche. "Die enttäuschten Balten und Kinkels Katechismus," *Welt.de*, July 17, 1997, https://www.welt.de/print-welt/article639796/Die-enttaeuschten-Balten-und-Kinkels-Katechismus.html.

2   Juris Kaža. "Merkel Promises Support for Baltic States Alarmed by Russia," *Wall Street Journal*, August 18, 2014, https://www.wsj.com/articles/merkel-promises-support-for-baltic-states-alarmed-by-russia-1408383489.

Some practitioners, like the former German ambassador to NATO and former NATO Assistant Secretary General Martin Erdmann, have argued that Russia's involvement in Ukraine "flipped a switch on the way Germans thought about security and defense policy."[3] This assessment seems to overestimate both the importance of a single crisis and the permanence of the change it has triggered. Germany's defence policy and its presence in the Baltic region are clearly evolving, but they have not yet reached a stable equilibrium.

Germany's Evolving Security and Defence Role

Most observers are likely to agree that the 2014 Munich Security Conference was the moment in which the current incarnation of German security policy was first publicly expressed. In an article co-authored by Maximilian Terhalle, I used the term "Munich Consensus" to describe the policy pronouncement by senior German leaders.[4] At its core, the Munich consensus represented a deliberate attempt to reconcile external and internal adaptation pressures on Germany and German security and defence policy by accepting that Germany has to play a greater role in actively defending the liberal international order that has benefitted Germany like few other states. The logical conclusion has to be that German security policy should focus on those issues and actors that present the gravest threat to that order. Arguably, these issues fall into two categories. First, the potential inability of the key Euro-Atlantic institutions, the EU and NATO, to provide their citizens with security and prosperity – that is their purpose after all. Second, the world's great powers, including Russia.

The Munich consensus does not represent the flick of a switch; rather it is a reflective response to external expectations, rooted in long-term domestic debates about Germany's role in the world. This helps to explain why the search for a proper framework to guide German policy continues. Defence Minister Ursula von der Leyen used the term *Führung aus der*

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3   Martin Erdmann. "What's Up with Those Germans?" **Carnegie Europe**, May 7, 2015, http://carnegieeurope.eu/strategiceurope/60009.

4   Bastian Giegerich and Maximilian Terhalle. "The Munich Consensus and the Purpose of German Power," **Survival**: **Global Politics and Strategy** 58, no. 2 (March 2016), 155–66.

Mitte, which does not translate well into English, but essentially means Germany would lead on the basis of multinational cooperation.[5] It would do more than before, but only as a part of the consensus of allied policy. The analysts Leon Mangasarian and Jan Techau have proposed the label "servant leadership" in a very readable book, ironically a term that does not translate well into German (*dienendes Führen* is their suggestion), to capture what was required of Germany.[6]

Assessment of the European Security Environment

The White Paper on German Security Policy and the Future of the Bundeswehr, approved at the cabinet level and published in July 2016, points to the elevated risk of an interstate armed conflict, in part driven by the aggressive behaviour and ambitions of emerging powers.[7] Russia is characterised in Europe as a strategic rival and challenger, not a strategic partner. This threat assessment reflects the deterioration of the security environment in Europe, leading to a renewed emphasis on territorial and collective defence in NATO. While not prioritised explicitly above other military missions, the analysis in the white paper leads to the conclusion that a German contribution to deterrence has to include the ability to engage in high-intensity combined-arms combat.

The white paper, which was divided into a first part dealing with the security environment, and a second part dealing with the armed forces directly, actually says much less about the future of the Bundeswehr than the title suggested. In part, this was a reflection of the character of the white paper as a high-level strategy document. It was also a function of the lack of consensus on details. In any event, levels of military ambition and force requirements will need to be fleshed out in a lower level follow-

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5   Daniel Brössler. "Aus der Mitte führen, gemeinsam kämpfen," *Süddeutsche Zeitung*, February 6, 2015, http://www.sueddeutsche.de/politik/muenchner-sicherheitskonferenz-aus-der-mitte-fuehren-gemeinsam-kaempfen-1.2339894.

6   Leon Mangasarian and Jan Techau. *Führungsmacht Deutschland: Strategie ohne Angst und Anmaßung* (Dtv Verlagsgesellschaft, 2017).

7   German Ministry. "White Paper on German Security Policy and the Future of the Bundeswehr," *The German Marshall Fund of the United States*, September 19, 2016, http://www.gmfus.org/publications/white-paper-german-security-policy-and-future-bundeswehr.

up document, most likely the Bundeswehr Concept (*Konzeption der Bundeswehr*), initially forecast for early 2017, but now delayed and unlikely to be published before the September 2017 elections in Germany.

A logical conclusion based on analysis of the white paper would be to rebuild conventional defence and deterrence capability, in line with current NATO priorities. Media reports reflecting the current thinking that may eventually drive capability development seem to support such an assessment. Germany has indicated to NATO that it intends to make three army divisions available, with eight to ten combat capable brigades in total, by roughly 2030. This kind of rebuilding of army capability would need to be supported by a corresponding equipment upgrade programme, including armoured vehicles, and would need to consider requirements of recapitalisation even further into the future, such as a Leopard 2 main battle tank replacement. The German air force will need to fill requirements for a heavy transport helicopter and will need to replace its ageing Tornado fleet, which currently has a nuclear role, and ultimately replace Eurofighter. Navy programmes can also be added to the mix, ranging from the multirole combat ship to additional submarines.[8]

Rebuilding the capability that was lost to two decades of the structural underfunding of the armed forces will be challenging. More money and more cooperation with partners will be inevitable elements of the answer. In defence spending terms, the trend has already been reversed. Current planning documents, approved at cabinet level, including by the finance minister, foresee a growth in the defence budget from roughly €37bn in 2017 to €42.3bn in 2021.

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8   Johannes Leithäuser and Marco Seliger. "Bis zu den Sternen. Die Bundeswehr soll in den nächsten Jahren auf die Verteidigung des eigenen Landes und des Nato-Bündnisgebietes ausgerichtet werden. Ein radikaler Wechsel. Nur: wie soll das gelingen?" *Frankfurter Allgemeine Zeitung*, n.d.

Table 1. Planned Defence Budget Germany 2017 – 2021 [9]

Year	€, in billions	Year-on-year change
2017	37.0	--
2018	38.5	+3.9%
2019	39.6	+3.1%
2020	40.9	+3.2%
2021	42.3	+3.4%

The budget growth trajectory would have to continue beyond the current political planning horizon, arguably even at a faster pace, to fund the defence modernisation programme that is likely necessary to meet the emerging ambition. Germany would not spend 2% of GDP on defence by 2024, but it would edge a bit closer from its current level of under 1.2%.[10] Structurally, it should be possible for Germany to spend more on defence – whether it does or not is a political question. It is notable in this context, that in the run up to the September 2017 elections, Germany's Social Democrats, led by Martin Schulz and Sigmar Gabriel, rejected NATO's 2% guideline, which alliance leaders made into a binding political commitment at the 2014 NATO summit in Wales.

The notion of pursuing cooperation with other European nations to generate and then use military capability is uncontroversial by comparison. The 2016 white paper had a clearly pro-European tone and was rather forward leaning on the issue of European armaments cooperation. In NATO, Germany has introduced the so-called Framework Nations Concept (FNC), which essentially takes the lead-nation idea that is familiar to all in NATO from the operational context and applied it to capability development. The effect is that larger nations offer smaller nations a platform to plug into.

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9   Bundesministerium der Finanzen. "Eckwertebeschluss der Bundesregierung zum Regierungsentwurf des Bundeshaushalts 2018 und zum Finanzplan 2017 bis 2021," *Bundesministerium der Finanzen*, March 2017, https://www.bundesfinanzministerium.de/Content/DE/Pressemitteilungen/Finanzpolitik/2017/03/2017-03-15-eckwertebeschluss-kabinettvorlage.pdf?__blob=publicationFile&v=2.

10   The International Institute of Strategic Studies. *The Military Balance* 2017 (Routledge, Chapman & Hall, Inc., February 2017).

Germany has extended this idea to the association and even integration of non-German units into larger German formations, for example with the Netherlands, Czech Republic and Romania. In 2017, Germany and Norway decided to jointly procure almost identical submarines, and Berlin and Paris announced plans for joint work on a future fighter aircraft.

German Engagement in the Baltics

Given that Germany's defence ambition as outlined above concentrates on deterrence and defence capability, any progress that Germany makes should also produce a net security gain for the Baltic States, even though the Baltics were not a specific focus, for example in the context of the 2016 white paper. In fact, the white paper only makes one passing reference to the region in a footnote, which stated the Bundeswehr would provide search and rescue capability in the Baltic Sea. In Germany's expert discourse, reference points do exist, however. Some argue that Germany should invest much more into deterrence in the Baltic region, including providing nuclear-capable submarines, whereas others see the Baltics as a testbed for new arms control measures in the wake of the structured dialogue on challenges and risks launched in the OSCE framework under the auspices of the German Chairmanship in 2016.[11]

Notwithstanding Germany's persistent problems in military capacity, the Bundeswehr formed the backbone of NATO manoeuvres held in Eastern Europe, and accepted responsibility for setting up the Very High Readiness Joint Task Force (VJTF), a core measure agreed at NATO's 2014 Wales Summit. Berlin reinforced this commitment by accepting the rotating framework-nation responsibility for the VJTF in 2019. The VJTF, a core reassurance measure, will keep Germany's army busy for several years. In 2017, units will prepare and train for the VJTF. In 2018, the Initial Follow-on-Forces Group will be created, including national and multinational

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11   Volker Perthes and Oliver Meier. "Das Baltikum als Testgelände für die europäische Rüstungskontrolle," *Project Syndicate*, February 15, 2017, https://www.project-syndicate. org/commentary/nato-russia-baltic-security-dialogue-by-volker-perthes-and-oliver-meier-2017-02/german; Maximilian Terhalle. "Atom-U-Boote für die Ostsee," *Frankfurter Allgemeine*, July 27, 2017, http://www.faz.net/aktuell/politik/inland/militaerpolitik-klare-strategie-und-einige-kehrtwenden-notwendig-15123726.html.

certification. 2019 will be the year of the actual VJTF stand-by, including multinational exercises before stand-down in 2020. The Chief of the German army, Lieutenant General Jörg Vollmer, estimated that roughly 4,000 German army troops will be involved in the VJTF – not an insignificant commitment.

While the VJTF was not specifically aimed at the Baltic region and was meant to take a 360-degree view of the risks and threats to NATO, the Enhanced Forward Presence was different. From the perspective of the Baltic NATO members, the core purpose of EFP was to send a clear signal: any military attack on allied territory will be met with a strong reaction from all allies. In a way, EFP represents the tripwire, to be reinforced by rapid response elements, such as VJTF, and follow-on forces once triggered. As of May 2017, NATO had deployed some 4,500 troops under the EFP heading in Estonia, Latvia, Lithuania and Poland. Germany provided about 10% of this total and led the multinational battlegroup deployed to Lithuania.[12] In July 2017, the first contingent rotated out and was replaced essentially like-for-like by other German units. Like their Canadian and UK-led counterparts, the German-led battlegroup will consist largely of tracked armoured forces, including infantry fighting vehicles and main battle tanks, which represents an undeniable, albeit still limited, increase in NATO's capability in the region.

German Chancellor Angela Merkel and other cabinet members explained the decision to play a leading role in these NATO operations using four main arguments. First, Germany had to contribute to making NATO solidarity visible and credible. Second, Russia had violated and continued to challenge the foundations of the existing European security order. Third, Germany benefitted for decades from the commitment of other allies and now had to give back. Fourth, security among NATO member states was seen to be indivisible, suggesting that Germany was only secure if its allies were as well.[13] This outcome, however, does not imply that the tension

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12   NATO. "NATO's Enhanced Forward Presence," May 2017, http://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2017_05/1705-factsheet-efp.pdf.

13   See, for example, "NATO Stands for Deterrence and Dialogue, Says Merkel," *Bundeskanzlerin*, July 7, 2016, https://www.bundeskanzlerin.de/Content/EN/Artikel/2016/07_

highlighted at the beginning of this paper has been resolved. Just days before the 2016 NATO summit in Warsaw, which ushered in EFP, then Foreign Minister Steinmeier expressed his worries that NATO would "inflame" the situation through "sabre-rattling and warmongering," continuing on to suggest that "a symbolic tank parade on the alliance's eastern border" would not bring security.[14]

Concluding Remarks

Germany has committed to investing more in defence, rebuilding capability for deterrence and defence, and has agreed to play a leadership role in the wider context of reassuring and supporting NATO allies and EU partners in the Baltic. Given the emerging priorities for German force and capability development, there is no pressing reason to think that this position will be short-lived. Nevertheless, the political consensus underpinning these actions is still somewhat fragile. Germany's allies would do well to recognise this, to continue pushing Germany forward at a speed that does not outpace the capacity for policy innovation and adaptation in Berlin.

en/2016-07-07-merkel-reg-erkl-nato-gipfel_en.html.

14   Steinmeier quotes translated from: Burkhard Uhlenbroich's "Steinmeier kritisiert Nato-Manöver in Osteuropa," *Bild*, June 18, 2016, http:/www.bild.de/politik/ausland/dr-frank-walter-steinmeier/kritisiert-nato-maneuver-und-fordert-mehr-dialog-mit-russland-46360604.bild.html.

WHY A BEEFED-UP BUNDESWEHR IS GOOD FOR THE BALTIC SEA REGION

Elisabeth Braw

This summer, the second batch of 450 Bundeswehr troops arrived in Lithuania as part of NATO's Enhanced Forward Presence.[1] They replaced Bundeswehr troops who had served as the lead contingent for eFP in the Baltic country since January. The eFP deployment is Germany's highest-profile NATO mission to date. Even so, it has been greeted not with alarm but with excitement. Germany is clearly needed in the Baltic Sea region.

The Baltic Sea Region: the Current Security Situation

"I have only positive impressions of Germany's part in the eFP," said Rasa Jukneviciene, a former minister of defence of Lithuania, who is now an MP. Jukneviciene is also a vice president of the NATO Parliamentary Assembly. "The Germans' decision not just to participate but to lead the eFP force here was historic. Until then, they weren't leading very much within NATO."[2]

That is no exaggeration, although sending 450 troops to Lithuania may not seem like a major breakthrough.[3] Indeed, the UK and the US have deployed several hundred more troops to Estonia and Poland, where they are the eFP's respective lead nations. Germany, however, has long been reluctant to send the Bundeswehr abroad. Until German reunification, the Bundeswehr wasn't even allowed to serve on international missions. The Bundeswehr was essentially a defence force, and not a particularly intimidating one. It needed heavy backup by the Brits, the French and particularly the Americans, who in 1990 had 213,000 troops based in Germany.[4]

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1   Vytas Leskevicius (@Leskevicius). "Summertime - time for a change. Second rotation of German troops is coming to Lithuania to head @NATO," Twitter tweet, August 1, 2017, https://twitter.com/Leskevicius/status/892313373597212672.

2   "Interview with Rasa Jukneviciene," interview by Elisabeth Braw, n.p., August 2, 2017.

3   NATO. "NATO's Enhanced Forward Presence," May 2017, http://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2017_05/1705-factsheet-efp.pdf.

4   "History," *US Army Europe*, n.d., http://www.eur.army.mil/organization/history.htm.

Since the end of the Cold War, reunited Germany has sent Bundeswehr troops on several international missions. Currently, 3,605 Bundeswehr soldiers serve on international missions, including some 900 troops in Mali and some 500 in Kosovo.[5] Most significantly, after the 9/11 attacks, the Bundestag voted to send Bundeswehr troops to Afghanistan, where a contingent of some 5,000 troops served and more than 1,000 remain in a training role. While that number is significantly lower than the numberof troops deployed by the United States and Britain, it was a milestone for Germany in terms of post-World War II international deployments.

Lithuania, of course, is distinctly more peaceful than Afghanistan. Still, the fact that Germany volunteered to become the so-called framework nation of one of the eFP's four countries is highly significant, as it is the first time that Germany has taken the lead on a NATO mission. The eFP's other lead nations are the UK, in Estonia; the US, in Poland; and Canada, in Latvia. And while eFP does not feature the fierce combat of Afghanistan, depending on Russia's actions it could quickly change from a deterrence mission to a combat mission.

The plan is, of course, to deter Russian military aggression through NATO's presence in Poland and the Baltic states. Yet there is no doubt that the Baltic Sea region is more volatile now than it has been since the end of the Cold War, and that it will remain true for the foreseeable future. This raises the question: which country will take charge of security in the Baltic Sea region? US Vice President Mike Pence reassured the Baltic states of US support during a visit to Estonia this summer, telling Estonian, Latvian and Lithuanian leaders that "an attack on one of us is an attack on us all."[6] Even so, the Baltic Sea region cannot rely primarily on the United States for its security. Other major European military powers have to take on a larger role.

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5   "Einsatzzahlen – die Stärke der deutschen Kontingente," Bundeswehr, August 25, 2017, https://www.bundeswehr.de/portal/a/bwde/start/einsaetze/ueberblick/zahlen/!ut/p/z1/hY4xD4IwFIR_iwNrXwMR0a0qi8HEBInQxRSoBa2UlAL-fGvYjMTb3r3vLgcUUqANG2rBTK0aJu2dUf-6DaJz5K5ddx_HO0yS0E_CmHjY9-HyD6D2jWdEMMQlh8x2rGY7jhYCCvTOBvZCrdJGcoNY8VkIWcWaUvKTKshkHIAKqfJpOmlyLxBANb9xzTXqtbUrY9pu42AHj-OIhFJCclQo1D8c_CtUqc5A-s1C-0xH7C3lEJHFGzwJILY!/dz/d5/L2dBISEvZ0FBIS9nQSEh/#Z7_B8LTL2922DSSC0AUE6UESA30M0.
6   "Mike Pence Reassures Baltic States Over Russia 'Threat,'" *BBC* News, July 31, 2017, http://www.bbc.co.uk/news/world-europe-40779184.

That means Germany. The country is itself a Baltic Sea state. Equally importantly, it is a major military power, though one that is currently not taking full advantage of its military potential. According to the European Defence Agency's most recent statistics, Germany has 178,800 military personnel, compared to France's 207,000, Italy's 183,500 and Britain's 153,700.[7] France has numerous international engagements, however, and Italy understandably focuses on the southern flank, while Britain maintains a globally active navy along with a nuclear force.

Germany also has financial potential to spend more than the 1.2% of GDP it currently spends on defence. Chancellor Angela Merkel said earlier this year that Germany will move closer to the NATO benchmark of 2% defence spending. This year's defence budget amounts to €37 billion, an increase of €1.9 billion from last year.[8] That means that Germany is currently spending around 1.26% of GDP on defence.[9] To reach 2%, the country would have to spend around €60 billion per year, which Merkel's coalition partners the social democratic SPD have dismissed as an illusion[10] this summer officially rejecting the benchmark.[11]

Foreign Minister Sigmar Gabriel (a Social Democrat) suggested earlier this year that foreign aid should also count towards defence spending as it, too, boosts security.[12] Given that Germany spends 0.7% of GDP on development

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7   Silvija Guzelytė. "National Defence Data 2013–2014 and 2015 (est.) of the 27 EDA Member States," *European Defence Agency*, June 2016, http://eda.europa.eu/docs/default-source/documents/eda-national-defence-data-2013-2014-(2015-est)5397973fa4d264cfa776ff000087ef0f.pdf.

8   "Verteidigungshaushalt," *Bundesministerium der Verteidigung,* n.d., https://www.bmvg.de/de/themen/verteidigungshaushalt.

9   "Von der Leyen rechtfertigt Erhöhung der Militärausgaben," *Welt*, August 7, 2017, https://www.welt.de/newsticker/dpa_nt/infoline_nt/brennpunkte_nt/article167435324/Von-der-Leyen-rechtfertigt-Erhoehung-der-Militaerausgaben.html.

10   "Merkel will Verteidigungsetat erhöhen," *Tagesschau.de*, April 3, 2017, https://www.tagesschau.de/inland/merkel-verteidigungsetat-101.html.

11   Andrea Shalal. "Germany's SPD Rejects NATO 2 Defense Spending Target," *Reuters*, August 6, 2017, https://www.reuters.com/article/us-germany-election-military-spd-idUSKBN1AM001.

12   "Gabriel sieht US-Forderung nach mehr Verteidigungsausgaben kritisch," *Zeit Online*, February 16, 2017, http://www.zeit.de/politik/ausland/2017-02/nato-sigmar-gabriel-

aid Germany would then reach the 2% benchmark.[13] Still, even with less than 2% defence spending, Germany is an underutilised security resource in Europe. "Without Germany, we won't be able to enhance security in the Baltic Sea region," noted Swedish defence analyst Niklas Granholm. "They're an indispensable nation."[14]

But in the decades after World War II, Germany became accustomed to military passivity outside its borders. Other countries would not like German soldiers on their soil, many Germans reasoned. While that was undeniably true for, say, some Britons in the nineteen-sixties, the millennium has brought new attitudes. "Estonia is of the opinion that there could be a permanent presence of European allies in the Baltic region under German leadership," then-Prime Minister Taavi Roivas told Germany's Defence Minister Ursula von der Leyen in April 2015.[15] And within NATO, Germany's modest eFP leadership role has received an enthusiastic welcome.

That is not least because Germany is, in fact, indispensable on the eastern flank. "France was very reluctant to the idea of enhancing NATO on the eastern flank, and has contributed almost marginally to eFP," said Slawomir Debski, director of the Polish Institute of International Affairs (PISM). "And Britain's potential role in the Baltic Sea region has been displaced by Brexit. Particularly in this context, Germany's role is crucial. And even though Polish-German political relations are currently not in the best shape, cooperation between the Bundeswehr and the Polish armed forces is excellent."[16]

But in Germany, World War II still elicits self-flagellation. Whenever calls for more international engagement by the Bundeswehr are raised, some

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verteidigung-bip-kosten-fluechtlingshilfe.

13   "Deutschland erfüllt erstmals Uno-Vorgabe," *Spiegel Online*, April 11, 2017, http://www.spiegel.de/wirtschaft/soziales/entwicklungshilfe-deutschland-erfuellt-erstmals-ziel-der-uno-a-1142928.html.

14   "Interview with Niklas Granholm," interview by Elisabeth Braw, n.p., August 4, 2017.

15   "Estland fordert Stationierung deutscher Truppen," *Handelsblatt*, April 14, 2015, http://www.handelsblatt.com/my/politik/international/bundeswehr-soll-ins-baltikum-estland-fordert-stationierung-deutscher-truppen/11635598.html?ticket=ST-863918-t1EOuTSU9DZrMhrpHVgy-ap3.

16   "Interview Slawomir Debski," interview by Elisabeth Braw, n.p., August 4, 2017.

voices still argue that it is still inappropriate to post German soldiers outside Germany. It was no surprise, then, that arguably the most hand-wringing regarding eFP occurred in Germany itself. "75 years after the war of annihilation, martial war exercises with German participation are again taking place very close to Russia," Sahra Wagenknecht, the Left Party's [Die Linke] co-leader, said in a Bundestag debate last year.[17] Die Linke's call for Germany to leave NATO was rejected by the Bundestag last year.[18] But a poll this summer showed that a majority of Germans, 55%, want the Bundeswehr to leave Afghanistan.[19]

Additionally, in a May 2017 poll, only 40% of Germans supported NATO's Article 5, which obliges NATO members to oppose any member who has been invaded or otherwise attacked,[20] the lowest figure in any NATO country. In the Netherlands, 72% of respondents supported Article 5, while 62% Poles and Americans were in favour of it.

What Germany is Doing

Still, the eFP deployment, which was approved by a Bundestag majority, has proceeded without public protest marches. When the first rotation of German troops arrived in Lithuania, Jukneviciene recalls, the Kremlin tried to stir up resentment against them among Lithuanians with propaganda comparing Bundeswehr soldiers to Nazis, an easy point to score against any German. But the propaganda fell on deaf ears, and the Germans have been warmly welcomed.

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17   "Merkel verteidigt stärkere Nato-Präsenz im Osten," *Deutscher Bundestag*, July 7, 2016, https://www.bundestag.de/dokumente/textarchiv/2016/kw27-de-regierungserklaerung-eu-gipfel/433580.

18   "Bundestag lehnt Anträge zur Sicherheitspolitik ab," *Deutscher Bundestag*, June 7, 2016, https://www.bundestag.de/dokumente/textarchiv/2016/kw27-de-sicherheit-frieden/434224.

19   "Umfrage zeigt: Deutsche wollen Abzug der Bundeswehr aus Afghanistan," *Merkur.de*, last modified June 15, 2017, https://www.merkur.de/politik/umfrage-zeigt-deutsche-wollen-abzug-bundeswehr-aus-afghanistan-zr-8403762.html.

20   Bruce Stokes. "NATO's Image Improves on Both Sides of Atlantic," *Pew Research Center Global Attitudes and Trends*, May 23, 2017, http://www.pewglobal.org/2017/05/23/natos-image-improves-on-both-sides-of-atlantic/.

450 soldiers on a peacetime mission in a fellow EU and NATO member state is a highly limited engagement. And that is the point: whether conceived as such or not, the eFP leadership role could be the beginning of a larger German role in Baltic Sea security. It is small enough not to be seen as provocative, and significant enough to point to future potential. "I don't think this is the end of German involvement here," Jukneviciene said. "I'm sure Angela Merkel was afraid of deploying troops to Lithuania, but she understands that it's cheaper to defend Germany in Lithuania than to defend it in Germany."[21]

That is exactly the point. The Enhanced Forward Presence is not just about reassuring the Baltic states and Poland. Should one or more of these countries be invaded, the entire Baltic Sea region would be destabilised – with dire consequences for Germany. And Germany is already doing more to shore up regional security. The Germans have initiated a working group for Baltic Sea naval commanders, and this summer von der Leyen signed a military cooperation treaty with Sweden and Finland, with the three countries agreeing to conduct joint exercises and multilateral operations.[22] Germany and the Netherlands are, in turn, integrating their armed forces in a highly ambitious manner. A Dutch brigade is being integrated into a German tank division, while another Dutch brigade will be integrated into Germany's Rapid Response Forces Division.[23] For the past two years, Germany has also had a battalion under Polish command, while a Polish battalion has served under Bundeswehr command.[24] The framework nation concept, presented by Germany to NATO four years ago, allows a junior partner to plug its armed forces into the armed forces of a senior partner.[25] While other countries, including the UK, are testing versions of it,

21   "Interview with Rasa Jukneviciene," interview by Elisabeth Braw, n.p., August 2, 2017.

22   Annica Ögren. "Sverige i tätare försvarssamarbete med Tyskland," *Expressen*, June 29, 2017, http://www.expressen.se/nyheter/sverige-i-tatare-forsvarssamarbete-med-tyskland/.

23   Elisabeth Braw. "Germany Is Quietly Building a European Army Under Its Command," *Foreign Policy*, May 22, 2017, http://foreignpolicy.com/2017/05/22/germany-is-quietly-building-a-european-army-under-its-command/.

24   Sabine Siebold. "Deutsche Soldaten dienen bald unter polnischem Kommando," *Reuters*, March 8, 2015, http://de.reuters.com/article/deutschland-polen-bundeswehr-idDEKBN0M40DG20150308.

25   Claudia Major and Christian Mölling. "The Framework Nations Concept: Germany's

Germany has become the best framework nation practitioner, integrating not only the two Dutch brigades but a Czech and a Romanian unit as well.[26]

The Potential for a Larger German Role

There is, however, potential for a much larger role. As Jukneviciene points out, Germany is the only eFP lead nation that, as of 2019, will also be a member of the EU. That puts even more onus on Germany. "The Germans know they need to do more," Granholm pointed out, "But what?"[27]

So how can Germany expand its role in Baltic Sea security? According to Granholm, it could expand its cooperation with Sweden and Finland by integrating Swedish and Finnish units in a similar plug-in fashion. In particular, Germany and Sweden could combine their submarine fleets, which are already operating in the Baltic Sea. Said Granholm: "Germany could play a very useful role by keeping good order in the Baltic Sea, especially given the current tensions and the intense activities there, which include both national and multilateral exercises." Admiral (Ret.) Hans-Joachim Stricker, a German former navy commander, told me that the Maritime Component Command Germany that is currently establishing in the Baltic Sea city of Rostock[28] could also be used in conjunction with other countries, for example in the operational command of Baltic Sea submarines. "In my opinion, integration of Baltic Sea submarine fleets is premature, but we should definitely work towards a bottom-up approach," Stricker said. "With Sweden, we could do so through a bilateral treaty or within the EU, and include joint training and operations."[29]

Germany could also integrate a Polish army brigade and launch naval cooperation with Poland. "NATO moves slowly," noted Granholm. "Bilateral

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Contribution to a Capable European Defence," *Stiftung Wissenschaft und Politik*, December 2014, https://www.swp-berlin.org/en/publication/the-framework-nations-concept/.

26   Elisabeth Braw. "Germany Is Quietly Building a European Army Under Its Command," *Foreign Policy*, May 22, 2017, http://foreignpolicy.com/2017/05/22/germany-is-quietly-building-a-european-army-under-its-command/.

27   "Interview with Niklas Granholm," interview by Elisabeth Braw, n.p., August 4, 2017.

28   Torben Hinz. "Marine baut Führungszentrum," *NNN.de*, September 13, 2016, https://www.nnn.de/lokales/rostock/marine-baut-fuehrungszentrum-id14816111.html.

29   "Email from Admiral Hans-Joachim Stricker," email to Elisabeth Braw, August 14, 2017.

defence arrangements are a good way of expanding regional cooperation, and of course also allow Sweden and Finland to participate."

Times have clearly changed since the Cold War when Germany played the indisputable second fiddle even in its own military security. But, asked Debski, will Germany use its growing authority as a security actor in Europe? "EFP is more about political signalling than about military buildup," he noted. "It would be good if they did more in the security sphere. The question is, do they want to? Germany is known in this part of Europe as a country that is keen to engage in negotiations, even when countries such as Poland see no room for negotiations. Germany should avoid mixed signalling. If they're clear on their commitment to security they're very welcome."

Concluding Remarks

Whatever Germany's interest in negotiations, the current situation in the Baltic Sea region is an offer it can hardly refuse: there is a need for more security, and Germany is the country best positioned to provide it. What is more, its Baltic Sea neighbours are willing, indeed eager, to have Germany play a larger role in their region.

A BRUSQUE SWEDISH AWAKENING: ADOPTING SECURITY POLICY TO BALTIC SEA CHALLENGES

Anna Wieslander

Good Friday in 2013 was certainly not a good day for the Swedish Armed Forces. After midnight, Swedish air surveillance spotted six fast aircraft from the approaching Swedish territory from the east. They practised bomb attacks (according to NATO, these were nuclear bomb attacks) close to the Swedish border and then returned home to Russia without being scrambled by Swedish jet fighters. Why? There simply were none ready to respond.[1]

The "Russian Easter" illustrated not only the low level of readiness for territorial incidents but also the perceived threat level from Russia at that time. A year later, Russia had illegally annexed Crimea and started a war in Eastern Ukraine.

This article focuses on how Sweden, through a brusque awakening, has adapted to the worsened security situation in its vicinity. It examines how the broadly unknown security doctrine from 2009 has been implemented since 2014, through what observers call the "Hultqvist doctrine," after the current Defence Minister Peter Hultqvist. The implementation of this doctrine builds on a delicate balancing act between deepened international defence cooperation while staying outside of NATO. Joining the alliance has been examined but dismissed. The Hultqvist doctrine has been successful in a turbulent era to build confidence for Sweden's security and defence. That in turn contributes to overall Baltic Sea security, given the interdependence of the region in security issues. However, some embedded dilemmas and challenges must be dealt with in order not to undermine that confidence in the long-term.

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1   "Ryssland övade kärnvapenanfall mot Sverige," *Dagens Nyheter*, February 2, 2016, http:**/**www.dn.se/nyheter/sverige/ryssland-ovade-karnvapenanfall-mot-sverige/.

A Brusque Swedish Awakening

In 2014, there were repeated Russian incursions into Nordic and Baltic air space and an intensive submarine hunt in Stockholm's archipelago. Reuters' top news story on 28 October 2014, was titled "Nordic, Baltic States Face 'New Normal' of Russian Military Threat." The article was widely distributed. The term "new normal" came to be a guideline to describe increased Russian military activity and aggression in the region.[2]

As it appeared to the Swedes (less so to Finland with its long border with Russia) the shift came unexpectedly. For a long time, one of the most peaceful areas of the world, the Baltic Sea region had suddenly become a focal point of uncertainty, as well as part of a larger strategic game between Russia and the West.

While Sweden is nowadays highly concerned about Russia, it does not perceive an immediate threat of an armed attack. The risk is rather to be drawn into a crisis or conflict in the region, most likely on very short notice, either through a military operation or in a more diffuse hybrid scenario. The purpose of the adversary would be to create freedom of movement in the region.[3]

The island of Gotland has been particularly highlighted in this regard. Its importance has also been acknowledged by the US and NATO through a range of war games that were conducted to prepare to defend the Baltics. The "bubble" of anti-access/area-denial capacity (A2/AD) developed by Russia in Kaliningrad underlines its centrality even further. In order to strengthen its capacity to deny NATO access to airspace over the Baltic Sea, Russia may be interested in deploying air defence systems to Swedish territory. The main attack against the Baltic States could be preceded by operations against Sweden.[4]

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2   Anna Wieslander. "A New Normal for NATO and Baltic Sea Security," *UI brief*, no. 2 (February 2015): 3.

3   Micael Bydén. "Speech at Folk och Försvar Conference in Sälen," January 11, 2016, http://www.forsvarsmakten.se/siteassets/3-organisation-forband/overbefalhavaren/tal-och-debattartiklar/nuvarande-obs-tal-och-debattartiklar/20160111-ob-anforande-salen.pdf.

4   Inquiry on Sweden's International Defence and Security Cooperation. "Security in a New Era," 2016, http://www.government.se/4a58e0/

In a visit to Sweden in April 2016, US Deputy Defence Secretary Robert Work stated that "the US would take it very, very seriously if there were a threat against Gotland."[5] Lieutenant General Ben Hodges, the commanding general of the US Army forces in Europe, described Gotland as a key location on his visit to the island in July 2017, addressing the Swedish soldiers: "You have a strategically very important task here. I do not think there is any island anywhere that is more important."[6]

In other words, Sweden could be vital in the defence of the Baltics.

In the hybrid dimension, the Supreme Commander has defined Russian information and intelligence operations as "on-going" towards Sweden. An example of this is Russian representatives, including Foreign Minister Sergej Lavrov, repeatedly warning that a Swedish NATO membership would have military consequences for Russia. Most recently, President Putin himself claimed that if "Sweden joins NATO this will affect our relations in a negative way because we will consider that the infrastructure of the military bloc now approaches us from the Swedish side. We will interpret that as an additional threat for Russia and we will think about how to eliminate this threat."[7]

Another example is Russian agents actively working to undermine the signing and ratification of the Host Nation Support treaty with NATO, according to the Swedish security police.[8]

contentassets/989ee3fb59c545288713515805e82279/summary.pdf.

5   "USA ser allvarligt på om Gotland hotas," *Dagens Nyheter*, April 4, 2016, http://www.dn.se/nyheter/sverige/usa-ser-allvarligt-pa-om-gotland-hotas/.

6   "No Island is as Important as Gotland, Says US Military Chief," *The Local*, July 24, 2017, https://www.thelocal.se/20170724/no-island-as-important-as-gotland-says-us-military-chief-ben-hodges-europe-nato-russia-sweden.

7   Damien Sharkov. "Putin Vows Military Response to 'Eliminate NATO Threat' if Sweden Joins US-Led Alliance," *Newsweek*, June 2, 2017, http://www.newsweek.com/vladimir-putin-vows-eliminate-nato-threat-sweden-joins-619486.

8   "Yearbook of the Swedish Security Police," *Säkerhetspolisen*, 2015, http://www.sakerhetspolisen.se/download/18.1beef5fc14cb83963e7273f/1458212474047/Sapo_arsbok15_webb.pdf and "Säpo: Ryska agenter motarbetar på svensk mark," *Dagens Nyheter*, April 30, 2016, http://www.dn.se/nyheter/sverige/sapo-ryska-agenter-motarbetar-pa-svensk-mark/.

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Transforming Regional Defence Policies

Military Non-Aligned but Not Passive

The Swedish doctrine to help navigate the deteriorated security environment in the Baltic Sea region was adopted unanimously by Parliament in 2009. It is a far reaching, unilateral declaration of solidarity, which includes all other EU member states (in accordance with the EU Treaty of Lisbon), as well as Nordic countries that are not members of the EU:

> *Sweden is not a member of any military alliance. Threats to peace and our security can best be averted collectively and in cooperation with other countries. It is impossible to imagine military conflicts in our region that would affect only one country. Sweden will not remain passive if another EU Member State or Nordic country suffers a disaster or an attack. We expect these countries to take similar action if Sweden is affected. Sweden should therefore be in a position to both give and receive military support.*[9]

After the doctrine was adopted, it soon fell into oblivion and remained there until the turbulent year of 2014. Not until then did the Armed Forces get the mandate to look deeper into the operational planning aspects of the doctrine, of which the signing of the Host Nation Support Treaty with NATO constitutes a core element.

That year, there was also a major shift among the liberal and conservative parties in parliament to abandon the military non-alignment policy and apply for NATO membership. However, the push did not come until the fall of 2014, just after the parties had lost their governmental power. The social democratic-green government that took office instead, did not share that vision.

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9   "Försvarets inriktning (Orientation of the defence)," *Sveriges Riksdag*, June 16, 2009, https://data.riksdagen.se/fil/90B349AB-0224-41F4-922C-DEBB5D60C5CD.

The Prospects of NATO Membership

Two governmental inquiries, led by highly experienced diplomats, have looked into the issue of deepened international defence cooperation in light of "building security together with others," as the doctrine states.

In his October 2014 report, Tomas Bertelman pointed to the growing contradiction and tensions between Sweden's self-imposed restrictions of solidarity, sovereignty and the effectiveness of defence cooperation, and warned that the result was a growing uncertainty about Swedish policy. He also claimed that the tensions could not be eliminated "within the framework of the current restrictions."[10]

Though Bertelman's report did not echo in the government, it did raise some key questions and paved the way for the next inquiry, headed by Ambassador Krister Bringéus. As part of a broader agreement on the long-term defence budget between the government and the three opposition parties, Bringéus got the delicate task of looking into the "pros and cons" of NATO membership, without giving consideration to Sweden's military non-alignment.

Bringéus concluded in September 2016 that the "most tangible military consequence of Swedish NATO membership would be to dispel the current uncertainty regarding common action in the event of a Baltic Sea crisis, and that the West's deterrence therefore most probably would increase." He predicted that Russian reactions would cause a political crisis and some military adjustments from the Russian side, but in the end, history suggested that Russia would accept it.[11]

The day before Bringéus was to present the report, Foreign Minister Margot Wallström and Defence Minister Peter Hultqvist published a joint op-ed, in which they declared that changing the security doctrine would

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10   Inquiry on Sweden's International Defence Cooperation. "International Defence Cooperation: Efficiency, Solidarity, Sovereignty," 2013, https://www.icds.ee/fileadmin/media/icds.ee/failid/Bertelman2014.pdf.

11   Inquiry on Sweden's International Defence and Security Cooperation. "Security in a New Era," 2016, http://www.government.se/4a58e0/contentassets/989ee3fb59c545288713515805e82279/summary.pdf.

be too dramatic and transformative. Sweden was to remain military non-aligned, which would contribute to predictability and stability in the Baltic Sea region.[12] The article caused the four opposition parties to respond that "facts, not traditions" should rule the security policy debate, arguing that joining NATO would decrease insecurity and unpredictability in a situation in which Sweden inevitably was to be drawn into a regional crisis, should it emerge.[13]

As for public opinion, polls indicate that a plurality (ranging between 35-49% depending on the poll) would like to see Sweden joining NATO. However, public opinion tends to follow party lines, where voters for the Social Democrats, the Green party and the Left Party are still mostly against membership.[14]

The "Hultqvist Doctrine"

Formally, in 2017 the government has adopted a "national security strategy" for the first time ever, which defines national interests and threats in the fields of military, information and cyber security, terrorism and extremism, organized crime, energy supply, transport and infrastructure, health and climate change, and provides a framework how to counter them.[15] The strategy has been criticized by experts and by the opposition for being too vague and broad, and lacking resources for implementation. Its main value is likely to lie in how it addresses the hybrid spectrum of threats, where it can serve as a tool for government coordination.

Informally, the implementation of the security policy doctrine from 2009 has gotten its concrete expression in what observers in Sweden call the

12   "Inte aktuellt ändra svenska säkerhetspolitiska doktrinen," *Dagens Nyheter*, September 8, 2016, http://www.dn.se/debatt/inte-aktuellt-andra-svenska-sakerhetspolitiska-doktrinen/?forceScript=1&variantType=large.

13   "Hög tid Sverige går med i Nato," *Dagens Nyheter*, September 9, 2016, http://www.dn.se/debatt/repliker/hog-tid-sverige-gar-med-i-nato/.

14   See, for instance, polls done by the SOM Institute, MSB Opinion, Sifo/SvD and the Pew Research Center.

15   "Nationell Säkerhetsstrategi," *Regeringskansliet*, January 8, 2017, http://www.regeringen.se/48e36d/contentassets/a02552ad9de94efcb84154b0f6ed76f9/nationell-sakerhetsstrategi.pdf

"Hultqvist doctrine," named after Defence Minister Peter Hultqvist. The doctrine has three main components: (1) a focus on building deterrence and national defence capabilities; (2) a patchwork of deepened bilateral arrangements, as well as an enhanced partnership with NATO, but no security guarantees; and (3) strong support for a rule-based security order and a tough stance against Russia, who has broken that order.[16]

Strengthening National Defence

When it comes to strengthening defence and deterrence, the process is under way but is progressing slowly and with low levels of funding. Due to the deteriorated security situation in the Baltic Sea region, the government in 2015 decided to reorient the Swedish Armed Forces towards national and regional defence. Defence spending for 2016–2020 was increased by 10.2 billion SEK, a substantial amount, but still only roughly half of what the Armed Forces had asked for in order to implement the recommendations.[17] A newly agreed budget increase will give the Armed Forces approximately what they initially asked for, but in terms of percentage of GDP, it hardly lifts Sweden from the present level of 1%.

Patchwork of Bilateral Cooperation

The extensive patchwork of bilateral defence cooperation is a cornerstone of the government's defence policy. Since 2014, ties have been revised and deepened with Finland, Poland, Denmark, the US, the UK and Germany.

Finland and the US constitute the core of the bilateral patchwork. Only with Finland does the agreement officially encompass joint planning beyond peacetime, though security guarantees are not included from either side.

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16   Anna Wieslander. "NATO, the US and Baltic Sea Security," *UI Paper*, no. 3 (2016): 19, https://www.ui.se/globalassets/butiken/ui-paper/2016/nato-the-US-and-the-baltic-sea-security---aw.pdf and Robert Dalsjö. "Trapped in the Twilight Zone? Sweden between Neutrality and NATO," *The Finnish Institute of International Affairs*, April 27, 2017, http://www.fiia.fi/en/publication/674/trapped_in_the_twilight_zone/.

17   Johan Wendel. "ÖB: Pengabrist gör Sveriges försvar sämre," *Dagens Industri*, February 28, 2017, http://www.di.se/nyheter/ob-pengabrist-gor-sveriges-forsvar-samre/.

Sweden signed a defence agreement with the US in 2016, in the form of a non-binding letter of intent. However, the importance placed by the US on Sweden has been underlined both by the Obama and the Trump administration in quite remarkable ways given the size of the country and its military non-alignment status.[18] Visiting Stockholm in August 2016, Vice President Joe Biden sent a clear message to President Putin and referred to Sweden as "inviolable territory – period. Period. Period."[19] In May 2017, Secretary of Defence James Mattis declared that if the Russians come, "America will not abandon democratic allies and partners, and we will stand with Sweden (…). It's not a NATO ally, but it is still, from our point of view, a friend and an ally."[20]

Enhanced Opportunities with NATO

On the multilateral side, the Enhanced Opportunities Program (EOP) introduced at the Wales summit in September 2014, has given a fruitful and timely opportunity for NATO, Sweden and Finland to work closely on Baltic Sea security issues. The work in the new format has been driven by the pragmatic realization that the region must be viewed as one strategic area, regardless of whether the countries around the Baltic Sea are members of the alliance or not.

The current challenge of a revisionist Russia underlines the importance of being well-prepared. That includes processes, structure and capabilities in order to successfully address the threats that might arise. In turn, this builds regional deterrence.

The main areas of cooperation include the exchange of situational awareness in the region, the exchange of information about hybrid warfare,

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18   For further analysis, see Mike Winnerstig's "More Allied than a NATO Ally? The – Almost – Fundamental Shift in Swedish Security Policy," *ICDS Blog*, June 12, 2017, https:/www.icds.ee/blog/article/more-allied-than-a-nato-ally-the-almost-fundamental-shift-in-swedish-security-policy/.

19   "Biden vill att den ryska gasledningen stoppas," *Dagens Nyheter*, August 25, 2016, http:/www.dn.se/nyheter/sverige/biden-vill-att-den-ryska-gasledningen-stoppas/.

20   "Remarks by Secretary Mattis and Minister Hultqvist at the Pentagon," *US Department of Defense*, May 18, 2017, www.defense.gov/News/Transcripts/Transcript-View/Article/1186980/remarks-by-secretary-mattis-and-minister-hultqvist-at-the-pentagon/.

a connection to NATO's rapid reaction forces and the coordination of training and exercises in the region.[21] At the Warsaw Summit in July 2016, NATO emphasized the need to develop regular political consultations, shared situational awareness, and joint exercises with Sweden and Finland.[22]

Challenges Ahead

The "Hultqvist doctrine" has been successful in building confidence for Sweden's security and defence in a turbulent era. Sweden has been able to assure others of its commitment to common action in case of a Baltic Sea crisis, despite the lack of security guarantees. Given the strategic situation in the area with a high degree of security interdependence, this contributes to regional stability. The main components of creating that confidence have been political engagement and cooperation, a track record of high military standards and interoperability, participation in advanced exercises and the signing of the host nation support agreement. In order not to undermine that confidence in the long term, some embedded dilemmas and challenges must be dealt with:

Regarding national defence, Sweden has managed to ensure international confidence in its commitment to increase operational defence capabilities, despite the risk of falling under 1% of GDP in defence spending. However, in the long term, a failure to substantially strengthen the national defence will undermine the respect and trust that Sweden has earned.

The bilateral track requires a demanding strategy for a small country. Sweden must put in the same time and resources as big nations such as the US, UK, Germany and Poland, to implement the intentions of international agreements. Otherwise, there is a risk that the ambitions will fall flat. The main dilemma is that for Sweden, the bilateral arrangements are important deterrence measures. For the counter parts, apart from Finland, deterrence is provided by NATO. Upholding the energy and resources to

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21   Anna Wieslander. "A New Normal for NATO and Baltic Sea Security," *UI brief*, no. 2 (February 2015): 3.

22   NATO. "Warsaw Summit Communiqué," last modified March 29, 2017, http://www.nato.int/cps/en/natohq/official_texts_133169.htm.

develop bilateral cooperation in multiple directions is therefore mainly a Swedish concern.

The US is crucial for Baltic Sea security. Sweden is dependent on bilateral relations to maintain American attention, and has succeeded to a surprising extent. But the unpredictability of the Trump administration casts a shadow over the relationship and its endurance. In addition, the driving force for US engagement with Sweden is tightly knitted with its treaty commitment to protect the Baltic states, which in turn is connected to the credibility of its global network of security alliances. An American decision to assist Sweden will be made from this perspective, which may or may not align with Swedish needs and interests.

Regarding relations with NATO, the key question is if they can get any closer. To start with, not all members of the alliance were in favour of enhanced partnerships with Sweden and Finland, as there were doubts as to whether this would actually strengthen NATO. But given the new normal, not deepening collaboration appeared to be a worse option.[23] Nowadays, the answer from NATO to the question of how close the relation can go tends to be: as close as Sweden wants.[24] Naturally, the distinction between ally and close partner has become blurrier, but two areas where there yet are clear differences are operational planning and decision-making.

In operational planning, the self-imposed tension between solidarity and sovereignty is particularly tangible. While according to its security policy doctrine Sweden counts on others for military assistance, being military non-aligned put obstacles in the way of joint operational planning with the alliance. Not only does Sweden count on others for its defence, but as the Bringéus Inquiry concludes, due to shortcomings in Swedish defence capability, "Sweden, like other European countries, would be dependent on outside support to maintain its sovereignty in an evolving military crisis."[25] Thus,

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23   Anna Wieslander. "A New Normal for NATO and Baltic Sea Security," *UI brief*, no. 2 (February 2015): 2.

24   "NATO Adopting to Future Challenges," *Globsec 2017 Bratislava Forum*, May 27, 2017, http://www.globsec.org/globsec2017/video-gallery/category/globsec-2017-day-2-sessions.

25   Inquiry on Sweden's International Defence and Security Cooperation. "Security in a New Era," 2016, http://www.government.se/4a58e0/

Sweden cannot provide deterrence by denial, but is at the same time inhibited in making operational plans that would realistically uphold sovereignty. The security interdependence of the region makes this a concern not only for Sweden but for allies as well. Increased information sharing and coordination on operational planning with allies could help decrease this gap.

Regarding NATO decision-making, as a non-ally, Sweden will not be part of it. If Stockholm would consider making Swedish military infrastructure, territory, airspace and territorial waters available for NATO's needs in case of a crisis, sitting at the table would facilitate the process. The best option as an outsider is to ensure a well-functioning mechanism for shaping decision-making, in parallel to what was developed between NATO and partners for out-of-area missions. Since a conflict in the Baltic Sea region is likely to emerge very quickly, early partner consultations would be useful for all. In addition, Sweden and Finland are EU members and can be useful partners in that context as well.[26]

Finally, on the defence of the rule-based security order challenged by Russia, as a small power, Sweden has no better option than to raise its voice forcefully to protect it. It is worrying that the main guarantor of that order, the United States, has sent signals from time to time through its new president that it is not convinced of its merit. The rule-based security order is upheld by institutions, such NATO and the EU, through which small nations can gain more influence than they could in a world set only by the great powers. Clearly, it is in the common interest of the Baltic Sea states to uphold strong institutional cooperation as much as possible. If Sweden and Finland remain outside of the alliance, it will be even more important to find ways to work pragmatically to strengthen, not undermine, the institutional framework ahead.

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contentassets/989ee3fb59c545288713515805e82279/summary.pdf.

26   Anna Wieslander. "Extended Cooperative Security in the Baltic Sea Region," *The Polish Quarterly of International Affairs* no. 1 (2016): 143.

Beyond the Region and the Transatlantic Solidarity

BALTIC SECURITY IN THE AGE OF TRUMP

Glen Howard

The election of Donald J. Trump as US President on November 7, 2016 has brought a year of living dangerously for the Baltic States, as the region nervously awaited the arrival of a new Republican administration in Washington. Trump's election brought a degree of psychological trepidation that in many ways may have been one of the most severe tests to regional security since the admission of the Baltic states into NATO.

Certainly, questions about Trump were well deserved, as the new President elect's key advisers on the election trail were Paul Manafort, a key Republican strategist and former adviser to Ukrainian President Yanukovych, and national security adviser Michael Flynn, who was widely viewed as a key Kremlin confidant and champion of stronger US–Russia relations inside the inner Trump circle. Even long-time hawks on Russia, such as the former speaker of the House of Representatives, New Gingrich, appeared to question the issue of whether the Baltics were worth defending when during the Republican Convention last August, he referred to the Estonian capital of Tallinn as being a suburb of St. Petersburg.

Fears in the Baltic of the US commitment were well deserved, but such is the unpredictability of America's electoral politics. To the surprise of many observers, Trump unseated the Democratic candidate Hillary Clinton due to her strategic oversight of the American rust-belt states of Michigan, Wisconsin and Ohio who voted overwhelmingly in favour of Trump. The famous New York Times interview with Trump by David Sanger on July 22, 2016, had the misleading title "Trump Says US May Abandon Automatic Protections for NATO Countries" and from this interview arose a lot of hand wringing by the Baltic States. According to the New York Times and Trump's critics, this interview indicated that the Republican Presidential candidate would not uphold Article V. In reality, however, this became a form of fake news as Trump never questioned Article V, but was instead trying to make a point about NATO defence spending and the all-important issue of burden

sharing in NATO, which has been a core point of US diplomacy towards NATO since the time of Ronald Reagan, who made this issue a key feature of his foreign policy when he was elected President in 1980.

Trying to focus on economics, Trump sought to make an economic point rather than a military point about the NATO alliance, which the US media repeatedly emphasized throughout the election. When questioned by David Sanger of the New York Times about meeting the 2 percent commitment, Trump was specifically asked: "Can the member of NATO including the new members of the Baltic count on the United States to come to their military aid if they were attacked by Russia? And count on us fulfilling our obligations?" Trump diverted the conversation away from Article V to the need to meet the 2 percent obligation and by noting that if the country spent 2 percent and met the threshold then it was fine, and if it didn't then he indicated it would be a problem.[1]

From this one interview, all the debate ensued about Trump not willing to be ready to defend the Baltic States, who never once mentioned the Baltic states but spoke of all states "needing to fulfil their obligations," meaning 2 percent. Since at the time of the interview only Estonia was spending 2 percent of GDP on defence, while Lithuania and Latvia were on the road to meeting 2 percent by 2018, this statement should not have been taken as seriously as the media or policymakers in the Baltics did at the time. By addressing this issue, Trump was thinking first as a businessman seeking to introduce his concern over alliance defence spending and his well-rooted fear that the United States was assuming too much of the economic burden of defending Europe. Well into the first year of the Trump presidency, this interview is nothing more than a historical footnote, as what started as a potential nightmare for the Baltic States virtually changed overnight with the appointment of major hawks on Russia to Trump's national security team, such as H.R. McMaster, the President's new National Security Adviser and James N. Mattis the new Secretary of Defense.

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1   "Transcript: Donald Trump on NATO, Turkey's Coup Attempt and the World," *The New York Times*, July 21, 2016, http://www.nytimes.com/2016/07/22/us/politics/donald-trump-foreign-policy-interview.html?_r=0.

With the arrival of Mattis, the Trump administration sought to enact a policy of strategic reassurance as Mattis made a visit to NATO a key priority early on in his tenure as Defense Secretary. In his first trip to NATO, Mattis emphasized his support of President Trump and spoke of the strength of America's allies and alliances and how NATO remains a pillar of US thinking in the Trump presidency. Mattis later backed up his words with deeds, travelling to Lithuania on May 10, 2017, in a major effort to demonstrate the US commitment to the Baltics, using the opportunity to meet with the defence ministers of all three Baltic states in the Lithuanian capital of Vilnius. These developments greatly reversed the psychological shock of Trump's election as the Baltic states slowly recovered from the fear of Trump to realise that the United States was committed more than ever to their defence. Moreover, the July 2017 visit by Vice President Pence to Estonia reiterated US support for the Baltic states in yet another demonstration of US commitment early in the first seven months of the new Trump administration.

Trump's Baltic Advisers

After finally dispelling Baltic concerns with these visits, the Trump administration now must get to the important challenge of filling key administrative positions in the mid to upper levels of policymaking at State Department and the Pentagon to oversee key policy developments. Now, the delicate strategy for the Trump Administration must be the creation of a new national security strategy to fit its vision for defending the Baltics and deterring a revisionist Russia. Central to this effort will be Dr Nadia Schadlow, who was appointed to the National Security Council by McMaster to be his Senior Director for Strategy. Schadlow will be in charge of directing a multi-agency effort to develop a new US security strategy.[2]

Schadlow is an avid supporter of Baltic security and has written extensively in the well-known blog *War on the Rocks* where she wrote about Europe being a petri dish for Russian-backed hybrid warfare. In her essay,

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2   Josh Rogin. "McMaster Staffing NSC with Traditional GOP Foreign Policy Hands," *The Washington Post*, April 4, 2017, https://www.washingtonpost.com/news/josh-rogin/wp/2017/04/04/mcmaster-staffing-nsc-with-traditional-gop-foreign-policy-hands/?utm_term=.a45da48396c8.

Schadlow voiced concerns about the fact that NATO might use the threat of hybrid warfare to avoid its commitment to defend the region should Russia remain under the radar of NATO's Article V.[3] Although Schadlow has never visited the Baltic region, she has been a long-time observer of Russian policy in the region and is a fervent sceptic of Putin. Through her former employer, the Smith Richardson Foundation, she worked with long-time board members Jack Keane, Jim Woolsey, the former Central Intelligence Agency (CIA) Director, and the now deceased Zbigniew Brzezinski. In her position at Smith Richardson, Schadlow supported foundations like the Jamestown Foundation and various like-minded think tanks in Washington, as well as funding reputable Russia scholars in their research on the dangers of Putin's Russia.

Elsewhere in Trump's National Security Council (NSC), we have seen the appointment of Fiona Hill of the Brookings Institution as Russia Director at the NSC. Hill possesses tremendous experience working in the US government. Her arrival at the NSC provides McMaster with a seasoned strategist to assist him in his day-to-day policy on developing a strategy to counter Russia. Hill previously served in the George W. Bush administration as the head of Russia policy at the National Intelligence Council and has vast experience in dealing with Russia at various levels of the US government. She is also the author of the well-received book: *Mr. Putin: Operative in the Kremlin*, co-authored by Clifford Gaddy of the Brookings Institution.

In the US State Department, US Baltic strategy will have an equally important advocate in Wess Mitchell, the President of the Center for European Policy Analysis. Mitchell is awaiting appointment as the new Assistant Secretary of State for European and Eurasian Affairs.[4] Mitchell and Jakub Grygiel are the co-authors of the book *Unquiet Frontier:*

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3   Nadia Schadlow. "The Problem with Hybrid Warfare," *War on the Rocks*, April 2, 2015, https://warontherocks.com/2015/04/the-problem-with-hybrid-warfare/.

4   Office of the Press Secretary. "President Donald J. Trump Announces Intent to Nominate Personnel to Administration Posts," *The White House*, July 19, 2017, https://www.whitehouse.gov/the-press-office/2017/07/19/president-donald-j-trump-announces-intent-nominate-personnel-key.

Rising Rivals, Vulnerable Allies and the Crisis of American Power.[5] A major champion of the book is, in fact, H.R. McMaster, who wrote a review of the book for the Wall Street Journal when it first appeared in mid-2016 and described the fallacy of allowing Russia to probe along its periphery.[6] Mitchell is known to be a champion of Baltic security and his addition to the State Department will play a key intellectual role in helping the new Secretary of State Rex Tillerson and the rest of the Trump Administration in defining its policies and approaches for the Russian periphery.

Enhanced Forward Presence

With these key personnel additions, the Trump Administration will be able to return to the core issues driving NATO's security approaches towards the Baltics, namely the strategy of Enhanced Forward Presence (EFP) for the forces arriving in the respective Baltic states as part of the NATO EFP initiative. First adopted at the 2016 Warsaw Summit, EFP has matured slowly with the deployment of German units to Lithuania, Canadians to Latvia, and British units to Estonia as part of the anchor forces of multinational units that will serve as trip wire forces to deter a Russian military attack on the Baltic States. These forces are modelled after the Berlin Brigade that was based in West Berlin during the Cold War which consisted of a brigade of British, French and US army forces.[7] Any Soviet attack on Berlin would have immediately resulted in a direct attack on all three countries and served as a form of deterrence throughout the Cold War should Moscow decide to occupy the German city.

Using the multi-nation Berlin Brigade as a model, the Obama Administration began working with NATO allies to develop the idea of the Enhanced Forward Presence following the Russian invasion of Crimea in 2014. Financially constrained, President Obama sought and received additional financial resources from the US Congress in June 2014 to support the

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5   Jakub J. Grygiel and A. Wess Mitchell. *The Unquiet Frontier: Rising Rivals, Vulnerable Allies, and the Crisis of American Power* (Princeton University Press, 2016).

6   H.R. McMaster. "Probing for Weakness," *The Wall Street Journal*, March 23, 2016, https://www.wsj.com/articles/probing-for-weakness-1458775212.

7   "Berlin Brigade," *Wikipedia*, last modified on August 24, 2017, https://en.wikipedia.org/wiki/Berlin_Brigade.

initiative through the US$ 3.4 billion European Reassurance Initiative (ERI). Not restrained by the cumbersome process of NATO decision-making, the United States unilaterally deployed a 150-person company-size unit of US army forces to each of the Baltic capitals to back up its verbal commitment and to give some credibility to the notion of Article V. What was far from clear from the Obama Administration was whether the US military commitment would go beyond this temporary deployment and move to a permanent US basing of forces in the Baltics. In this regard, the Obama Administration remained hesitant to go beyond this commitment and privately urged its NATO allies to meet their commitments to Article V by deploying their own units to the Baltics, rather than let the United State shoulder this burden. Privately, however, President Obama's National Security Adviser Susan Rice objected to further US deployments to the region out of fear of provoking Russia, and more importantly objected to the US pre-positioning of heavy equipment in the Baltics, such as the M-1 tanks.

Flowing from these privately held reservations emerged the idea of rotational deployments of American units to the Baltics as a means of reassuring the Baltic States of our own commitments and also signalling to our NATO allies that the United States was prepared to defend the region by its own temporary deployments. In the case of Latvia, it was the deployment of the US Army's 3rd Armored Brigade combat team of the 4th Infantry Division to Latvia in March 2015 as part of a rotational deployment that included 87 M1 Abrams tanks and over 300 armoured vehicles, the largest ever American military deployment to Latvia.[8] Rotational deployments, albeit temporary, still failed to resolve the underlying larger issue affecting Susan Rice and her reluctance concerning the 1997 NATO-Russia Act and the permanent stationing of US forces in East Central Europe. According to the NATO Founding Act, the United States agreed that the expansion of NATO would not result in the permanent deployment of NATO units east of the Oder River. While Russia ignored all international norms by invading and annexing Crimea, NATO continued to adhere to the

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8   Jon Harper. "Troops and Hardware from 3rd Infantry Division Heading to Eastern Europe," *Stars and Stripes*, March 9, 2015, https://www.stripes.com/news/troops-and-hardware-from-3rd-infantry-division-heading-to-eastern-europe-1.333467#.WZwvFZOGPBI.

NATO Founding Act at face value. The interim solution was to introduce temporary deployments in the form of rotating NATO units among the new member states of NATO. By avoiding the issue of permanently basing NATO units in the Baltic the United States managed to sidestep the issue of outright violating the 1997 NATO–Russia Founding Act, but it still did not resolve the issue of permanent deployment.

Whereas the constant rotation of units is not the best military solution for defending the Baltics, it does create a sense of NATO obligation to defend the region and allows NATO to demonstrate its resolve and allows military units within key member states to become familiar with operating in the Baltic region. One retired *Bundeswehr* General reassured this author on the eve of the Warsaw Summit in 2016 that the constant rotation of German units to Lithuania would reinforce the notion inside Germany that it had an obligation to defend the Baltics and with 9-month rotation periods it would, over time, allow thousands of German soldiers to constantly rotate in and out of the region and return to Germany. The psychological dimension, he noted, of understanding Germany's Baltic commitment was a threshold of sorts for Berlin to overcome in how it would meet its obligations to NATO.

Deterrence by Rotation

For most of its history as a member NATO, Latvia's role and responsibilities within the Atlantic Alliance have focused on performing out of area operations in faraway places like Afghanistan and Iraq, in which special forces requirements for assisting the US and NATO were the definition of Latvian contributions to the Alliance. Homeland defence simply has never been a high priority until Putin's "Anschluss" of Crimea in 2014, when territorial defence became the number one objective among Latvia's national security priorities. In the age of Enhanced Forward Presence, Latvia now finds itself trying to meet the security requirements of providing host nation support for its NATO allies, such as preparing facilities to house the Canadian military units, while also rebuilding the Latvian National Guard and modernizing the Latvian ground forces.

The key reality for Latvian strategic planners is that NATO's ability to fight its way to relieve Latvia will come either by land from Poland or by sea past the Russian Anti-Access/Area Denial (A2/AD) corridor in the Russian enclave of Kaliningrad. Known as Russia's Gibraltar of the Baltic, Kaliningrad and its array of 30,000 Russian forces is larger than the military forces of all three Baltic states combined.[9] With its array of Bastion anti-shipping missiles, Kaliningrad presents a major challenge to NATO naval forces, and any future efforts to transfer troops or supplies to relieve the Baltic States in a future conflict with Russia.

By land, there is the challenge of the Suwalki Gap that separates the Baltic states from Poland. During the Cold War, the definition of holding off a Soviet invasion of West Germany was the Fulda Gap. Today, in the age of Putin, the new Fulda Gap is the Suwalki Gap, the 104 kilometres of territory is bordered by Kaliningrad on one side and Belarus on the other side, which separates the Baltic states from Poland. In a potential conflict, any allied relief force would have to transit the Suwalki gap and would expect heavy artillery fire from both sides of the gap as Russian forces based in Belarus could form a pincer and sever the only land corridor that NATO has to the Baltic States.[10] Suwalki is a long way from Riga, 965 kilometres to be exact, while Zagan Poland located on the other side of the Oder river is even further distance at 1,200 kilometres from Riga. Any effort by the United States to come to the aid of Latvia militarily will come from its "rotational" base in Zagan Poland. Due to the 1997 NATO Founding Act, NATO committed itself to avoid creating permanent military bases east of the Oder river. This has forced the United States to honour the spirit of the 1997 NATO-Russia Founding Act by using rotational military deployments as a means of deterring a potential Russian invasion of the Baltics.

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9   Glen E. Howard. "Lithuania's Key Role in Countering Russian A2/AD Challenge to Baltics (2)," *Delfi.lt,* March 2, 2016, http://en.delfi.lt/opinion/lithuanias-key-role-in-countering-russian-a2ad-challenge-to-baltics.d?id=70576206.

10   For an excellent military assessment of the fragility of the Suwalki Gap to a Russian attack, see Leszek Elak and hab. Zdzisław Śliwa's "The Suwalki Gap – NATO Fragile Hot Spot," *Zeszyty Naukowe AON,* 2016, http://yadda.icm.edu.pl/baztech/element/bwmeta1.element.baztech-8644f79c-57ce-4afd-aa7d-e6b9e664488f.

Zagan is the new, albeit temporary, home for the US Army's 3rd Armored Brigade combat team of the 4th Infantry Division, and has been for the past nine months until its replacement by the 2nd Armored Brigade combat team from Fort Riley, Kansas for another 9 months. Then in another 9 months, another US combat formation will arrive. It is from this semi-permanent launching point on the Oder river more than a thousand kilometres from Riga that the United States will have to mount a relief of the Baltic in the event of Russian aggression. Closer to Riga, the US effort to defend the Latvian capital will be the single company of American soldiers. For the past two years, one company of American soldiers has been based in each of the Baltic capitals since early 2015. Highly symbolic, the small American presence in Riga is psychologically important and reassuring to Latvian policymakers, combined with a permanent rotational deployment of slightly over 1,000 troops in total, with Canadians making up less than half of the deployed units. The actual breakdown consists of 1 Canadian mechanized infantry battalion (450 men), 1 Spanish mechanized infantry company (450 men), 1 Polish tank company (160 men), 18 Albanians as part of an engineering unit, and 50 Slovenes as part of a platoon specializing in chemical, biological, radiological and nuclear warfare support for the EFP.[11]

Should there be a conflict with Russia, this tiny footprint of NATO is unlikely to hold off the massive number of Russian military forces deployed in its Western Military District. For this reason, some American generals have discussed war in the Baltics as being "a war of liberation" rather than a campaign of deterrence in the Baltic."[12] This distinction is particularly important because in the minds of most strategists, fighting a war of liberation is when states are overrun, not when they are being defended from an outside force, a distinction some observers in the Baltic have failed to notice. Therefore, time and space remain critical in the defence of the Baltics, while Latvia's ability to deter Russian forces long enough

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11   For a useful breakdown of the EFP battlegroups deployed in each Baltic republic, see "NATO's Enhanced Forward Presence," *NATO,* May 2017, http://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2017_05/1705-factsheet-efp.pdf.

12   "Department of Defense Press Briefing by General Hodges on Operation Atlantic Resolve in the Pentagon Briefing Room," *US Department of Defense*, December 9, 2015, https://www.defense.gov/News/Transcripts/Transcript-View/Article/633667/department-of-defense-press-briefing-by-general-hodges-on-operation-atlantic-re/.

until the "cavalry arrives" remains critically important.

Ben Hodges, the Commanding General US Army Forces in Europe, has constantly stressed the speed of assembly of NATO forces in Europe as being critical to European defence. Until his recent retirement, Hodges called for the creation of a military-style "Schengen system" for allowing American forces to move from one part of the European Union to another in order to deter a potential Russian threat.[13] Issues such as troop and armoured vehicle transit by rail from permanent US bases in Germany to Poland takes weeks to execute due to enormous EU bureaucratic obstacles in moving American forces within Europe. Fortunately, with each American deployment and exercise, the United States has adapted and enhanced its ability to deploy its forces to the potential areas of conflict along Europe's frontier with Russia.

What most experts fail to understand is that American military exercises such as "Dragoon Ride," first launched in March 2015, were not just a morale-boosting display of the US commitment to defend its new NATO allies in Europe, but also served as a trial run aimed at testing the capacity of the regional infrastructure of the Baltic States, particularly bridges. It allowed the United States military to more deeply familiarize itself with the regional geography and determine what bottlenecks existed in regional transport for American forces in getting to and from the Baltics. In a way, Dragoon Ride was a modern-day form of a "staff ride" developed by the innovating thinking of General Hodges in order to familiarize US forces with the future Baltic battlefield.[14]

During the Cold War, US army forces in Germany knew the dimensions, weight, and sizes of every critical bridge in Germany, which were clearly

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13   Jen Judson. "Outgoing US Army Europe Commander Pushes for 'Military Schengen Zone,'" *ArmyTimes*, July 28, 2017, http://www.armytimes.com/smr/european-balance-of-power/2017/07/28/outgoing-us-army-europe-commander-pushes-for-military-schengen-zone/.

14   A staff ride is a historical study of a campaign or battle that envisions a systematic preliminary study phase, an extensive field study phase on the actual historic site, and an integration phase to capture the lessons derived from each. For more information, see: http://www.armyupress.army.mil/Portals/7/educational-services/staff-rides/the-staff-ride-overview-2-august-2013.pdf.

marked for the benefit of NATO forces, but because the United States has never entertained the idea of having to fight a war in the Baltics, the same could not be said for the Baltic States. In fact, this important detail was something that remained classified and known only to a few senior military officials in the respective Baltic states until the flurry of military exercises by NATO forces enhanced their understanding. Eliminating uncertainty in war is a major factor in mobility and this was one of the key goals of General Hodges when he initiated the US effort to deploy American forces along the potential periphery of conflict with Russia. For the reasons outlined above, Latvian security depends on a host of factors, not all of which are related to the fighting capabilities of its armed forces, but also the ability of NATO to deploy its forces fast enough to the Baltics to stop a looming attack.

For this reason, homeland defence and the historical legacy of what the Latvians achieved in defending the Courland pocket from 1944 to 1945 remain critically important as it signifies that the Latvian nation will defend every inch of their homeland until western assistance arrives. And if Latvia is overrun, it will resort to the guerrilla warfare of its forefathers. This was a central feature of Richard Shirreff's marvellous book *War with Russia 2017,* which presents the idea of a Russian preemptive war being launched against Latvia that forces its armed forces to retreat to the forests once again and renew another Forest Brothers campaign similar to the one waged by Latvian resistance fighters in the late 1940 after the Soviet occupation.

Concluding Remarks

US defence posture toward the Baltics is entering a new stage of strategy and development that will likely distinguish itself from the days of the Obama Administration. After the Russian invasion of Crimea in February 2014, US policy under Obama focused on rallying NATO countries to back the actual forward presence of NATO forces in the Baltics that was officially adopted at NATO's 2016 Warsaw Summit. This phase, which is still ongoing, is essentially a forward deployment phase that can be best described as "tripwire deterrence" through the creation and deployment of four multi-national EFP Battlegroups in the Baltic member states of

Poland, Lithuania, Latvia and Estonia. Small in size, these units are the first phase of fielding a tripwire military force similar to the Berlin Brigade that was deployed in Berlin after the 1961 Berlin Crisis that was discussed earlier in this paper.[15] After Crimea, the United States and its NATO allies sought to move in a direction to reassure the Baltic states that would also send a powerful signal to Moscow about NATO's intention of implementing Article V. By asking other NATO member states to step in and play a role in Baltic defence, the United States sought to avoid creating the perception inside the United States that it would assume the burden of defending the Baltics by itself. Instead, the US sought to create the public image that this responsibility would be shared by its NATO allies. To date, this commitment now involves such countries as Germany, Canada, Great Britain, Norway, Poland, Slovenia and even Spain as part of the multi-national forward presence now defending the Baltic.

Prior to the adoption of the EFP battlegroups initiative in Warsaw, the Obama Administration took the first step to defend the Baltic states by deploying three 150 man company-sized military units to each of the Baltic states capitals as a sign of its commitment. Additional financial resources were also added to improve the US defence posture in NATO by creating the European Reassurance Initiative (ERI), a US$3.4 billion package that allocated major funds to reverse the decline of US military forces in Europe. Indeed, by April 2013, the United States had withdrawn its last armoured main battle tank from Europe, ending what had amounted to a 69-year history of basing armoured units in Europe, naively believing that the American military presence in Europe was no longer needed, or necessary.[16] Attitudes in Washington DC, however, dramatically changed after the Russian invasion and annexation of Crimea in February 2014, when officials in the Obama Administration realized that the long held fears in the Baltics of a Russian threat to the region was real, not imagined.

With the emergence of the Enhanced Forward Presence, the Trump

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15   "Berlin Brigade," *Wikipedia*, last modified on August 24, 2017, https://en.wikipedia.org/wiki/Berlin_Brigade.

16   John Vandiver. "US Army's Last Tanks Depart from Germany," *Stars and Stripes*, April 4, 2013, https://www.stripes.com/news/us-army-s-last-tanks-depart-from-germany-1.214977#.WZ-QS5OGPBI.

Administration is now in a position to think beyond EFP to the level of grand strategy and the operational level of war in the Baltic theatre. Officials now are moving from the theoretical to the actual in assessing how NATO units can actually defend the Baltic region from a Russian attack. Personal correspondence with former and existing US military officials by this author indicates that the chief challenges ahead for NATO and the US are in coordinating all these disparate military units being deployed to the region. General Hodges, for example, has alluded to these challenges by characterizing these EFP battlegroups as "Franken-battalions," due to the fact that these units are a mixture of different nationalities with no actual experience interacting with one another or cooperating in combat situations, much less with the military forces of the host Baltic nations. Military exercises in the Baltics with US forces once a year are not enough to create the environment for actual combat defensive operations.[17] While many of the EFP battlegroups have experience fighting with US-led NATO forces in Afghanistan, the Baltic region is a completely different strategic environment from Central Asia and is a place where combined arms operations against a modern day Russian army will be vastly different than the counter-insurgency warfare that dominates the ongoing war in Afghanistan.

With the extension of Commanding General Hodges tenure as Commanding General of US army forces in Europe to the end of 2017, and the appointment of H.R. McMaster as National Security Adviser at the NSC, combined with the appointment James Mattis as Secretary of Defense, the United States has an impressive array of military intellectuals to direct the next phase of US military strategy towards the Baltics after the EFP phase. H.R. McMaster is particularly suited to understanding the threat of Russian hybrid warfare, having led a US effort to study the military lessons of the war in eastern Ukraine and what it means for US forces as well as planning for a Russian threat.[18] What this means for Baltic security in the age of

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17   Conversation with Ben Hodges on June 7, 2016.

18   In 2016, McMaster oversaw a classified study conducted by the US army on lessons learned from the Ukraine war. See Bryan Bender's "The Secret US Army Study that Targets Moscow," *Politico*, April 14, 2016, http://www.politico.com/magazine/story/2016/04/moscow-pentagon-us-secret-study-213811.

Trump is more certain now than it was at the time of the US presidential election last November, as this team of experts directs US national security strategy and begins to develop their own vision of regional security for US defence of the Baltic. Even President Trump on August 29, when asked at a press conference in the White House about the recent Russian naval exercise with China in the Baltic Sea and the upcoming Zapad 2017, said that he considers the Baltic region to be a "very, very important part of the world," noting that "we are very protective of this region...and have great friends there."[19] As President Trump shows more alertness to the security needs of the Baltics, in the final analysis, he has surrounded himself with a set of key advisers who possess a deep level of commitment to the security of the Baltics. It certainly indicates that American resolve to defend the Baltic States is stronger than ever, particularly as these advisers like H.R. McMaster have reintroduced the term "deterrence" back into the vocabulary of US policymakers and will back up American diplomacy with the assertion of American military power.[20]

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19   *Baltic News Service*, August 29, 2017.

20   For an extended video presentation by H.R. McMaster, see his video presentation before he was named as National Security Adviser to President Trump from February 2017. In this presentation, he cites the work of Wess Mitchell and the need for a return to the use of the term deterrence in the American lexicon of diplomacy. See: https:**/**policyexchange.org.uk/general-mcmaster-knows-where-the-west-went-wrong-and-can-help-president-trump-make-it-right/.

CANADA'S ENHANCED FORWARD PRESENCE IN THE BALTICS: AN ENDURING COMMITMENT TO TRANSATLANTIC SECURITY

Christian Leuprecht, Joel Sokolsky

What explains the character and extent of Canada's contribution to the North Atlantic Treaty Organization's (NATO) Enhanced Forward Presence (EFP) Battlegroup Latvia, a commitment on a different continent, thousands of kilometres from Canada's shores? The answer can be found in Canada's deep and continuing commitment to the transatlantic alliance. For Canada, NATO has been first and foremost about security, particularly European security. While Canadians have at times facetiously observed that Europeans like to fight their wars down to the last Canadian, the EFP is yet another example why Canada, irrespective of the government of the day, is a "closest realist": an unwavering commitment to peace and stability in Europe is integral to Canadian grand strategy for reasons of national as well as collective interest.

In this context it is not surprising to see Canada as the framework country for Latvia, contributing more than 450 of the 1,138 foreign NATO member country troops in the land domain, consisting of a headquarters component and parts of a Battlegroup with a Canadian infantry battalion as well as reconnaissance and support elements.[1] That amounts to almost 10% of the total non-indigenous troop strength contributed by NATO allies to the Enhanced Forward Presence (EFP) in Estonia, Latvia, Lithuania and Poland. Canada's commitment in troop strength, as well as command and field units, in terms of total numbers may not be comparable to Canada's Cold War deployment to Germany, but on a per capita basis

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1   NATO. "NATO's Enhanced Forward Presence," May 2017, http://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2017_05/1705-factsheet-efp.pdf. The precise number of actual Canadian personnel remains undisclosed and fluctuates as a function of temporary surges in support of training and exercises.

Canada's commitment to the Baltics in general and Latvia in particular actually surpasses the proportion of Canadian troops stationed in Europe during the Cold War. At sea, where Canada has consistently contributed a frigate to NATO Maritime Group One (SNMG1) as part of Operation REASSURANCE. In the air domain, Canada's rotating contribution to NATO's Baltic Air Policing mission takes the form of four fighter jets. In addition, Canada contributes to assurance and deterrence throughout Central and Eastern Europe in a variety of other ways. For example, although not a NATO mission, a Canadian military training unit of some 200 personnel was deployed to Ukraine in 2015.

These Canadian EFP deployments and other collaborative measures are in response to the new situation confronting NATO nearly thirty years after the end of the Cold War. And yet, they are only the latest tangible manifestations of support for transatlantic security in a history of what can be judged to be a highly successful Canadian commitment to NATO that goes back to the very beginning of the Alliance, of which Canada was one of the founding members.[2]

Canada's Path to and Support for the EFP

When representatives of the original twelve members of NATO signed the North Atlantic Treaty on 4 April 1949, the US Marine Band played two selections from George Gershwin's Porgy and Bess: "It Ain't Necessarily So," and "I Got Plenty of Nothin'." As then-Secretary of State Dean Acheson dryly observed in his celebrated memoirs, *Present at Creation: My Years at the State Department* the choice of music "added a note of unexpected realism."[3] For the Canadians "present" at this "creation" though, the new Atlantic Alliance already reflected a decidedly realistic approach to the country's foreign and defence policy objectives.

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2   Joeseph T. Jockel and Joel J. Sokolsky. "Canada and NATO: An Assessment," paper presented at *The 7th Congress of the Polish Association of Canadian Studies*, *Torun, Poland*, *May 2016*. For a broad historical analysis of Canada's approach to NATO, see also Joseph T. Jockel and Joel J. Sokolsky's "Canada and NATO: Keeping Ottawa in, Expenses Down, Criticism out...and the Country Secure," *International Journal* 64, no. 2 (June 2009).

3   Dean Acheson. *Present at the Creation: My Years in the State Department* (New York: W. W. Norton & Company, 1969), 284.

Canada saw it as vital to its interests the prevention of any single power from dominating Europe – first Germany, against which Canada went to war twice, and then the Soviet Union. As one harsh critic of Canadian engagement in NATO once put it, "In many ways Canada's role in NATO was a form of atonement for our lack of broad foreign policy objectives after the First World War."[4] Having tried to retreat into isolationism after 1918 only to be dragged back into another European war in 1939, Canadians said in 1949 "never again," and thus were prepared to join in, to address the Soviet threat before it got out of hand. As one articulate Canadian diplomat put it during the negotiations that led to the North Atlantic Treaty, "[t]his link across the North Atlantic seems to me to be such a providential solution to so many of our problems that I feel we should go to great length and even incur considerable risk in order to consolidate our good fortune and ensure our proper place in this new partnership."[5]

Though much doubt attended its birth, the seemingly always "troubled" and fractious Alliance has defied its sceptics and continually puts to the lie to predictions of its imminent demise. As it was at the "creation" and throughout the Cold War and into the 1990s and post 9/11, which saw the Alliance play a role in Afghanistan, to today's new threats; Canada remains prepared to go to great lengths and incur costs to ensure its "proper place" in the now enlarged NATO partnership.

Canada can do so because it has capacity. In authorized troop strength, Canada fields the eighth-largest military in NATO. Canada ranks among the top 20 militaries in the world. Although within NATO Canada ranks in the bottom third on military spending as a percentage of GDP, Canada consistently ranks around 15th in the world in in total military expenditure. In NATO, only the United States, United Kingdom, France, Germany, and Italy spend more on defence, all of which are more populous and have larger economies than Canada. On a per capita basis, only the United States, Norway, United Kingdom, Denmark, Netherlands, France, Germany,

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4   Lewis Hertzman et al. *Alliances and Illusions: Canada and the NATO–NORAD Question* (Edmonton: M.G. Hurtig, Ltd., 1969), 15.

5   Escott Reid. *Time of Fear and Hope: The Making of the North Atlantic Treaty, 1947–1949* (Toronto: McClelland & Stewart, 1977), 312.

and Greece spend more than Canada.[6] Canada is roundly criticized for spending too little on defence, but as these figures and Canada's contribution to the enhanced Forward Presence in Latvia shows, such crude reductionism is misleading: in fact, Canada is one of only five NATO member countries that maintains a full-spectrum military, it is prepared to deploy that capacity in support of collective defence, regional stability and international security. The capacity that Canada offers is popular, robust, competent, and well-equipped. After all, Latvia and Canada spend about the same percentage of GDP on defence, and neighbouring Estonia is widely held up for spending 2% of GDP on defence, yet, that spending has very different yields than Canada's military expenditure. For militaries, quality and quantity are complementary, and context matters. Defence is ultimately about balancing cost, capability, and commitment. Canada's mantra has always been not to get hung up on expenditure, and to focus on capability and commitment instead, since Canada consistently outperforms on both.

But why should Canada spend on the military at all? What explains the level of military spending in Canada? And why would Canada incur the financial and political cost of deploying troops to the Baltics, notwithstanding its continued strong support of NATO and desire to remain an active member of the Alliance? These questions arose in the Canadian public discourse as the government deliberated on how to respond to the request from NATO allies, including the United States, that elements of the Canadian Armed Forces (CAF) take an active, significant and visible role in the EFP intended to reassure and bolster Baltic security. Canada, after all, is still dealing with the consequences of its prolonged and costly engagement in Afghanistan, while at the same time dispatching forces to deal with the threat from the Islamic State in Syria and Iraq. As with other allies, including the United States, it should not be surprising, therefore, that this specific Canadian deployment was not made without some measure of controversy even if, as in the past, a significant and welcomed commitment was eventually made and, in fact, was never seriously in doubt.

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6   NATO. "Defence Expenditures in NATO Countries," July 4, 2016, http://www.nato.int/ nato_static_fl2014/assets/pdf/pdf_2016_07/20160704_160704-pr2016-116.pdf.

And yet, as we have written about elsewhere,[7] in the larger public policy context governments cannot easily escape the dilemmas, problems and paradoxes of defence spending, especially for unanticipated foreign deployments. On the one hand, funds spent on defence are then not available to enhance economic prosperity and social well-being. In domestic politics, there is little electoral payoff to spending on defence relative to the disproportionate payoff for spending on economic growth and social programs. That explains why as a percentage of GDP and overall government expenditure, democracies spend not just very little on defence, by and large, they actually spend (significantly) less on defence than other types of regimes. On the other hand, NATO collectively accounts for about 75% of global defence spending. Ergo, democracy needs to be defended; but because democracies tend to be disproportionately prosperous, they can afford to outspend other regimes on defence without breaking the bank. In fact, military spending among democracies is not just instrumental but also strategic: In the case of Russia, for instance, sanctions hamper the economy while the security dilemma has Russia spending more on defence, which has a compound deleterious impact on regime's ability to spend on economic and social issues and thus on its legitimacy in the eyes of a population that bears the brunt of the consequences.

NATO is commonly understood as a military alliance whose overarching purpose is collective defence. Further, NATO is a means to regional, international, and transnational security and defence governance. Since its inception, however, NATO has also been a mechanism to overcome two insidious collective-action problems.[8] One is the incessant risk of US isolationism, such as the current wave potential retrenchment under the premise of Offshore Balancing that would see fewer US troops stationed abroad and a greater emphasis on favoured regional powers to check the hostile ones.[9] Canada has an interest in keeping the United States engaged, as do all other NATO member countries. But only a handful

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7   Christian Leuprecht and Joel J. Sokolsky. "Defence Policy, 'Walmart Style': Canadian Lessons in 'Not-So-Grand' Strategy," *Armed Forces & Society* 41, no. 3 (2015): 541–62.

8   Robert O. Keohane. *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton: Princeton University Press, 1984).

9   Christopher Layne. "From Preponderance to Offshore Balancing: America's Future Grand Strategy," *International Security* 22, no.1 (1997), 86–124.

of members have headquarters and field capacities analogous to the ones Canada can bring to bear; so, Canada may not be conspicuous by its presence in the EFP, but it would certainly have been conspicuous by its absence. Making a credible commitment of its own is also a way for Canada to entice the United States to stay engaged in NATO and in the region. The Americans are much more likely to commit when the burden that commitment brings is shared among allies. Like all countries, the United States pursues its self-interest and has always done so. It has always been "America First." America is so relatively powerful that it can afford to make unilateral decisions whilst most allies cannot: multilateralism becomes the default option. By way of example, Canada would never go to war or deploy on its own: it does so always in coordination with allies, the United States first and foremost among them. America's clout means that decisions made in Washington reverberate disproportionately with allied countries. Commitments to collective defence, such as the EFP, are thus also a way for allies such as Canada to temper US unilateralist inclinations because they afford Canada a greater say over the means and ends of a mission. In the words of NATO's first Secretary General, Lord Ismay (1952-1957), the purpose of the alliance is "to keep the Russians out, the Americans in, and the Germans down."

Yet, Germany is now the EFP framework country for Lithuania. Indeed, the other institutionalist rationale for NATO has long been to solve inherent commitment problems in the form of easy-riding (not free-riding, as we explain in Leuprecht and Sokolsky, 2015) among member countries tempted to spend too little on defence and contain the temptation of over-reliance on the US security umbrella. That risk is real: during the initial years of the millennium, European NATO allies reduced their defence budget by some 50 billion Euros collectively.

NATO missions require the unanimous consent of all member countries. Member countries such as Canada care about the North-Eastern flank for at least three strategic reasons. First, Canada's prosperity hinges directly on trade, notably its ability to export resources across the world. So, any threat to trade and open trade routes runs counter to Canada's interests, in part because countries that are at war tend to consume fewer resources and thus depress demand for trade.

Second, aside from Canada's bilateral relationships with the United States and its transatlantic NATO partners, Europe is Canada's most important multilateral partner. For strategic reasons, then, Canada is intent on a stable, united, prosperous, harmonious, and powerful Europe in general, and European Union in particular. Measured as a function of the crises it and its member countries are called on to solve, the European Union is an emerging superpower. Any threat that compromises the sovereignty of any European and EU member state is thus a direct threat to Canadian interests. Strategically, then, it is thus much more efficient and effective for Canada in the short and medium-term to incur the financial and political cost of a modest contribution to reassure a NATO member ally on the North-Eastern flank, relative to the cost and consequences of local and regional instability.

Third, since the Ogdensburg Declaration of 1938 and the Kingston Dispensation of 1940, the United States and Canada have pursued a continental grand strategy whose objective is to keep security threats and instability away from North American shores. That explains why the strategic culture of the United States and Canada is inherently expeditionary. Canada's grand strategy is premised on two seemingly contradictory dimensions of its strategic culture. The first is that Canada has historically embraced an expeditionary approach when it comes to defence policy and the posture and deployment of Canadian military power. "From Paardeberg to Panjwai," as eminent historians Bercuson and Granatstein have written, "Canadian governments [...] have believed that one of the key missions of the Canadian military is to deploy abroad."[10] These deployments have served the national interest because, in imperial wars, world wars, the Cold War and myriad limited conflicts that have characterized the post–Cold War and post 9/11 period, Canada has contributed extremely useful and highly regarded forces to the efforts of allies to contain global threats and lesser challenges posed by regional instability to the security and stability of the West and, therefore, to Canada. As such, Canada's national interest was served. But in addition to

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10   David J. Bercuson and Jack L. Granatstein. "From Paardeberg to Panjwai: Canadian National Interests in Expeditionary Operations," in *Canada's National Security in the Post 9-11 World* (Toronto: University of Toronto Press, 2012).

meeting a common threat, forces have been dispatched overseas to send a message and, by so doing, to guarantee Ottawa "a seat at the table" along with a sense of status and prestige.[11] This expeditionary strategic culture allowed Canada – which was never regarded, nor saw itself, as a great power – to nonetheless,

> show larger nations (e.g., Britain and the United States), international organizations, such as the United Nations, or allied nations such as the members of NATO that Canada is ready and able to put a shoulder to the wheel when military forces are needed to defend allies, deter aggression, or keep or enforce the peace. In other words, Canada has been willing to do its share of the hard, dirty work. Doing so wins Canada diplomatic recognition, political acceptance, entrée into arrangements, treaties, and alliances that are important to Canada and Canadians, and a voice on how future international policies will be pursued. Were Canada not to take part in such missions abroad, friends and enemies alike would have concluded long ago that Canada is of no consequence, does not deserve to be heard and ought not to be accorded any favours in bilateral or multilateral negotiations over matters of consequence.[12]

This approach to allied commitments guarantees that Canada "will always prefer to undertake less of an effort than its great-power partners want it to, but not so little as to be eliminated altogether from their strategic decision making."[13]

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11   Joel J. Sokolsky. "A Seat at the Table: Canada and its Allies," *Armed Forces & Security* 16, no.1 (1989), 11–35; Justin Massie. "Why Democratic Allies Defect Prematurely: Canadian and Dutch Unilateral Pullouts from the War in Afghanistan," Democracy and Security 12, no. 2 (2016), 85–113.

12   David J. Bercuson and Jack L. Granatstein. "From Paardeberg to Panjwai: Canadian National Interests in Expeditionary Operations," in *Canada's National Security in the Post 9-11 World* (Toronto: University of Toronto Press, 2012).

13   David Haglund and Stéphane Roussel. "Is the Democratic Alliance a Ticket to (Free) Ride? Canada's 'Imperial Commitments,' from the Interwar Period to The Present," *Journal of Transatlantic Studies* 5, no. 1 (2007), 1–24.

In the vernacular, the EFP is often characterized as a speedbump or a tripwire. If the sovereignty of any NATO member country were compromised, that would pose an existential threat to all of the framework countries: the United States, the United Kingdom, Germany, and Canada. In contrast to climate change or cyber-threats, NATO member countries have a collective interest in ensuring the territorial integrity of member countries. Yet, NATO troops confront an adversary that has as orders of magnitude the number of troops stationed on the other side of the border. Moreover, unlike NATO, that adversary has the advantage of being a unitary actor, whereas NATO functions more like a federation. In fact, three of the four framework countries are federations, and the fourth has a devolved unitary system of government. If NATO wanted to deter against all-out invasion, many more troops would be required. Instead, defence policy in general, and the EFP in particular, need to be understood as an insurance policy: you buy the amount and extent of coverage you need for the risk you anticipate. The EFP was never designed to provide all-perils coverage; instead, it is meant to provide specified perils coverage against sovereignty violations of a NATO member country's air, sea, land, and even cyber domain, especially irregulars in the form of "little green men" as NATO likes to refer to those that appeared in Crimea and Eastern Ukraine.

Latvia, the Baltic States and even Eastern and Central European countries are not alone in their concerns. After having withdrawn its troops and sold off its military lands, Sweden is redeploying troops to the island of Gotland at great expense. The difference is that Latvia made a strategic, sovereign choice: to join NATO, the most powerful military alliance in history. Conversely, NATO member countries made a strategic choice in having Latvia join. NATO is an exclusive club: not all who knock shall enter, and some take much longer to be admitted than others. For NATO, the EFP in the Baltics is as much about reassuring the sovereignty of local member states as it is about securing NATO's North-Eastern flank, which is inherently vulnerable by dint of geography, history, size and the fact that adjoining Finland and Sweden have thus far opted to stay out of NATO.

Concluding Remarks

As the now enlarged Atlantic Alliance faces a revived Russian threat, particularly to the "new" allies on its now more easterly frontier, NATO appears to be in the process of a "re-creation" consistent with its founding purpose of providing for the collective defence of all its members.[14] But, as in the past, this will entail a good deal of political and military uncertainty and complications that will challenge the management and unity of the Alliance, demanding adjustments and compromises. Yet it should not be forgotten that the Cold War and post-Cold war success of NATO was due in no small part to the fact that a flexible response has not only been its long-standing strategic doctrine, but has profoundly shaped the way the Alliance approached all its seemingly intractable and inherently contradictory problems of a strategic and, above all, political nature. True to the messy nature of democratic government itself, this collection of democracies has managed to surprise and confound its critics by continually adopting a series of initiatives that placed political considerations at the centre of its strategic calculations. Amongst those wise policies was the importance attached to military contributions from its members, no matter how limited they be in relative terms. This approach provided Canada with a security community to which, by any assessment, it could (and did) make a successful, significant and appreciated military contribution.

Thus today, not surprisingly, in the concrete manifestation of Canada's contribution to reassurance in the Baltics in general, and in Latvia in particular, we are witnessing a continuation of Canada's commitment to NATO, once again dispatching forces to Europe, lending its albeit modest - yet not inconsiderable - capabilities and highly sophisticated military expertise to bolster the stability and security of a region that remains essential to Canada's national interests.

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14   Joseph T. Jockel and Joel J. Sokolsky. "Canada and NATO: An Assessment," paper presented at *The 7th Congress of the Polish Association of Canadian Studies, Torun, Poland, May 2016.*

If the rationale and character of Canada's present contributions to the EFP can be explained, what does this suggest about the durability of these commitments? If the past is prologue, then there should be little doubt that Ottawa will continue to support NATO's collective efforts on the Alliance's eastern frontier. Even if specific Canadian contributions are replaced from time to time by those from other allies on an agreed-upon rotational basis, Ottawa will remain engaged in Baltic security as long as the threat remains and as long as the Alliance, its frequent internal disagreements notwithstanding, remains ultimately unified in its determination to provide collective security for all its members. This unique combination of flexibility and unity has sustained NATO and Canada's commitment and ability to contribute to European security whenever and wherever it has been at risk.

NATO'S ENHANCED FORWARD PRESENCE: THE SOCIAL DIMENSION OF DETERRENCE. A PERSPECTIVE FROM CANADA

Stéfanie von Hlatky[1]

The Canadian Armed Forces (CAF) are back in Europe, stationed in Latvia as part of NATO's Enhanced Forward Presence (EFP). The mission has been framed as supporting deterrence, given that NATO allies have identified Russia as a threat to European stability, especially on the Alliance's Eastern flank. When the decision was announced, Defence Minister Harjit Sajjan was clear about the mission's purpose: "Canada stands side by side with its NATO allies working to deter aggression and assure peace and stability in Europe."[2]

While Canadians are quite familiar with the concept of deterrence as it was one of the main reasons behind NATO's creation in 1949 and throughout the Cold War, the parameters of the NATO-Russia relationship have changed significantly. This relationship is no longer a symmetric confrontation. While Russia is still a formidable foe, retaining large quantities of nuclear weapons in its arsenals, its conventional capabilities have withered away since the end of the Cold War. Despite military expenditures spiking in recent years, there is still a large spending gap between Russia and NATO.

To make up for this gap, Putin has relied on other strategies, such as information warfare, to target both military and societal actors in an attempt to undermine support for NATO and its activities. This is especially

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1   The author wishes to acknowledge the research assistance of Ryan Anderson.

2   "Canada to Send Troops to Latvia to Bolster NATO Forces in Stand Against Potential Aggression from Russia," *National Post*, June 30, 2016, http:**/**nationalpost.com/news/politics/canada-to-send-troops-to-latvia-to-bolster-nato-forces-in-stand-against-potential-aggression-from-russia.

the case on the territory of NATO allies that are geographically close to Russia and that have Russian-speaking minorities as part of their population. Therefore, this article offers an analysis of the Canadian commitment from both a traditional security perspective and a social perspective, including demographic and gender-based consideration, to paint a clearer picture of what to expect with the Canada-led battlegroup in Latvia. Understanding the social environment is as important as understanding the military environment in this new conflict space.

The Security Dimension

In 2002, during the NATO-Russia Council's Rome Summit, President Vladimir Putin seemed optimistic about the prospects of cooperation with the Alliance. He expressed as much at the time, stating that "only by harmoniously combining our actions [...] will we open up wide-ranging possibilities for building a single security region – from Vancouver to Vladivostok." Fifteen years later, the NATO-Russia Council's pulse is weak. Russia's annexation of Crimea in 2014 was a turning point and Donald Trump's arrival into the Oval Office has not mended the rift between NATO and Russia.

Tensions with Russia are certainly not limited to the Ukrainian crisis, making a quick reconciliation unlikely. Moscow's provocations and aggressive behaviour have been met with sanctions and the deployment of NATO forces to the Baltics and Poland. Deterrence is once again central to the Euro-Atlantic security environment, but adapted to the post-Cold War environment. While Canada seems at ease with the idea of reintegrating deterrence as part of its defence lexicon, what that looks like in practice is still being fleshed out – its contribution to EFP only began to take shape in May 2017.

In addition to sending troops and halting all practical cooperation with Russia, NATO has called out Moscow for undermining regional security during its official biennial Summits. The latest Summit, which was held in Warsaw in 2016, was an opportunity to formalize NATO's disapproval of Russian foreign policy:

> *Russia's aggressive actions, including provocative military activities in the periphery of NATO territory and its demonstrated willingness to attain political goals*

by the threat and use of force, are a source of regional instability, fundamentally challenge the Alliance, have damaged Euro-Atlantic security, and threaten our long-standing goal of a Europe whole, free, and at peace.[3]

This strong language was echoed by Prime Minister Justin Trudeau's government when announcing its investment in EFP, codenamed Operation Reassurance. Through this commitment, Canada is making a high-visibility contribution to collective defence through the prism of deterrence. Canada is one of these four "framework nations" in this effort, alongside the UK, Germany and the United States. Canada has sent its own troops to Adazi but has also integrated forces from Italy, Albania, Poland, Slovenia and Spain, in its role as the framework nation for the deployment in Latvia. The biggest boost to deterrence is undoubtedly on the conventional front and represents the costliest investment and riskiest commitment by Allies to collective defence and deterrence. In a sense, Canada has joined the rank of top-tier states by making this lead contribution.

On the other side of this equation, President Putin is modernizing Russia's defence capabilities, but there is a wide gulf between NATO's combined military power and Russia's. Based on SIPRI's military expenditure data, Russia spent just under US$ 70 billion in 2016, while the US spent over US$ 600 billion, and that's without counting Canada and Europe's defence spending (table 1).[4] Moscow has nonetheless asserted its military power through recent actions, in particular its annexation of Crimea in 2014 and its ongoing involvement in the war in Ukraine, while not forgetting the 2008 Russo-Georgian war.

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3   NATO. "Warsaw Summit Communiqué," last modified March 29, 2017, http:/www.nato.int/cps/en/natohq/official_texts_133169.htm.
4   SIPRI collects military expenditure data for every country. See https:/www.sipri.org/databases/milex.

Table 1. Military Expenditures of Russia, United States, and NATO from 2012–2016 (US$ m.)

Year	Russian Federation	United States	NATO (Europe and North America)
2012	54,832	706,918	996,595
2013	57,500	650,851	968,518
2014	61,622	610,636	942,294
2015	66,419	596,010	895,074
2016	70,345	606,233	920,114

A term has emerged to describe Russia's recent military tactics: hybrid conflict. Hybrid conflict is best defined as the deployment of capabilities that are leveraged to span the spectrum of both unconventional and conventional tactics and where actions are not always easily attributable to the adversary.[5] The plausible deniability of Russia's actions in the short term makes immediate retaliation difficult. This is what observers have referred to as the "gray zone" of conflict, a space that Putin has been skilled at exploiting.[6]

For Canada and its NATO Allies, the response has been in kind, a mixture of public diplomacy, sanctions and hard power, as best exemplified by EFP. On the public diplomacy front, NATO has taken the approach of listing Russia's accusations toward the Alliance, for example, that "NATO's enhanced forward presence violates the NATO–Russia Founding Act," and debunking one by one what NATO's official website refers to as "myths".[7]

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5   Alexander Lanoszka. "Russian Hybrid Warfare and Extended Deterrence in Eastern Europe," *International Affairs* 92, no. 1 (January 2016): 177.

6   Michael J. Mazarr. "Gray Zone Campaigns in Action: China and Russia," in *Mastering the Gray Zone: Understanding a Changing Era of Conflict*, 79–100, Carlisle Barracks: Strategic Studies Institute and US Army War College Press. 2015.

7   NATO. "NATO–Russia Relations: The Facts," last modified June 15, 2017, http://www.nato.int/cps/in/natohq/topics_111767.htm.

Now that EFP has been implemented, with the four battlegroups in place in the Baltics and Poland, the confrontation will take a slightly different turn. Traditional security approaches, which focus on the military balance of adversarial states are ill suited to explain this next phase, which is decidedly societally focused. To this end, the next section adopts a social analysis, drawing on demographic and gender-based indicators.

The Social Dimension

The human domain of war is increasingly being recognized as central to post-Cold War and post-9/11 conflicts.[8] It is being recognized in doctrine and professional military journals as the elusive factor which can thwart military plans and render a conflict's progression so unpredictable.[9] An under-studied aspect of the human domain is the social aspect, especially when it comes to demographics and gender. Understanding the interaction of those factors is key to building or undermining the support for military missions.

In Canada, the importance of these factors is increasingly being acknowledged. The Trudeau government has made gender-based analysis a central part of its policy methodology.[10] It also features prominently in Canada's new defence policy, released in June 2017, which has an entire annex dedicated to gender-based analysis, branded as GBA+ by Status of Women Canada. The challenge is that gender-based analysis is often equated with a focus on women or linked to the Women, Peace and Security Agenda that is being advanced at the United Nations and NATO.[11]

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8   "The human domain is comprised of humans – including humans as physical beings, human thought, emotions, and human action – and what they create, such as groups, infrastructure, art and so on. In other words, the human domain is what humans are, what they think, how they act, and what they create." Heather S. Gregg. "The Human Domain and Influence Operations in the 21st Century," *Special Operations Journal* 2, no. 2 (December 2016): 94.

9   Ibid.; Maj. Mark Herbert. "The Human Domain: The Army's Necessary Push Toward Squishiness," *Military Review*, (October 2014): 81–87.

10   Government of Canada. "Gender-Based Analysis," last modified October 25, 2016, https://www.canada.ca/en/treasury-board- secretariat/services/treasury-board- submissions/ gender-based-analysis-plus.html.

11   This agenda was launched in 2000, with the adoption of UN Security Council Resolution 1325. For more information, see online: http://www.un.org/womenwatch/osagi/wps/.

But in the case of EFP, the demographic picture is just as important.

If we start with gender, it is worth looking at the environment in the host countries. In the first instance, the Baltic States have good Global Gender Gap index scores (ranks countries according to calculated gender gaps). In fact, Latvia ranks higher (rank 18) than Canada (rank 35).[12] In terms of women in the military, the Latvian armed forces are at 17% while the Canadian Armed Forces are at 15%. That bodes well for cultural interoperability between Canadian and Latvian troops when working and training together. When it comes to other participating nations in the battlegroup, namely Italy, Poland, Slovenia and Spain, there is some variation in terms of the integration of women as part of their deployed force. As a Framework Nation, Canada is poised to communicate the importance of women's integration in the battlegroup and share best practices. Canada has made a conscious effort to include 15% of women in its deployment of 450 soldiers to Latvia and has done so for operational reasons.

Women's presence as part of the NATO forces is important because the troops are not just sitting still in barracks. This deterrence mission does not just represent a traditional tripwire force. The CAF are tasked with organizing training activities with the Latvian military and also have to engage with community leaders, organizing activities to get familiar with Latvian customs and the general operating environment. To this end, it is important to think about interacting with women when identifying key leaders locally.[13] The presence of female troops can often facilitate this, especially when it comes to building partnerships with women's organizations.

Regardless of whether female troops are on the ground, all male service members can still practice a gender perspective when initiating community outreach by assessing the needs of both female and male

12   World Economic Forum. "The Global Gender Gap Report 2016," 2016, http://reports.weforum.org/global-gender-gap-report-2016/.

13   Robert Egnell. "Gender Perspectives and Military Effectiveness Implementing UNSCR 1325 and the National Action Plan on Women, Peace, and Security," *PRISM* 6, no. 1 (March 2016): 73–89.

stakeholders. This is important for situational awareness but also force acceptance. Indeed, there is often a gender gap when it comes to surveys on the military.[14] While Latvia is an Ally and welcomes this NATO presence on their soil, support for the mission is not unanimous and varies by region, ethnicity and language. This is relevant to the next point on demographics.

Since EFP has been put in place in response to irreconcilable differences between Russia and NATO, it is reasonable to assume that there could be differences in attitudes between Russian-speaking Latvians and the rest of the population, given closer linguistic, ethnic and cultural ties. This is an important consideration, but should not be mistaken to mean that perceptions among Russian-speakers are homogeneous. The Battlegroup Commander of the Canadian mission in Latvia, Lieutenant-Colonel Rutland said as much in an interview with CBC, stating that "I guess I would say that if there are some Latvians who are not for our presence here, we are here to defend all Latvians regardless of what you think of us."[15]

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14   Richard C. Eichenberg. "Gender Differences in Support for the Use of Military Force in Cross-National Perspective," paper presented at workshop on *Public Opinion, Foreign Policy and the Use of Force in Turbulent Times*, *European Consortium for Political Research Joint Sessions, University of Nottingham, April 25-30, 2017.*

15   Chris Brown. "'Fear is Minimal': Latvians Question Need for Canada as Russia Deterrent," *CBC*, June 12, 2017, http://www.cbc.ca/news/politics/canadian-troops-latvia-1.4155939.

Figure 2. Location of Canada-led Battlegroup as part of NATO's Enhanced Forward Presence

Source: NATO[16]

The CAF-led battlegroup is removed from these Russian-speaking regions and has established a base in Adazi, which is about 25 kilometres northeast of Riga, Latvia's capital. While engaging in community outreach activities with the Russian-speaking population in Latvia might help foster greater support for the mission, it could also prove counter-productive, especially when combined with Russia's information campaign.

What is even more interesting is that Russia's propaganda efforts against the Canadian presence in Latvia are deeply gendered, with a featured story in a Russian-language media outlet saying that the CAF are full of homosexuals, with the intent of playing to homophobic reactions towards the mission.[17] The site also shows a picture of a former Canadian Colonel in women's underwear. Some people will recognize Russell Williams, a convicted murderer, but the headline only reads: "The Gay Battlegroup:

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16   NATO. *4 Multinational Battlegroups,* 2017, http://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2017_03/20170315_170314-eFP-map.pdf.

17   Yuri Alekseev. "The Blue Division of NATO has been Entrenched in Latvia. Waiting for Reinforcements." *Vesti.LV*, June 14, 2017, http://vesti.lv/news/golubaya-diviziya- nato-okapyvaetsya-v- latvii-zhdut- podkrepleniya.

NATO has dug into Latvia."[18]

As demonstrated above, paying close attention to the social dynamics surrounding the EFP battlegroups is incredibly important in this hybrid conflict confrontation with Russia. For the CAF in Latvia, asking questions about who to partner with, how to explain the mission and how to counter Russian propaganda, while keeping the entire population in mind, will be a skill worth practising to achieve sustainable operational success and support for the mission.

Concluding Remarks

To conclude, the nature of NATO-Russia relations has changed significantly during the last fifteen years and the Alliance will not restore meaningful cooperation unless certain conditions are met. The political crisis has translated into a renewed emphasis on deterrence, which now includes a military presence in Poland and the Baltics. Canada has joined the effort, by securing a top role as a Framework Nation of EFP. While these efforts raise the cost of an overt military confrontation by Russia in the Baltics or Poland, Moscow can still inflict a lot of damage without firing a single shot in that theatre. Indeed, President Putin has embraced the hybrid model of conflict and focused much of his attacks on NATO Allies in the realm of information operations.

This article has sought to increase our understanding of deterrence in the "grey zone" by highlighting the social analysis of the confrontation, where demographic and gender-based considerations are important in the planning and execution of EFP. For Canada, this means meeting challenges to its presence in Latvia, like being the target of Russian fake news, which will try to undermine domestic support for NATO allies and the CAF more specifically. Having a sophisticated understanding of the social dynamics underlying EFP will thus be a necessary dimension for policymakers and military commanders to consider moving forward.

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18   Chris Brown. "Anti-Canada Propaganda Greets Troops in Latvia." *CBC*, June 16, 2017, http://www.cbc.ca/news/world/latvia-propaganda- 1.4162612.

BRIDGING THE EAST–SOUTH DIVIDE: DUTCH PERSPECTIVES ON THE SECURITY OF THE BALTIC STATES

Anne Bakker

Since the onset of the Ukraine crisis, the security of the three Baltic States has become a top European security priority. The annexation of Crimea sparked concerns that the Baltic States might suffer a similar fate. Lacking the capacity to deter and defend themselves against Russian aggression, the region became a testing ground for Alliance solidarity. Would NATO allies come to the defence of the Baltic States if little green men walked across their borders? And, what if their security were undermined in less visible ways? This article analyses Dutch perspectives on the security of the Baltic States and looks at the way in which the Netherlands, a country geographically remote from the three Baltic States, positioned itself within the wider NATO debate in the run-up to the 2016 Warsaw summit.

Reassuring the East

The Ukraine crisis placed the Baltic States at the centre of increased tensions between Russia and the West. Concerns that the Baltic States might be next on Putin's wish-list heightened after Russian military and non-military provocations in the Baltic States and its continued interference in the Donbass. With defence budgets somewhere in the range of 250 to 500 million euro annually, the Baltic States would not stand a chance in the face of Russian armed aggression. Furthermore, Russia's increased anti-access/area-denial (A2/AD) capabilities in the region made it more difficult for NATO to come to the Baltic States' defence when necessary. For Moscow, the region therefore proved to be the ideal testing ground for Alliance solidarity.[1] Militarily, Russia strengthened its troop presence

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1   Claudia Major and Alicia von Voss. "Nordic–Baltic Security, Germany and NATO," *German Institute for International and Security Affairs*, March 2016, https://www.swp-berlin.org/fileadmin/contents/products/comments/2016C13_mjr_vos.pdf.

along the Russian side of the border and beefed up its presence in the Baltic Sea and Kaliningrad. Furthermore, Moscow increased the number of unannounced exercises and incursions into NATO airspace. Also outside the military realm, Russia intimidated the Baltic States in various ways, for example through misinformation campaigns targeted at Russian-speaking minorities in the region. This new Russian assertiveness did not go beyond military muscle flexing but nonetheless provoked a strong NATO response.

Attention within the Alliance shifted eastwards. Replacing a decade-long focus on crisis management, collective defence once again dominated NATO's agenda. Immediately after the annexation of Crimea, NATO member states demonstrated their commitment to the security of their eastern allies by imposing a series of reassurance measures. These measures included the intensification of NATO's Baltic Air Policing mission, a strengthened maritime presence in the Baltic Sea and increased military exercises in the region. This shift in focus to collective defence and deterrence was institutionalised at the Wales Summit (2014) with the adoption of the Readiness Action Plan (RAP) and the reconfirmation of collective defence as NATO's core task. The RAP served both to reassure the eastern allies and to adapt NATO to the changed security environment. NATO's military presence in the region was beefed up – by reinforcing the Multinational Corps Headquarters Northeast in Stettin and the establishment of so-called Force Integration Units – and its rapid response capacity was enhanced by the introduction of the Very High Readiness Joint Task Force (VJTF).

The Widening East-South Divide

In the run-up to the Warsaw summit (2016), the initial display of unity at Wales showed signs of unravelling. Differences of opinion on what NATO's security priorities should be started to become more visible. Cleavages between member states deepened over two questions in particular: how to deal with Russia's renewed assertiveness and where the geographical focus of the Alliance should lie. For NATO's eastern member states – notably Poland and the Baltic States – the reassurance measures were a welcome first step, but not enough to deter Russian aggression. For

them, the only credible deterrent would be the permanent stationing of NATO troops in Eastern Europe. As Polish president Andrzej Duda put it: "if Poland and other central European countries present the real flank of NATO, then it seems natural to me, a logical conclusion, that bases should be based in those countries."[2] Eastern allies furthermore advocated for a review of NATO's command structure. Other allies, notably the Southern member states, were hesitant about this approach.[3] These countries did not perceive the threat of a Russian invasion to be imminent, and therefore advocated a non-escalatory approach towards Russia. They believed the permanent stationing of NATO troops in Eastern Europe to be a violation of the NATO-Russia Founding Act of 1997.

NATO's shifting focus eastwards furthermore raised concerns among Southern member states – notably France, Spain, Italy and Greece – that security challenges on NATO's southern flank would be overlooked. They argued that these challenges, ranging from instability in Libya to the rise of the Islamic State (IS) in Iraq and Syria, were just as much of an existential threat to the Alliance as was Moscow's renewed assertiveness.[4] Their calls on NATO to step up its efforts in the south increased further after the 2015 terrorist attacks in Paris and the increased migratory pressures on Southern member states. In the run-up to the Warsaw summit, the Alliance was thus split between an eastern flank that demanded a revision of NATO's command structure and a permanent NATO presence in Eastern Europe, and a southern flank that advocated a non-escalatory approach towards Russia and called for increased NATO attention for security threats emanating from the South.

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2   Quoted in: Robin Allers. "Modern Deterrence? NATO's Enhanced Forward Presence on the Eastern Flank," in *NATO and Collective Defence in the 21st Century: An Assessment of the Warsaw Summit* (Routledge, 2017).

3   Patrick Keller. "Divided by Geography? NATO's Internal Debate about the Eastern and Southern Flanks," in *NATO and Collective Defence in the 21st Century: An Assessment of the Warsaw Summit* (Routledge, 2017).

4   Ibid.

The Netherlands: Bridging the Divide

The Netherlands was caught in-between this east-south divide, together with other allies such as Germany, the UK and the US.[5] In relation to Russia, the Dutch government supported a two-pronged approach based on deterrence and dialogue. On the one hand, the Netherlands strongly condemned Russia's actions in Ukraine and stated that its commitment to collective security was "beyond any doubt."[6] It stepped up its military presence in the region, albeit in a limited way, by participating in regional exercises and its participation in NATO's standing naval force SNMG-1, which was relocated from the coast of Somalia to the Baltic Sea (for an overview of Dutch contributions to the security of the Baltic States, see table below). The initial Dutch offer to increase its contribution to Baltic Air Policing was withdrawn after the Netherlands joined the coalition against IS, but the Netherlands did participate in the interim-phase of the VJTF, together with Germany and Norway. On the other hand, the Netherlands was careful not to add fuel to the fire and opposed the permanent stationing of troops in Eastern Europe. The Dutch government furthermore emphasised that, in the long run, a strategic partnership with Russia would remain the end goal, and that channels for communication – notably the NATO-Russia Council – should remain open to prevent unintended escalation.[7]

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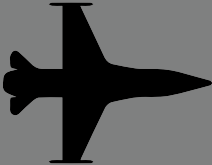
5   For an analysis of the German, British and American position, see Patrick Keller's "Divided by Geography? NATO's Internal Debate about the Eastern and Southern Flanks," in *NATO and Collective Defence in the 21st Century: An Assessment of the Warsaw Summit* (Routledge, 2017).

6   "Letter of the Netherlands Minister of Foreign Affairs to the Dutch Parliament (28 676, no. 199)," *Government of the Netherlands*, April 9, 2014.

7   "Letter of the Netherlands Minister of Foreign Affairs to the Dutch Parliament (28 676, no. 199)," *Government of the Netherlands*, April 9, 2014.

Figure 1.
Dutch Military Contributions to the Security of the Baltic States (2017)

AIR

Baltic Air Policing (Siauliai, Lithuania)
January — April

– 4 F16 fighter aircraft

Initial Follow-on Forces Group (IFFG)

– 4 F16 fighter aircraft

LAND

Very High Readiness Joint Task Force (VJTF)

– 1 raiding squadron marines

Enhanced Forward Presence (Rukla, Lithuania)
– 1 mechanized or motorized infantry company
using Boxer armoured fighting vehicles
– Experts on information operations, cyber
security and electronic warfare to support
battalion staff

MARITIME

Standing Naval Forces (SNF)

– 1 air defence and command frigate
– 1 NH-90 helicopter
– 1 minehunter
– 1 submarine

Contributions to the security of the Baltic States were backed up by strong public support for NATO solidarity. When asked whether the Netherlands should come to the assistance of Lithuania if that country were the victim of an armed attack, almost two-thirds of the Dutch public was in favour of honouring the collective security commitment.[8] This corresponds with a 2017 Pew poll which found a 72% support rate in the Netherlands. Other European countries, such as France (53%), the UK (45%) and Germany (40%), demonstrated much weaker support.[9] Nonetheless, it remains questionable how high this support would be if the security of the Baltic States were undermined by non-military means and a triggering of Article 5 would be less clear-cut. Furthermore, in line with developments in the rest of Europe, security challenges emanating from the South featured increasingly prominently in the Dutch public debate after the terrorist attacks in European capitals and the sharp increase in the number of migrants coming to Europe. Surveys demonstrated that the Dutch public considered immigration, and not the Russian threat, to be the most important issue facing the Netherlands.[10] Consequently, the Dutch government adopted a balanced approach, supporting NATO actions on both its eastern and southern flank and arguing in favour of a balance between NATO's three core tasks.

The Warsaw Compromise

This balancing act proved to be very influential in the run-up to the Warsaw summit, especially since the Netherlands found itself joined by major allies like Germany, the UK and the US.[11] Striking a balance between deterrence and dialogue, the Warsaw communique held that "deterrence has to be complemented by meaningful dialogue and engagement with Russia."[12]

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8   "Political Polls D0542 51," *Kantar Public*, January 1, 2017.

9   "NATO's Image Improves on Both Sides of Atlantic," *Pew Research Center*, May 2017, http://www.pewglobal.org/2017/05/23/natos-image-improves-on-both-sides-of-atlantic/.

10   Eurobarometer May 2016 – May 2017, in response to the question: "What do you think are the two most important issues facing the Netherlands at the moment?"

11   Patrick Keller. "Divided by Geography? NATO's Internal Debate about the Eastern and Southern Flanks," in *NATO and Collective Defence in the 21st Century: An Assessment of the Warsaw Summit* (Routledge, 2017).

12   "Warsaw Summit Communique," *NATO,* July 9, 2016, http://www.nato.int/cps/en/

Several initiatives were deployed in response to the security challenges emanating from the South to accommodate NATO's Southern allies, including the launch of Operation Sea Guardian in the Mediterranean and the deployment of AWACS surveillance aircraft in support of the fight against IS. Although these measures come nowhere near NATO's efforts on its eastern flank, they do serve as a strong political signal that NATO's Southern flank has not been forgotten.

There was also a growing consensus that more had to be done to credibly deter Russia in the east. A test run of the VJTF, in which the Netherlands participated, laid bare significant supply shortages, logistical bottlenecks and complicated decision-making procedures that prevented a rapid and effective response. This led to concerns that "as presently postured, NATO cannot successfully defend the territory of its most exposed members."[13] While there was still strong opposition for a permanent stationing of troops, support for increasing NATO's presence in the east was growing. The Netherlands was one of the countries that advocated a small, rotational presence.[14] The position of the Dutch government received broad support domestically. In Warsaw, this resulted in the launch of the Enhanced Forward Presence (EFP), four multinational battalions based in the Baltic States and Poland on a rotational basis.

Although the Netherlands was one of the advocates of the EFP-concept, its contribution is comparatively little. The Dutch provide only a single company to one of the four EFP battalions (the German-led battlegroup in Lithuania),[15] a rather limited contribution considering the size of the Dutch economy. Furthermore, the Dutch army has come under a lot of criticism lately – within the Netherlands as well as by NATO. Although there is a small upwards trend in the Dutch defence budget to 8.7 billion euros

natohq/official_texts_133169.htm.

13   David Shlapak and Michael Johnson. "Reinforcing Deterrence on NATO's Eastern Flank – Wargaming the Defence of the Baltics," *RAND,* 2016, https://www.rand.org/content/dam/rand/pubs/research_reports/RR1200/RR1253/RAND_RR1253.pdf.

14   "Letter of the Netherlands Ministers of Foreign Affairs and Defence to the Dutch Parliament (28 676, no. 251)," *Government of the Netherlands*, July 1, 2016.

15   The choice for the German-led battlegroup reflects the strong ties between the Dutch and German armies.

(1.1% of GDP), 25 years of budget cuts have left their marks on the Dutch defence organisation, and its army in particular. Old material and a lack of maintenance capacity and spare parts led the Dutch Minister of Defence Jeanine Hennis-Plasschaert to conclude that the armed forces were no longer fully able to defend Dutch and NATO territory.[16] This resulted in criticism domestically as well as from NATO, which stated that the quality of the Dutch army could no longer compensate for its lack of quantity.[17] Especially since land forces form the backbone of NATO's Baltic security efforts, these shortcomings cast doubts on the strength of the Dutch contribution.

Concluding Remarks

Despite the large geographical distance, the security of the Baltic States has gained prominence on the Dutch security and defence agenda since the onset of the Ukraine crisis. The balanced approach of the Netherlands (and other allies) between dialogue and deterrence, as well as between NATO's eastern and southern flank, helped to bridge the east-south divide at NATO's Warsaw Summit. The political commitment of the Netherlands to the security of the Baltic States, however, is not fully reflected in its military contributions. The government's balancing act has laid bare a discrepancy between political ambitions and military means. Following years of austerity, the Dutch armed forces lack the means to provide substantial contributions to multiple theatres simultaneously. The Dutch military contribution to the security of the Baltic States is consequently limited, and continues to be plagued by the effects of the budget cuts.

To bring political ambitions in line with military realities, difficult choices will have to be made by the new Dutch government that is currently being formed. The likely increase in the defence budget offers no escape from these choices. The Dutch Ministry of Defence has indicated that an increase of at least 1 billion euros will be needed to maintain the current level of ambition. Any increase below this figure – a realistic option –

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16   "Year Report 2015," *Netherlands Ministry of Defence*, May 18, 2016.

17   "NATO Defence Planning Capability Review, The Netherlands – Draft Overview," in *annex to the letter of the Netherlands Minister of Defence to the Dutch Parliament*, March 24, 2016.

means that further cuts in the defence organisation will be needed, with the army likely to be the first victim. This could affect Dutch contributions to the security of the Baltic States, although a Dutch withdrawal is unlikely given the limited size of its contributions. However, if 1 billion euro or more is added to the defence budget, choices will still need to be made to balance political ambitions and military means. Only then can the Netherlands translate its political commitments into a credible contribution to the security of the Baltic States.

The Baltic Sea Region amid the "New Normal"

THE BALTIC STATES AND RUSSIA – ON DIPLOMATIC DIMENSIONS OF SECURITY

Kadri Liik

Any conversation about the security of the Baltic States is bound to focus mainly on Russia. This has been the case ever since 1991 – the Baltic States have always been suspicious of Russia and Russia's aspirations regarding the Baltics have always been hard to read, thus contributing to suspicions. At times, outsiders may have found this mutual animosity bafflingly over-emotional and out-dated. But after Russia's annexation of Crimea in 2014, the question of Baltic security returned to international attention, occupying a prominent place on NATO's agenda.

Even so, Russia's aspirations towards the Baltics remain somewhat of an enigma to the West. This author's view is that Russia has essentially given up on being a dominant power in the Baltic States. In its worldview centred on "spheres of influence," Russia sees the Baltics as having been lost to the US' "sphere of influence"; and in the current circumstances, Moscow does not intend to challenge it. But the Baltics are also viewed as America's "soft underbelly" – a place where Moscow can challenge the US if/when it feels, rightly or wrongly, endangered in some other theatre. Also, should Western institutions crumble, and NATO indeed become obsolete, then Moscow will likely have a fresh look at what it wants and what it considers possible, which may lead to it to upgrading its ambitions in the Baltics.

From here, it follows that the Baltic States' security is in fact backed up by Western unity as such, and the correctness of Western community's reading of Russia and its global – not just regional – policy goals. NATO's post-2014 reinforcements in the Baltics are essential for the region's security, given how things stand today. However, in case the West's unity crumbles and it ceases being a meaningful political entity, or in case the West gets the bigger picture disastrously wrong, these reinforcements are unlikely to save the Baltics and may even turn out to be fairly obsolete in a new context.

This article looks at the role the Baltic States have so far played in these bigger questions – understanding Russia and shaping Western policy towards Russia – and asks how the Baltics could do more and better.

The Baltics' Role in the Western Russia-Debate

Since 1991, the West has never enjoyed a common assessment of Russia, even less a common policy. Especially in the European Union, the question of policy towards Russia has remained one of the most divisive issues. Some countries – mostly in the South and West of Europe – wanted more engagement with Moscow, in the hope that this will eventually lead to convergence and democratization of Russia, and eventually Moscow's full acceptance of Western rules and norms. But others – mostly in the North and East of Europe – were troubled by what they saw as growing authoritarianism in Russia, and feared that this would lead to aggressive behaviour also abroad. Therefore, their aspiration was rather to contain Russia, and insulate Europe from its influence.

The Russia-critical strand of thought in the EU has a long and varied list of adherents, of which the Baltic States are not the biggest, nor the most influential. Still, it is worth paying a special look at their thinking and policy drivers over the past decades, as these do contain some hidden insights not just about the Baltics, but also about Russia. And "hidden," here, means largely also hidden from the Baltic States themselves.

 "We spent 20 years telling the eastern Europeans that they were paranoid, living in the past, that they should treat Russia as a normal country. Now it turns out they were right."[1] This remark by Jonathan Eyal, director of International Studies at the Royal United Services Institute think tank, has since been often quoted by Baltic officials for whom the annexation of Crimea served as the vindication of long-held positions. Eyal's thinking was far from unique in the spring of 2014 and the subsequent months. Many were willing to acknowledge that the Baltics has got Russia right. But the interesting questions is – how? Were they really so much smarter, or was something else at play?

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1   Quoted in Sam Jones' "Nato: Northern Exposure," *Financial Times*, April 8, 2014, http:/ www.ft.com/cms/s/0/0fe3b316-bef4-11e3-a4af-00144feabdc0.html.

During the decade leading up to 2014, the sceptical views of the "Balts and Poles" were traditionally attributed to prejudices linked to historical experiences, or to identity construction that relied on a negative "other,"[2] and so they were not taken seriously as a rational analysis. And indeed, in the early twenty-first century, a rational analysis could hardly have predicted Russia's aggression in Ukraine and Georgia. After all, neither was predestined: Moscow was not planning to start a war or aiming to annex Crimea. True, some Russia-watchers in the Polish-Baltic camp would claim that Russia has always been imperialistic and that this was never going to change. But this view, which may at times have been shared by large groups of populations, in fact never truly informed these countries' policymaking. There was another reason that policymaking elites remained sceptical, even at the risk of being marginalised in the West as irrational Russophobes: it was not so much to do with history, as with the elites' acute contemporary experience of Russia.

In 2014, it became evident that Europe's differences with Russia ran deeper than the simple divergence of interests or disagreements in analytical judgement. Instead, they involve very different understandings of fundamental concepts such as sovereignty and influence. Russia and Europe do not agree even on how to define "interest," or the "natural entitlement" and "legitimate" freedom of action for countries, both big and small. In retrospect, it seems evident that the Baltic States were exposed to these conceptual differences much earlier than were other Europeans.

The reason is simple. The Western world had to adapt to the collapse of the Soviet Union in multiple ways, from trade to security issues to humanitarian concerns, but nonetheless, the structural framework of the relationship retained significant continuity: Russia inherited not just the Soviet seat at the United Nations, but also all of the USSR's embassies, bilateral agreements, and so on. Things needed to be adapted, but they did not have to be fundamentally changed. In Europe's east, it was different: the former COMECON (Council for Mutual Economic Assistance) countries had to upgrade their relations with Russia from those of official "vassal

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states" into those of sovereign countries. And the Baltic States needed to create entire international relationships essentially from scratch.

In the process, fundamental differences in concepts were bound to surface in ways that they never could in Russia's relations with the "old" West. To deal with all the open questions, all the loose ends (of which there were many), the two sides needed a common conceptual foundation to serve as a basis and framework for a way forward. Soon enough, the Baltic States found that their foundations and frameworks simply did not coincide with those that existed in Russia's worldview. As one Estonian diplomat said about the early years of the border negotiations with Russia: "Estonia saw the negotiations as an attempt to break away from Russia, which allowed Russia as the 'motherland' to impose conditions on the breakaway region. The Estonian side had adopted a diametrically opposite position – we have been independent since 1918 and in the meantime, you have created a mess here, so please clean it up and do it as quickly as possible!"[3]

The past 25 years have seen many seemingly childish spats between Russia and the Baltic States or Poland (and sometimes other post-Communist Central Europeans). However, upon closer inspection, it becomes apparent that many – and possibly most – of these conflicts, no matter how childish they appear, actually revolve around fundamental questions about truth, justice and acceptable principles of behaviour. For example, a Polish diplomat in 2008 spoke of a Russian counterpart who asked: "If we give you Katyn (i.e. acknowledge the killing of Polish officers by the Soviet Union), what would you give us in return?"[4] It appeared that for Russia, the truth was not something that must be acknowledged and addressed, but instead was a commodity that could be traded and used for pragmatic purposes.

The "noisiness" of the Baltic Russia critics has often been dismissed by Moscow as needy attention-seeking, or as being motivated solely by domestic concerns. It has also caused frustration among fellow Europeans, who have seen it as spoiling the agenda or simply wasting

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3   Kadri Liik. "The Story of the Negotiations on the Estonian-Russian Border Treaty," *Diplomaatia*, June 2015, http://www.diplomaatia.ee/en/article/the-story-of-the-negotiations-on-the-estonian-russian-border-treaty/.

4   Conversation with the author, summer 2008.

time. And it often disadvantaged the critics themselves: they quickly became aware that by being so vocal, they risked being marginalised as paranoid Russophobes and "single-issue" countries, whom others would try to manage peacefully, but not take seriously. This led them to self-censor, in some cases, and in others, to try to act via proxy.

But the instinct to be vocal was probably not rooted in opportunism or obstructionism, which is why it proved so hard to suppress, even when it seemed to do harm. Rather, it was rooted in the countries' specific experience. For the political elites that matured during *perestroika* and *glasnost,* naming and shaming was the first step towards correcting wrongs. *Glasnost,* after all, was all about calling a spade a spade a thousand times over; it was about talking until "everything was said by everyone," and everyone was tired – but it worked. "Diagnosis" did lead to change, and in many cases to complete "cure." Hence the belief of Baltic elites that criticism leads to something good, and their – often subconscious – conviction that comforting but false mental frameworks need to be demolished because they cannot serve as a basis for improvement of relations, or, ultimately, for the betterment of life on the European continent.

Democratic Peace or Liberal Interdependence?

In the academic sphere, the Estonian-Finnish scholar Kristi Raik has outlined a compelling thesis on how the Baltic States, on the one hand, and the EU mainstream, on the other, have both sought to build their relations with Russia on liberal principles – but on different ones. For the Baltics, the idea of democratic peace has been most important, while the EU mainstream has foregrounded liberal interdependence.[5] This reliance on different ideational constructs has meant that facts related to Russia have been selected and interpreted differently in different European capitals.

Baltic politicians have often stated that their countries' relations with Russia will become friendly as soon as Russia becomes a democracy. This reflects the democratic peace theory, a core assumption of which is that mutual relations between democracies are guided by the same norms

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5   Kristi Raik. "Liberalism and Geopolitics in EU–Russia Relations: Rereading the 'Baltic Factor,'" *European Security*, May 4, 2016, http:/dx.doi.org/10.1080/09662839.2016.1179628.

of nonviolence, mediation and negotiation as their domestic policies, which makes clashes and antagonism unlikely. For the Baltic States, this reasoning was probably again rooted in experience: that of the outburst of freedoms in the late 1980s and early 1990s, when the Baltic elites could share moments of affinity and common goals with Russia's rising plethora of democratic politicians. But in Russia, having never crystallised into democracy, the freedoms succumbed to creeping authoritarianism, the politicians changed and shared values became a memory.

This Baltic interpretation of relations with Russia found a sympathetic ear in the United States, where George W. Bush's administration was guided by largely similar ideas in its War on Terror (which was so unfavourably received in Western Europe). Western Europeans, for their part, did not understand it very well, as they were largely oblivious of the extent to which the Russia that the Baltic States (and sometimes Poland) encountered was different from the Russia experienced by them. They might have admitted deficiencies in Russia's democratic development, but they found interaction with Russia both possible and desirable, because the ideational foundation on which they based their Russia policy was the theory of liberal interdependence, the notion that trade would contribute to positive interdependence, commitment to shared norms and institutions, and the gradual democratisation of Russia. The Baltic States and Poland looked at that approach with great concern because they saw something very different: a Europe that was making itself ever more dependent on an ever more authoritarian and unpredictable Russia.

By now, one can also add a Russian perspective to the picture, explained eloquently by the Russian analyst Andrey Kortunov. According to him, Russia's political class – who have overwhelmingly received a standard Soviet University education – tend to believe in the primacy of economic factors in international relations. They assumed that the sheer dynamics of the economic cooperation and the scale of mutual investments would serve as an insurance policy against any crises in the relationships caused by political problems or conflicts. Economic stakeholders were expected to have the upper hand in European political struggles about Russia.[6]

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6   Andrey Kortunov. "Seven Phantoms of the Russia's Policy Toward the European

That is why the rising levels of economic interdependence, instead of converting Russia into a Western type democracy as had been the hope in the West, allowed Moscow to not worry about moving further away from that model. Moscow surely noticed its mounting political problems with Europe but did not take them seriously, as they were perceived as negligible or, at least, affordable.[7] In other words: instead of paving way for democratic peace, liberal interdependence ended up hedging against it.

The Change in 2011

So, by the end of the first decade of the twenty-first century, Europe's debate on Russia had evolved around two competing narratives: the mainstream view that interactions with Europe would, it was to be hoped, gradually transform Russia, and the critical view that tried to demonstrate that in reality, Russia was moving in entirely the opposite direction. These were two competing analytical frameworks, two different and mutually exclusive assessments, neither of which managed to overturn the other or to persuade its opponents.

But then, things changed – and perhaps earlier than is often assumed. It may not have been the annexation of Crimea that caused the Western part of Europe to change its view of Russia, but Putin's announcement in 2011 of his return to power, the subsequent protests, and the Kremlin's countermeasures. Research done for the yearly European Foreign Policy Scorecard by the European Council on Foreign Relations (ECFR) shows that ever since late 2011, Europe's assessment of Russia's trajectory has been unanimously bleak. What was absent back then, and remains insufficient today, was a common policy prescription.

It is not clear whether Europe was even aware that it had suddenly overcome its old analytical disagreement about Russia. But it is quite clear that Moscow felt the change of tone keenly. "They have all ganged up against me," President Putin reportedly said about the West, and he responded with policy changes of his own. Instead of trying to

Union," *Russian International Affairs Council,* April 6, 2016, http://old.russiancouncil.ru/en/inner/?id_4=7503#top-content.

7   Ibid.

cultivate friends in selected European capitals, as he had previously done, he now tried to insulate his country, elites as well as society at large, from all Western influences, regardless of their country of origin.

It would take the annexation of Crimea in 2014 to completely shatter the paradigm of liberal interdependence: what died in 2011 was the concept of gradual democratic change in Russia. That being the case, Europe's hawks – including the Baltic States – might find it surprising and pleasing that the "doves" in fact seem to have cared more about the state of Russia's democracy than the hawks sometimes wanted to believe. But the fact that the turn in European opinion took place in 2011 also means that ever since then, the hawks have been fighting a battle that has already been won. Maybe from years-long inertia, maybe for other reasons, their take on Russia is all too often still descriptive and analytical, still fiercely trying to show how Russia's behaviour is unacceptable. But this need not be said anymore: everyone knows and agrees. The real question now is what to do about it – and the Baltic States could contribute more towards finding the answers than they are contributing at the moment.

What Should Be Done?

The policy shift that the Baltics need to make would probably be barely noticeable in practical terms, but would still represent a huge mental leap. In addition to analysing the situation, they should consider how to cope with it, and how to change it. Instead of expecting that "naming and shaming" will somehow just make things happen automatically, they should join in the work, consult, build coalitions, and come up with policy proposals. Instead of just guarding their own red lines, they should try to think more in terms of making policy for Europe and the West as a whole.

After all, their responsibility has grown. As one former EU Permanent Representative from a traditionally hawkish country said about his conversation with a colleague from a traditionally dovish country: "He took me aside and said – "Z, look – Europe's Russia policy is now your policy. This is what you have always wanted. So, tell me, where will it lead us, and how?" And I did not have a clear answer."[8] The Baltic States – and

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the hawkish camp in general – have spent so much of their energy on promoting their assessment. Now it is time to start producing strategies.

Recent developments in the world point to the urgency of such a shift in approach. While the Russia-debate in the US has degenerated into paranoia and partisanship, the EU is still searching for its own optimal Russia-policy and will likely reopen its own conceptual Russia debate sooner or later. For now, the Baltic States and other hawks may have "got Russia right" in some ways, though semi-accidentally, and managed to shape the intra-EU consensus, but this consensus is still fragile and conditional: unless the analyses that underpins it is translated into credible policy prescriptions shared also by others, it will fade.

This inevitable new Russia-debate will happen in new circumstances: the UK will be on its way out of the EU, Poland will likely have reputation-problems, but France's and Germany's look at Russia will be shaped by their own recent experiences with Moscow, and therefore free of some previous thinking patterns. Old fault-lines will have crumbled, the intellectual landscape will be fluid and the countries' positions shapeable by intellectual arguments (a rare luxury!) This moment needs to be used well – because the outcome of that new debate cannot be taken for granted. It still could split and paralyze Europe. Or, it could take the discussion to a new analytical level and foster a more informed and sophisticated European consensus than a fairly rigid trade-off that we see now.

The EU Commissioner Frans Timmermans has said that "there are two kinds of Member States in Europe, small ones, and those who don't know yet they are small."[9] If the EU wants to have a say on the questions of world order, the rules and taboos of international politics, then it needs to act as one. In doing so, Europe's different national perspectives on various issues – not least on Russia – can act as a divisive obstacle, or they can be used as an asset – a wealth of knowledge and experience that equips the EU to better meet the challenges ahead. A wise use of our collective experience

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9   "Speech of First Vice-President Frans Timmermans, Future Force Conference," *European Commission*, February 9, 2017, https:/ec.europa.eu/commission/ commissioners/2014-2019/timmermans/announcements/speech-first-vice-president-frans-timmermans-future-force-conference_en.

will the best way to ensure that we "get Russia right" in the future.

Up until now, the Baltic States have done their best to demonstrate that Russia is dangerous problem. Now, they should focus on "getting Russia right," and helping the EU and the West as a whole to do the same. True – much of the time, getting Russia right may lead to concluding that "Russia is a dangerous problem." But even so – there is a world of difference between advocating a rigid pre-set position and intellectually alert quest for an optimal Russia-policy for the West.

THE BALTIC STATES IN RUSSIAN MILITARY STRATEGY

James Sherr

Today, it is generally accepted inside NATO that the events of 2014 marked Russia's turn towards an avowedly revisionist course, whose ambit extends well beyond Ukraine itself. Were it not for Moscow's justification of its own policy and the military programmes accompanying it, Crimea's annexation and the war in Donbas might still be regarded in many NATO capitals as the product of exceptional local circumstances with few implications for the security of others. Yet, as we know, these actions were complemented by invocations of the unity of "historic Russia" and warnings that the West should "either relearn the lessons of Yalta or risk war."[1]

Today, it is becoming clear that Russia's political objectives and defence policy have acquired a disturbing coherence. Even by Soviet standards, there is an unusual degree of integration between the political and military objectives of the state. The scale of Russia's defence modernisation, the scope of its mobilisation efforts and the scheme of its military deployments well surpass what, from a NATO perspective, would be considered sufficient to secure leverage over Ukraine and prosecute war inside it. Its campaign in Syria reveals a capacity to move beyond previous geographical parameters and achieve strategic surprise.

Nevertheless, whilst NATO has moved swiftly to catch up with strategic reality, the question remains open how far its understanding of Russia's strategy is in alignment with that of Russia itself. Not only is there a tendency to overstate what is new in Russian military thinking (e.g. "hybrid war"), there is a failure to come to terms with Russia's

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1   "Dialogue Rather than War: Sergey Naryshkin Calls upon Western Leaders to Study the 'Lessons of Yalta,'" ["Dialog, a ne voina: Sergey Naryshkin prizval liderov Zapada uchit' 'uroki Yaltiy'"] *Rossiyskaya Gazeta,* February 4, 2015.

extravagant definition of "defence," as well as the sense of vulnerability that underpins even its most menacing actions. The threat that Russia perceives has become inseparable from the threat that it poses.

Premises of Russian Security Policy

Russia is waging what it regards as a strategic counter-offensive against twenty-five years of Western civilisational and geopolitical encroachment. Contrary to Western conventional wisdom, the "civilizational" dimension of this counter-offensive is not a Putin-era artefact, but a world view with Tsarist antecedents. For Russians of the conservative and Christian (not to say Eurasian) persuasion, it provides a historical and identity-based alternative to the values-based discourse of liberal democracy.[2] Even self-designated Russian liberals of the 1990s, such as former Foreign Minister Andrey Kozyrev and Deputy Foreign Minister Fedor Shelov-Kovedyayev, viewed unity with Ukraine, if not the Baltic states, as a mainstay of Russia's cultural connection to Europe.[3] On "historically-conditioned" foundations, today's security elites are inclined to distinguish between *Russkiy Mir*, the "Russian world" – which, in Putin's words, "exceeds Russia's geographic boundaries and even the boundary of the Russian ethnos" – the "historical West" (defined with even less precision) and a "grey zone" between them.[4] The emergence of a political West beyond the frontiers of the "historical West" is seen by Moscow as unnatural, of dubious legitimacy and as a principal source of tension in Europe. Missing from all of these perspectives is respect for the self-determination and consent of other nations and peoples.

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2   For a Russian émigré perspective, see RIAC's interview with Nikolai Tolstoy, "The Western Guide to Understanding the Russian Mind," *Russian International Affairs Council*, August 28, 2017, http://russiancouncil.ru/en/analytics-and-comments/interview/the-western-guide-to-understanding-the-russian-mind/.

3   Fedor Shelov-Kovedyayev was Deputy Foreign Minister in charge of policy with the newly established CIS. *Strategy and Tactics of Russian Foreign Policy in the New Abroad* [*Strategiya i taktika vneshney politiki Rossii v novom zarubezh'ye*], September 1992.

4   "From a Speech at the Opening of the Congress of Compatriots," ["Viystuplenie VV Putina na Kongress sooteestvennikov prozhivauyushchikh za rubezhom"], *President of Russia*, October 11, 2001, http://en.kremlin.ru/events/president/transcripts/21359.

These civilisational constructs are reinforced by the geopolitical determinism of the Russian military establishment. Factors that frequently offset one another in Western threat assessments — capability, interest and intention — are invariably compounded in Russia on the basis of worst-case assumptions. Since Tsarist times, threats have been defined in terms of proximity; security has been equated with control of space (irrespective of the views of those who inhabit it), recognised spheres of influence, buffer zones, client states and uncontested defence perimeters situated well beyond the borders of Russia. Russia maintains that NATO perpetuates a "civilisational schism" in Europe. It also believes that the enlargement of the Alliance (as well as the EU), democracy promotion and support of coloured revolutions are targeted against the system of governance in Russia itself. By the time of Ukraine's "revolution of dignity" in 2013-2014, all of these policies had been integrated into one overarching threat assessment.

The Baltic states find themselves at the conjuncture of these two vectors of policy. In September 2014, Sergey Lavrov warned Moldova and the Baltic states to "consider events in Ukraine and draw conclusions."[5] They have also been admonished that the presence of Allied forces on their territories is dangerous and destabilising. If there is a common thread in twenty-five years of post-Soviet policy towards the Baltic states, it is the belief that irrespective of their membership of other "unions," they form part of a grey zone of "historical interest" to Russia, and they should behave accordingly. There and elsewhere in NATO Europe, Russia's aim is to alter political rather than physical borders. Nevertheless, one cannot assume that the Estonia-Russia border treaties of 2005 and 2014 have a greater intrinsic validity than the Russia-Ukraine State Treaty of 1997. Moreover, Russia's political and military establishments believe that the potential for war is inherent in the conflict of interests and "systems" that now exists.

War in Europe

Russia's 2014 Crimea campaign was a shocking demonstration of how war

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5   "Meeting of the Valdai International Discussion Club," *President of Russia,* October 24, 2014, http:**/**en.kremlin.ru/events/president/news/46860.

by stealth can be used to cripple a sovereign state and achieve strategic objectives before that state realises that war has begun. It not only provided a stimulant to NATO but for some a model of what to expect in a future war with Russia. The UK House of Commons Defence Committee duly warned of:

> *Russia's ability to effectively paralyse an opponent... with a range of tools including psychological operations, information warfare and intimidation with massing of conventional forces.*

It added significantly:

> *Such operations may be designed to slip below NATO's threshold for reaction.[6]*

For all the wisdom of such assessments, they have had the effect in some quarters of diverting attention from the investment Russia has made in defeating opponents by shock, striking power and combined arms, manoeuvre warfare. So have some of Russia's own pronouncements. In March 2016, Chief of the General Staff Valeriy Gersasimov stated that the current technological and "psychological-informational" environment afforded the possibility of ensuring "the destruction of military forces and key state assets in several hours".[7] Read in context, Gerasimov is not forecasting the defeat of major opponents by stealth but by new technologies that do not rely upon nuclear weapons. He is also setting out a new generation of threats *to Russia,* including strategic, non-nuclear precision-guided missiles (e.g. Prompt Global Strike), ballistic missile defence with dual-purpose (offensive) capability, weapons based on new physical principles and quantum advances in ISR (intelligence, surveillance and reconnaissance). Russia has limited means to respond to these threats *in kind.* It can only do so asymmetrically: through tactical, operational

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6   "Towards the Next Security and Defence Review: Part Two—NATO," *House of Commons Defence Committee,* July 22, 2014, http:**/**www.globalsecurity.org/military/library/report/2014/hcdc_defense-security_nato_2014.pdf.

7   Valery Gerasimov. "Considerations on the Experience of Syria" ["Po opytu Sirii"], *Military-Industrial Courier,* March 9, 2016.

and strategic counters to the technological superiority of an advanced opponent.

At the strategic level, Russia is responding by creating what Sergey Sukhankin calls an "arc of pressure" extending from the Black Sea to the Baltic.[8] Operationally, Russia's traditional emphasis on combined-arms has been expanded to what SACEUR''s International Affairs Advisor, Stephen Covington calls an "all domain" concept, encompassing ground, air and space components, psychological-informational resources, special purpose forces, and notionally non-state entities.[9] In peacetime, such capabilities constitute a deterrent. Coercion is ingrained in the Russian concept of deterrence, which unlike former US Defence Secretary Robert McNamara's analogue, is not based on force balances, margins of uncertainty, and "mutual assured destruction," but imbalance, pressure and escalation dominance. In wartime, the purpose would be to strike with shock, without warning and wage high-intensity combat with the goal of shattering the cohesion of NATO, destroying its forces in the theatre of operations, and forcing it to concede defeat at the earliest possible moment. Hybrid war and high-intensity war are therefore two sides of the same coin. In Gerasimov's formulation:

> *It is the combination of traditional and hybrid methods that is now the characteristic feature of global armed conflict. If the latter can be used without the open employment of military forces, classical military activity without hybrid war no longer exists.[10]*

Russia's scheme of defence and the capabilities supporting it not only build on Russia's strengths. They are designed to compensate for

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8   Sergey Sukhankin. "Counter-Containment: Russia Deploys S-400 Complexes to Crimea," *Eurasian Defence Monitor* 14 no. 2, January 18, 2017, https://jamestown.org/program/counter-containment-russia-deploys-s-400-complexes-crimea/.

9   Stephen R. Covington. *The Culture of Strategic Thought Behind Russia's Modern Approaches to Warfare* (Boston: President and Fellows of Harvard College, October 2016), http://www.belfercenter.org/sites/default/files/legacy/files/Culture%20of%20Strategic%20Thought%203.pdf.

10   Gerasimov, *Op.Cit.*

weaknesses that could prove telling in a prolonged conflict. Apart from the technological gap already cited, these include the gross discrepancy in economic power and the long-term mobilisation potentials of the two sides, which in Russia's case is not assisted by an unfavourable military demographic, notably the rising proportion of potentially unreliable Muslim conscripts.

Implications

There are two serious ways of responding to the Russian challenge. The first is to meet Russia's core demand and redress the grievances that give rise to it. If the West were to do so comprehensively, it would entail:

- withdrawing its infrastructure, missile defence units and forward-based forces from Poland, Romania and the Baltic states (in effect, establishing a two-tier NATO);

- agreeing to statutory limitations on the development of prompt global strike and other "destabilizing" systems;

- strictly observing the non-alignment of Sweden and Finland (irrespective of the wishes of these two states), reversing recent trends toward NATO-EU security cooperation and the integrated defence of the Nordic-Baltic region;

- respecting the "rights" of Russia's citizens abroad and, *vide* Medvedev, Russia's "unquestioned priority ... to defend the rights and dignity of our citizens wherever they live";

- binding, "non-bloc" status for Ukraine and the withdrawal of NATO's "presence" (training and advisory teams, liaison, and information offices); annulling the EU-Ukraine Association Agreement and formalizing Ukraine's "federalization" (autonomy for the Donetsk and Luhansk Republics and their right of veto on Ukraine's foreign and defence policies);

- transforming the NATO-Russia Council into an effective working organ, operating on the basis of "equality" (i.e., a de facto right of veto on issues of importance to Russia).

These terms are incompatible with the security of the Baltic states and would be dead on arrival in most NATO capitals. Like most schemes for improving relations with Russia, they can only be realised by limiting the rights of others. Even if, in defiance of all political logic, a US–Russia "grand bargain" were concluded over the heads of NATO Allies, its terms would not be implemented with their consent, but only upon the breakup of the Alliance, which is what would likely follow. Needless to say, few self-designated "realists" would agree on such terms without conditions. But there are those who would accept them as a basis for a negotiation that would also encompass binding force reductions and confidence-building measures on the Russian side. Yet this would be to confuse the cause of NATO's security problem with the manifestation of it. The cause is Russia's Yalta inspired scheme of security in Europe. So long as it exists, NATO requires a convincing defence.

Thus, the second response is to invest in the antidotes to Russia's strengths and diminish the advantages it has. At Newport in 2014 and Warsaw in 2016, NATO committed itself to such a course, and latterly, "deterrence" has reappeared alongside "reassurance" in its official lexicon. Aspects of Operation Atlantic Resolve (launched in 2014) and the Enhanced Forward Presence programme (launched in 2016) have unsettled Russia (notably the participation of European Allies, and especially Germany). But whilst these enhancements "form part of the biggest reinforcement of NATO"s collective defence in a generation," "enhancement" now starts from a precariously low baseline, and there is no certainty that the collapse of defence mindedness over the past twenty-five years will be overcome.[11] It bears noting that in the years *after* the Russia-Georgia war, the Obama administration closed fifteen US military bases and withdrew two brigade combat teams, two air squadrons and all heavy armour from Europe.

11　　　　"NATO's Enhanced Forward Presence," *NATO,* May 2017, http:/www.nato.int/nato_static_fl2014/assets/pdf/pdf_2017_05/1705-factsheet-efp.pdf.

Concluding Remarks

Deterrence is only a strategy if it addresses the threat to be deterred. In Georgia in 2008, Crimea in 2014 and Syria in 2015, Russia employed its military power to telling effect, but in highly permissive environments. The decisiveness of these campaigns and the disorientation they caused masked their judiciousness. The short-term aim of NATO strategy must be to reinforce Russian judiciousness. The long-term aim must be to persuade Moscow that even a short war will have harrowing costs and inexorably lead to the long war that Russia fears and is likely to lose. Such a course requires investment in deterrence by denial as well as deterrence by punishment. Giving depth, balance and coherence to NATO's emerging forward presence will contribute modestly to the former. More significant will be the effective establishment of total defence concepts in the Baltic states analogous to that which Finland maintained throughout the Cold War and is reviving at present.[12] Deterrence by denial demands disproportionate investment by Allies on whose territory war is likely to be fought. Deterrence by punishment requires investment in the capabilities that, in Gerasimov's terms threaten "the destruction of military forces and key state assets in several hours" and by non-nuclear means. Its aim will be to persuade Russia that any war with NATO involves war with all of NATO, wherever its forces are based. Deterrence by punishment demands disproportionate investment by NATO's most powerful Allies, especially the United States.

The linkage between these forms of deterrence will be reinforced if Russia perceives that Finland and Sweden will not stand aside if the Baltic states are attacked. Although outside NATO, the immediate stakes for them are arguably higher than they are for several NATO Allies. Uncertainty about their response might constrain Russia in three ways. First, it might add to the complexities of threat assessment and complicate planning for Russia's preferred short-war scenarios. Second, the belligerence of these Nordic countries would confront Moscow and indeed Brussels with

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12   For a complementary view, see A. Wess Mitchell's "A Bold New Baltic Strategy for NATO," *The National Interest,* January 6, 2016, http:**/**nationalinterest.org/feature/bold-new-baltic-strategy-nato-14818.

an immediate escalation of the conflict, even before NATO agreed upon a comprehensive response. Finally, it would add to the pressures on the North Atlantic Council to respond to Russia's aggression in a timely and resolute manner. NATO appears to be aware of this potential. Amongst the more noteworthy statements in the Warsaw Summit Communiqué was the following reference to Finland and Sweden:

> *We are dedicated to the continuous process of further strengthening our cooperation with these enhanced opportunities partners, including through regular political consultations, shared situational awareness, and joint exercises, in order to respond to common challenges in a timely and effective manner.[13]*

Nordic participation in the Common Security and Defence Policy of the EU (which Russia perceived as an antechamber of NATO) also strengthens this potential.

These demands of deterring Russia are not beyond us. As we have noted elsewhere:

> *Time does not favour Russia...[Its] economy is in decline, its technological base is stagnant, and the mobilization reflex merely postpones the day when its structural problems are either addressed or wreak vengeance. Thus, the West has good grounds for strategic patience. However, time is not a strategic actor. It has to be used. For strategic patience to bear fruit, there must be a strategy as well as patience.[14]*

The fundamental goal of deterrence is to persuade a potential adversary that war is not the solution to his problems. The fundamental purpose of

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13   "Warsaw Summit Communiqué," *NATO,* July 9, 2016, http://www.nato.int/cps/en/natohq/official_texts_133169.htm.

14   James Sherr. "The Militarization of Russian Policy," *Transatlantic Academy*, August 2017, http://www.transatlanticacademy.org/sites/default/files/publications/Militarization-2.pdf.

NATO is to maintain security in its area of responsibility irrespective of what an adversary's interests might be. NATO faced a similar challenge at the height of the Soviet military buildup of the 1980s, and it rose to it. The result was not an apocalyptic confrontation, but a change of course by the USSR and a profound de-escalation of tensions in Europe. If the West is interested in improving relations with Russia, it could do worse than to learn from this experience.

THE EURO-ATLANTIC SECURITY FORMULA: THE IMPLICATIONS OF NATO-RUSSIA RELATIONS TO THE BALTIC SEA REGION

Ivan Timofeev

US President Donald Trump's signing of the "Countering America's Adversaries through Sanctions Act" laid the foundation for a new Euro-Atlantic security. The bill introduces comprehensive, systemic, long-term sanctions against Russia. These sanctions effectively rule out the possibility of striking any kind of deal between Moscow and Washington that would change the quality of relations between the two countries. The passing of the bill marks the final formalisation of a new bipolarity in Europe. From now on, mutual deterrence will be the key component of Russia's relations with the West. This does not preclude cooperation on topics of common interest, but the cumulative weight of such cooperation is incapable of changing the track that has by now been determined for decades through formal sanctions and informal mutual grievances.

The only thing that can be realistically expected today is stabilising deterrence and minimising rivalry-related damage. Still, a stable deterrence will only be an interim solution, and may still lead either to growing confrontation or to partnership. We must admit that the possibility of the situation worsening is much higher at the moment than the possibility of normalisation. All this requires a thorough reflection on the new formula of Euro-Atlantic security and its driving forces. More importantly, it requires a vision of how we want to see this formula in the future. Without such reflection, we are doomed to further deterioration of the relationship.

In a recent Valdai Club report,[1] I proposed a combination of seven factors for a Euro-Atlantic security formula: the balance of power, the structural peculiarities of Russia and NATO, arms control regimes and institutions, political identity, new areas of competition and vulnerability (the digital and information environments), peripheral conflicts in Europe, and the role of rising external actors.

In this report, we will attempt to apply this formula to the Baltic security context. The Baltic region is where Russian and NATO forces come into direct contact. For the countries of that region, the "Russian threat" has turned into an essential part of the political discourse; they form the avant-garde of counteraction to "Russian aggression." It is also home to countries that are trying to find an optimal format for dialogue with Russia, while at the same time firmly rejecting Moscow's current foreign policy.

In other words, the Baltic region is particularly vulnerable to contradictions between Russia and NATO. However, attempts to solve security problems in the region, though they may be tactical and insignificant at first, could become the beginning of more substantial changes for the better. The possibility of such a scenario is slim, but it must be studied and intellectually considered.

Let's begin with the **first component:** the balance of power. One logical consequence of the Ukrainian crisis was a significant decrease in trust and growing fear of new crisis situations. Fortunately, an escalation was avoided, as were any significant incidents. Nevertheless, the developments in Ukraine have gradually begun to set Russian and NATO military machinery in motion.

The Russian threat has become a powerful driver of NATO consolidation. It has legitimised the Wales Summit's objective of bringing NATO member states' defence expenditures to 2% of national GDP and bringing spending on armament procurements up to 20% of their defence budgets (2/20). Very few NATO member nations are in a hurry to meet this target, but

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1   Ivan Timofeev. "Report: The Euro-Atlantic Security Formula: Stable Deterrence and its Alternatives," *Valdai International Club,* August 17, 2017, http://valdaiclub.com/a/reports/report-the-euro-atlantic-security-formula/.

nobody questions the need to reach it sooner or later. Military potential has also been increased to a certain extent. Russia is fully aware of the fact that the four NATO battalions deployed in Poland and the Baltic states serve a political purpose rather than a military one. Nevertheless, it is more difficult for Moscow to ignore NATO's other military preparations. The budget and scale of the US European Reassurance Initiative programme are growing. And even though the deployment of new US units to Europe merely restores the status quo following the 2012-2013 cuts, the build-up of reserves for the deployment of a division-level unit in the event of a crisis appears to be a more significant factor. The same goes for the expansion of NATO's Very High Readiness Joint Task Force (VJTF).

Changes are taking place in Russia as well. Moscow has managed to implement a massive, and apparently successful, military reform, creating more compact, mobile, and possibly more efficient armed forces. A number of military units have been restored; in particular, three divisions were deployed on the country's southwestern borders to replace brigades previously stationed there. By all appearances, these the deployment of these forces was possibly aggravated with relations with Ukraine in mind. However, no serious changes to Russia's strength have taken place in the Baltic region. The level of information noise in the Baltic countries far exceeds the actual changes to the balance of power. This certainly stabilises the situation and prevents the triggering of a local arms race. Occasional escalations are possible, such as Poland getting new fighters and air-defence systems, or the possibility of Russia deploying new theatre missiles in the Kaliningrad Region. Overall, however, the stabilisation of the power balance at its current level is useful, given the complex political environment.

The **second component** concerns the structural peculiarities of Russia and NATO. The two are essentially different entities. Russia is a sovereign state, capable of making prompt foreign policy decisions. NATO, for its part, is a military bloc that requires consensual decisions; it is also characterised by a significant asymmetry. The US accounts for over 70% of NATO's defence expenditures; of contributions made by states other than the US, the UK and France contribute over 41% of the expenditures of all remaining NATO funding. In the Baltic region, NATO countries also

differ significantly. Germany is the heaviest contributor (15% of the total NATO budget with the exception of the US share). If Berlin implements the 2/20 target by 2024, the country's NATO-related expenses will rise by over US$ 30 billion. This is an enormous sum, given that Russia's current defence expenditures amount to US$ 66 billion.[2] Denmark is close to Germany in terms of the share of defence spending as a percent of GDP, although that country is actually spending much less on defence than Germany. Poland is playing a noticeable role: it has already met the Wales Summit requirements. Warsaw's defence spending is significantly lower than that of Russia, but is still significant to regional stability, especially in light of the procurement of new weapons and military equipment. The contribution of Estonia, Latvia and Lithuania is minimal: these countries are consumers of security, although still important in terms of their location in the potential theatre of military operations.

The bottom line is that Berlin's commitment to the 2/20 target will be of extreme importance to Baltic security, as will the actual opportunities resulting from such a hefty increase in defence spending. Poland's steadily increasing military potential is also important. It is obvious that the build-up of potential capacity in these two countries could lead to a regional arms race. Russia's reaction to any changes in the potential capacity of Germany and Poland will also play a significant role. Such a reaction would hardly be positive, for obvious reasons, although Moscow's reciprocal measures might possibly prove asymmetrical.

The **third component** concerns arms control regimes in Europe, as well as pan-European security institutions. The erosion of the Treaty on Conventional Armed Forces in Europe is definitely having a pernicious effect on the mutual predictability of Russia and NATO. Against the background of growing disagreements between Moscow and the West, a serious positive signal came in the form of Frank-Walter Steinmeier's initiative to resume a dialogue on conventional arms control. The fact that the initiative was supported by 15 EU member states, and later transformed into an OSCE-led "structured dialogue" was definitely an achievement

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2   Data taken from the Stockholm International Peace Research Institute's report on 2015 defense spending.

of German diplomacy. Nevertheless, the prospects for further dialogue on conventional arms control in Europe appear extremely uncertain. The emergence of a stable international regime can hardly be expected in this area. For the Baltic region, where Russian and NATO forces come into direct contact, the absence of such a regime would be fairly sensitive.

There could be even more serious consequences for Europe in general, and for the Baltic region in particular, from the possible disintegration of the Intermediate-Range Nuclear Forces (INF) Treaty, and from the deployment of US anti-ballistic missile (ABM) components in the region. Should the INF Treaty become defunct, the Baltic NATO members could become a convenient territory for deploying intermediate-range nuclear weapons as a deterrent against Russia, forcing Moscow to take appropriate countermeasures. This would result in less security and higher risks for the entire region. No less problematic is the development of US ABM infrastructure. Given the ABM system's importance to strategic stability and potential nuclear deterrence, Russia would inevitably resort to balancing measures. All this would clearly do nothing to enhance regional security.

Another problem for European security is that the OSCE has failed to become the key inclusive security institution in Europe. That organisation is weak, whereas NATO, by contrast, is growing even stronger. This complicates the task of solving the security dilemma in Europe. The conventional arms race, the disintegration of the INF Treaty, and the development of ABM could further complicate the situation.

These three factors have all been sufficiently studied, with professionals both in Russia and the West interpreting them in a relatively rational way. The same cannot be said of the next three components.

The **fourth component** concerns political identity. This topic is particularly pressing for the Baltic states and Poland. For these countries, Russia is a part of the "dark legend" national narrative. They perceive Moscow as the grotesque embodiment of an almost absolute evil. Historical experience is projected both onto the present and into the future. Identity imparts a fair share of ideology to relations with Russia. By contrast, Russia has considerably more "mature" relations with Finland, Sweden, Denmark

and Germany. Moscow has a much smaller role to play in these countries' national mythology.

The Baltic political discourse is certainly being affected by mutual perceptions in both the West and in Russia. One specific trait of this discourse is that the West perceives Russia as a civilisationally "incompetent" country that has deviated from the "correct" trajectory. Calling for regime change in Russia is currently a matter of courtesy in the West. Clearly, trying to build a dialogue with partners who believe, either overtly or by default, that your country is illegitimate is a difficult task. Such a stance will only serve to further marginalise Russia, thus weakening the already unstable security balance. We should note that in Russia, the attitude towards the West is also often exaggeratedly unhealthy; it combines phobias of conspiracy on the part of Western elites with the idea that the West will soon fall. Anti-Western sentiments have become a significant component of Russian political identity. Overcoming this political discourse would be very difficult for both parties. The situation is aggravated by the current media environment and the emergence of the post-truth phenomenon, which holds that the truthfulness of an opinion is determined by its source rather than by hard facts. This deepens "group polarisation," with both parties trusting their own sources and rejecting any opinion coming from the other camp. On social media, propaganda follows its own logic, sometimes reducing official positions to absurdity.

The clash of identities, amplified by growing competition in the digital environment, is **the fifth component** of the Euro-Atlantic security formula. The West has come to perceive Russia as the main threat to its cybersecurity. Russia, for its part, is taking measures to strengthen its "digital sovereignty." The problem lies in the absence of clear rules for the game, the ease with which incidents in the digital environment lend themselves to polarisation, and the extreme difficulty of identifying the actual perpetrators of cyberattacks. In other words, incidents in cyberspace are extremely difficult to translate into the language of tangible factors, meaning that it is difficult to turn political speculation into court action, or even use it for rational bargaining. Today, digital space is the ideal environment for hybrid warfare. This poses a problem both for Russia and the West. The stakes are growing higher as the digital

vulnerability of modern societies increases at a breakneck pace. Anything can become the target of an attack: databases, infrastructural facilities, communications channels, etc. This is a common problem. Therefore, the hysteria around the Kremlin's alleged meddling with elections and encroachment into the fundamentals of democracy in the US and beyond needs to give way to a rational dialogue on the parameters of vulnerability as well as measures of trust and control. Given the inertia of the US cyber scandal, such dialogue could be initiated by Germany.

The sixth component concerns peripheral conflicts in Russia and Europe. The most serious of these is the situation in Donbass and the civil war in Syria. In both conflicts, Russia and the West are on opposing sides. Symptomatically, even the common threat coming from the Islamic State and other radicals does little to bring Moscow and Washington together. For the Baltic region, the Ukrainian situation is naturally the most important. Moscow and its Western neighbours have diametrically opposite takes on Ukraine. It is clear that the situation in Ukraine will remain a long-term negative factor. The Minsk Agreements appear to be impossible to implement, even though, ironically, all the parties involved, including Russia, insist on their full implementation. Even worse, the situation inside of Ukraine, including in Donbass, follows its own logic and is not fully controlled by Moscow, Brussels, Washington or even Kiev. The parties involved are being held hostage to the situation and cannot influence it in any way. In the future, there is a chance that political reality will force the parties to revise the Minsk Agreements. This will most likely be accompanied by a worsening of the situation for one of the parties, allowing the others to impose their logic on it. This is why all the actors have assumed a wait-and-see position as they look for the right moment to arrive. Cooperative movement towards a compromise is hardly possible. In this situation, freezing the conflict appears to be the lesser evil.

Finally, **the seventh factor** is the role played by external actors. Unlike during the Cold War era, the global politics of today does not boil down exclusively to the rivalry between Russia and the West. External actors will play an indirect role in the Euro-Atlantic region at first, but over time, their role will become more substantial. Moscow is gradually strengthening its politico-military partnership with Beijing. The joint Sino-Russian naval

manoeuvres recently conducted by partners in the Baltic region were merely symbolic. However, they demonstrated the possibility of a new reality forming in international relations. It is not yet a military alliance for the time being. Today, China is unlikely to take the risk of souring relations with the US and the EU for the sake of Russia's interests in Europe. Further development of the Russo-Chinese partnership could, however, create a new politico-military environment whose parameters and influence are difficult to predict. Whatever the case, the Baltic region, and Europe in general, will find themselves on the side of the road in the new global "game." Asia will become central, and the dynamics of the world order will be dictated by the interaction between China and the US

In the medium term, Germany will play an increasingly notable role in the Baltic region. This powerful actor has not yet fully realised its politico-military potential. Much will depend on the paradigm of Berlin's foreign policy. Germany's significance will be determined by the potential of its resources and military. One important factor to keep in mind is that, unlike Poland and the Baltic states, Germany has no identity problems, meaning that it can afford a more pragmatic and unbiased policy. At present, German diplomacy is capable of proposing and consistently implementing security-related compromise solutions. If Germany manages to lead the process of building a new European security architecture and find solutions to key problems in relations with Russia, then Berlin's political role on the international arena will change radically. The Baltic region could become an excellent testing ground for new approaches. Germany has already demonstrated its ability to effectively mitigate the damage of ongoing crises, and its role in stabilising mutual deterrence should not be underestimated. The current objective is more difficult: to achieve a reduction in deterrence. Russia could use this opportunity to reset relations with its Western neighbours and become an equal co-author of a new security system in the Baltic region and beyond.

THE NEW SECURITY SITUATION IN THE BALTIC REGION: BELARUS'S PERSPECTIVE

Dzianis Melyantsou

After the crisis in Ukraine, the Baltic Sea region (understood in a wide sense) has become a new dividing-line in Europe. Russia's annexation of Crimea and the war in Donbas have stimulated tensions between the two politico-military alliances – NATO and the Russia-led Collective Security Treaty Organization (CSTO). The division is currently taking place along the western border of Belarus, a fact which is very disturbing to officials in Minsk.

Throughout its history, Belarus has always been a battlefield for external powers, and any increase of tensions between the traditionally antagonistic blocs of Russia and the West, therefore, provokes strong concerns in Minsk, demanding an adaptation to the changing security environment. This adaptation is taking place not only in the security and defence spheres but also in diplomacy and foreign policy. It also affects the economy and international trade. In spite of increasing risks stemming from intensified confrontation, the new situation is enhancing Belarus's geostrategic significance, which Minsk is cautiously trying to utilize.

The territory of Belarus is strategically important both for Russia and NATO. The Belarusian "strategic balcony" helps Russia unblock its Kaliningrad exclave in case of military conflict with NATO. It also helps to defend Russia's core region around Moscow. For NATO's eastern member states, Belarus is an important buffer between them and Russia. Belarusian top officials also claim that Belarus is a guarantor of the security of Ukraine's northern border.

In view of the fact that Belarus did not join Russia's actions against Ukraine and the West (counter-sanctions) and the fact that Belarus conducts independent constructive policy in the region, it is important to understand

its perception of the situation as well as motives and perspective actions in order to formulate regional policies.

The Strategic Situation of Belarus and its Perception

After the Ukrainian crisis, Belarus found itself in very difficult situation. It had to solve a number of uneasy tasks simultaneously: to sustain good relations both with Ukraine and Russia (Belarus's main trade partners), to prevent involvement in the conflict on either side, to continue normalisation of relations with the West and to try to prevent a further escalation in the region that could slip into a large war in Europe that would fatally affect Belarus.

At least some of these goals have been successfully fulfilled by taking a neutral position towards the conflict in Ukraine and organizing a platform for peace negotiations. Nevertheless, the security context has remained very unfavourable: Russia's discontent with Belarus's position has affected bilateral relations in various spheres; the Kremlin has increased pressure to put an air base on Belarusian territory and has redeployed troops close to the Belarusian border (Klintsy in Briansk region and Yelna near Smolensk). The situation near the western border also has deteriorated: NATO started to deploy its battalions in the Baltic States and Poland; the construction of an anti-missile system in Europe received a new impetus, and the overall military activity of western countries has increased. Additionally, there were a number of alarmist waves of information (often coming from neighbouring countries, not only Russia) speculating about a possible attack by Russia against Ukraine or the Baltic countries through the territory of Belarus, and about a possible occupation of Belarus by Russia under the cover of military exercises. Naturally, this all negatively affected Belarus's image, as well as the overall context of international relations in the region. Minsk was also worried about the possible proliferation of instability from the territory of Ukraine, connected with migration and the illegal trafficking of arms.

After NATO started to construct its missile defence system in Europe and build up its military infrastructure, Moscow began to negotiate with Minsk on its planned response. Russia reportedly wanted to deploy missile units next to its missile defence system facilities on the territory of Belarus.

Minsk, however, is consistently resisting the placing of Russian army units in the country, because this would ruin Belarus's emerging neutrality and image as a peacemaker and guarantor of security, and would also create a premise for a "Crimea scenario," depriving Belarus of an opportunity to use its military cooperation with Russia as a bargaining tool in dealing with the Kremlin. The deployment of Russian Iskanders or other units under Russian jurisdiction would also mean the loss of Minsk's importance to Russia as a provider of security for Russia's core region around Moscow, which is the most valuable service that Minsk has been marketing to Russia since the mid-1990s.

In spite of the seeming unity of their strategic visions, there are important differences between Belarusian and Russian positions. First, the significance of the new NATO missile-defence system for the security of Belarus and Russia drastically differs. For the Kremlin, the missile-defence system poses a fundamental threat, as it could partly destroy Russia's nuclear arms and command posts thus undermining the system of mutually assured destruction. For Belarus, the new anti-missile facilities and the newly deployed NATO battalions mean little. That is why Belarusian officials have not described them as a threat, though they have voiced their concerns about these developments.

Belarus, however, wants to capitalize on its value as a military ally and a provider of security to Moscow, and offer some kind of response to this NATO deployment on its own. For instance, Minsk wishes to get new Iskanders for free as a member of the CSTO or to buy them at a significant discount. Belarus could also modernize the facilities of its air forces.

Belarus remains a close military ally of Russia, but Minsk regards these relations as unbalanced and unfair. The Kremlin is frequently reluctant to treat Belarus as its ally. As an example, Moscow did not inform Minsk about the planned operation to annex Crimea and its activities in Donbas. Russia also provides only minimal support for the Belarusian army, nevertheless, Belarus's military serves as the bulk of force protecting Moscow in the western direction. Belarus is also a part of the joint air defence system with Russia. For many years, Moscow has refused to give Belarus modern aircraft, and only in 2016 after many years of delays did it give its ally second-hand

decommissioned S-300 surface-to-air missile (SAM) systems.

Another worrisome tendency for Minsk is that Moscow has tried to minimize its dependence on Belarus in the military-industrial sphere over the last several years. Russian industry has worked on substituting Belarusian-made military equipment supplied to the Russian army (e.g. chassis for such weapons as the Iskander, Topol-M, Buk and different types of MLRS) with Russian-made equivalents.

Belarus's Strategic Interests in the Baltic Region

As a young Eastern European state situated between Russia and the EU/NATO, Belarus's main strategic goals are to survive, to preserve its independence and to keep strategic balance. To these ends, Minsk tries to improve relations with the West while keeping its allied relations with Russia, being aware of its importance for Moscow and its critical dependence on Russia in many spheres.

On the large-scale, one can characterise the strategy of Belarus at the moment as follows: it is building the institutional framework of a young independent state and constructing a powerful security and defence system, while formally remaining a part of Russia-led integration projects. On the other hand, Belarusian authorities are keen to utilize the experience and assistance of the European Union and the US for its development goals.

Due to the geopolitical situation, it is in Belarus's best interest to work for the maximum de-escalation of the confrontation between Russia and the West. Therefore, Belarus chooses peace-making activities to address the crisis in Ukraine as well as larger scale de-escalation initiatives like the Minsk process (the new global conference on peace and security).[1] Within these goals, it is very important to remove the possibility of international conflict on Belarus's territory. That's why Minsk is so rigid in negotiating

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1   For more on this issue, see Dzianis Melyantsou's "Minsk Process: Can the Success of the Minsk Platform for Negotiations Be Further Developed?" *Minsk Dialogue Initiative*, April 26, 2017, http://minskdialogue.by/en/research/analitycs-notes/minsk-process-can-the-success-of-the-minsk-platform-for-negotiations-be-further-developed.

with Moscow about the Russian air base and the permanent deployment of Russian units in Belarus. On the contrary, Minsk works to ensure the intersection of interests of many world actors on the territory of Belarus, so that any destabilization of the country would be disadvantageous.

As previously mentioned, officials in Minsk do not see NATO's moves in the Baltic States and Poland as a direct threat; on the contrary – in the current geostrategic environment, Minsk is attempting to use its relations with these countries to enhance its independence and resilience. Poland, for instance, is viewed as an important mediator and facilitator of Belarus-EU relations. Warsaw initiated the Eastern Partnership initiative; it plays a significant role in the region and also has influence in Brussels. Lithuania and Latvia are important as transit countries for Belarusian cargo.

Adapting to the New Strategic Environment

To achieve the strategic goals mentioned above after the crisis in Ukraine, Belarusian leadership has taken a number of important steps.

In 2016, Belarus's new military doctrine came into force. The document does not portray any state as an adversary. However, Belarus does consider an adversary any state or non-state actor whose activity poses a military threat. The text defines such activities as ones that aim to interfere in internal affairs, encroach on the nation's independence, territorial integrity, sovereignty, and/or constitutional order of Belarus. There is no doubt that the Russian-Ukrainian conflict, as well as tensions between Russia and the West, were taken into consideration while developing the new military doctrine.

Though the regional military situation has changed dramatically since the war in Donbas, the main priority for coalition military policy for Belarus remains the strengthening of collective security mechanisms with Russia and CSTO members. Nevertheless, the text of new military doctrine contains concerns about Russia's aggressive foreign and military policy, though it describes them in an indirect manner.[2] Namely, the document

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2   Belarusian officials avoid the use of the notion of "hybrid warfare," possibly in order not to annoy the Kremlin with such Western rhetoric.

discusses certain attempts by state actors to interfere in the internal affairs of individual countries, including European ones, stating that such attempts have provoked internal armed conflicts with a large-scale use of military force, including both traditional and guerrilla warfare. This section undoubtedly describes the Russia's "hybrid war" in Ukraine. The document also includes a wider list of internal and external threats, and for the first time states the need for an "active position of the state in prevention of a military conflict by taking preemptive measures of strategic containment."[3]

Since 2014, the Belarusian Armed Forces and other special agencies have been conducting exercises to prevent Donbas-style hybrid attacks as well as sudden combat readiness checks.

Minsk has also strengthened its territorial defence troops by organizing regular training and providing them with their own equipment and arms. The system of territorial defence was created more than ten years ago, but only since the crisis in Ukraine have they become truly operational. Officially, the task of territorial defence is to guard critical facilities in wartime and to counter the infiltration of small armed groups.

In the autumn of 2016, Russia withdrew its Su-27SM fighter jets from Belarus, which had been stationed on the Baranavichy airbase on a rotational basis since late 2013.[4] This withdrawal was a sign that Russia had given up on the idea of having a military air base on Belarusian territory, and had accepted the reality that Minsk would strengthen its own national Air Force. From 2013-2016, Moscow tried to persuade Belarus to host a Russian military air base. It insisted that Belarus had difficulties meeting its obligations to the Joint Air Defense System of Belarus and Russia. Indeed, Minsk had previously decommissioned numerous planes, and the technical condition of the remaining aircraft had deteriorated. Russia, however, had contributed to this situation for years by refusing to supply its ally with

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3   "The Military Doctrine of the Republic of Belarus," *Belarus Ministry of Defence,* July 20, 2016, http:/www.mil.by/ru/military_policy/doktrina/.

4   At the present moment, there are no Russian military bases on the territory of Belarus. Two military objects that belong to Russia (Navy communication center in Vilejka and a radar near Hantsavichy) do not have a status of military base and are operated by limited number of mainly technical personnel – no more than 1000 people.

modern planes, deciding to rather wait for the further degradation of Belarus's Air Force. Moscow even launched a campaign to pressure Belarus into establishing a Russian air base. Facing strong resistance from Minsk, however, Russia's plans failed. Russia withdrew its planes from Baranavichy and agreed to sell modern Su-30SM to Minsk.

Last year, the Belarusian Army officially deployed the Palanez multiple-launch rocket system, which was a joint project of Belarus and China. Palanez has a declared firing range of 50-200 km, significantly more than the MLRS types that the Belarusian military had previously. This fact allows Belarusian military officials to characterize the new weapon as "an element of strategic deterrence." The Palanez MLRS is proof of conceptual innovation in Belarusian national security policy, which sets the objective of having the entire production cycle of such sophisticated arms within the territory of Belarus, and to thereby achieve independence from Russia in military supplies. There is also information pointing to Belarus working on its own missile program, perhaps in cooperation with Ukraine. It was in 2014 that Belarusian president Lukashenka announced for the first time that Belarus would cooperate with Ukraine to design new weapons. Later, Minsk sent delegations to the main centres of the Ukrainian defence industry to find partners.

Also, to adapt to the new security landscape, Belarus is making efforts to normalise its relations with the West. Minsk is seeking geopolitical balance between an increasingly aggressive Russia and the West, in order to ensure its own security and stability as a "situationally neutral" country. To achieve that, officials in Minsk are ready to make some concessions towards the West, but only to the extent that they do not undermine the established political system.

The Belarusian administration regards the United States as a superpower capable of, and ready for tough actions in its foreign policy. Better relations with the United States offer hope that Washington will not seek destabilization in Belarus by financing the opposition and supporting revolutionary scenarios. Relations with the US are increasingly relevant to Minsk in order to find a way to offset pressure from Russia. Additional leverage in the form of cooperation with the United States may become a

very valuable tool.

It should be noted that in the new foreign policy framework that has been shaped by the impact of the war in Ukraine, a reset of Belarus's relations with the United States is even more important to Minsk than the normalization of its relations with the European Union, because Belarusian authorities perceive the United States as a leading power. For its part, once the EU revises its approaches, it will eventually change its policies accordingly. Belarus's focus has also been shifted towards the United States because the Ukrainian crisis has made it obvious to officials in Minsk that the European Union is incapable of providing real support in the case of confrontation with Russia.

In recent years, Belarus has become more interesting to the US for a number of reasons: a) as a safe cargo transit area in Eastern Europe, b) because Minsk served as a negotiation platform for the Normandy format, and c) a neutral Belarus is of critical importance for the security of Ukraine's northern border.

In September 2015, the first high-level official visit took place when Patrick Kennedy, US Under Secretary of State for Management, met with Lukashenka in Minsk. Additionally, in March 2016 President Lukashenka met with Deputy Assistant Secretary of Defense Michael Carpenter. During the meeting, the Belarusian president noted that it was impossible to stabilize the situation in Ukraine without the United States.

In addition, according to an investigation conducted by BuzzFeed News,[5] Minsk played a role in US strategy in Syria. In 2014, the US Special Operations Command (SOCOM), through several intermediary companies, acquired 700 Russian-designed Konkurs missiles from Belarus in a deal authorised by the State Department. This case, together with other recent developments, underscores that Minsk and Washington have achieved enough trust that further steps toward greater normalization could be expected.

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5   Aram Roston. "Meet The Obscure Company Behind America's Syria Fiasco," *BuzzFeed News,* September 17, 2015, https://www.buzzfeed.com/aramroston/the-secret-arms-deal-behind-americas-syria-fiasco?utm_term=.va799nDXM#.lsPWW1aV4.

Belarus and the United States have also increased their diplomatic representation: the number of American diplomats in Minsk grew from 5 to 9.[6] Also, in 2016, Minsk and Washington accredited military attaches and started discussions on military cooperation. In addition, the United States provided temporary Treasury Department sanctions relief to nine Belarusian entities in November 2015 in response to the August 2015 release of political prisoners by Belarusian authorities.

During the official visit of Belarusian Defence Minister Andrej Raukou to Latvia in December 2016, the Latvia-Belarus agreement on cooperation in the field of defence was signed. Earlier, the same agreements were concluded with Poland and Lithuania, the other neighbouring NATO members.

Thus, the combination of geopolitical conditions and growing mutual interest in the normalisation of relations paved the way for a gradual – and quite tangible – process of unfreezing the relationships between Belarus and the US and EU, including the countries of the Baltic region.

Undoubtedly, it will take some time to overcome the years of mutual distrust and blame, but joint efforts in achieving the common strategic goal – security and stability in the region – must be taken as far more important than the pursuit of the individual political interests of nation states in the short term.

Concluding Remarks

The regional security environment has changed dramatically since 2014, and Belarus has had to adapt to the new situation.

Despite the fact that Minsk remains a member of collective security mechanisms with Russia, it did not support Russia in its aggressive actions against Ukraine, rather choosing to take a neutral position offering its

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6   Artem Shraibman. "Trump's victory, the issue of visas in Minsk and Belarus, like Michigan. Interview with the head of the US Embassy," *Tut.by*, November 11, 2016, https://news.tut.by/economics/519491.html.

assistance in peace negotiations. Minsk and Moscow have different visions of the strategic situation in the region, and different ideas about answers to the challenges. While the Kremlin considers NATO's increased presence in Eastern Europe as a direct threat to its strategic infrastructure, the Belarusian authorities only see this as a political challenge and make efforts to de-escalate the situation.

Overall, Minsk is pursuing a policy of enhancing its own security and independence: it has amended its military doctrine and defence plans to this aim; strengthened the Special Operations Forces and the Territorial Defence Troops; conducted a number of exercises to train its military in countering hybrid attacks; and launched a joint project with China and Ukraine in the military sphere. Belarus has also made significant progress in normalising its relations with the West and with the countries of the Baltic region.

All in all, Belarus has made great effort in the last three years to prove itself an independent international player and a guarantor of security in the region. Yet, it remains an ally of Russia in military, political and economic spheres, and has to fulfil its obligation within the collective security arrangements.

Energy and Economic Security of the Baltic Sea Region

THE EVOLVING AGENDA OF ENERGY SECURITY IN THE BALTIC SEA REGION: PERSISTENT DIVERGENCES IN THE PERCEPTION OF THREATS AND STATE–MARKET RELATIONSHIP

Ramūnas Vilpišauskas

More than 13 years since the Baltic States and Poland joined the EU, energy security issues continue to occupy a significant place in their domestic and European policy agendas. The state of affairs could be characterised by both positive recent developments and remaining disagreements among key actors, with little prospect of being resolved in the near future.

A number of national and sub-regional energy projects have been finalised in recent years, reducing dependence on supplies from Russia. The EU has also been working to advance its Energy union policies aimed at integrating national energy markets and improve energy security. However, in the Baltic States and Poland, the main source of the remaining risks to energy security is still the policies of their eastern neighbour. More broadly, differences in threat perceptions and the state-market relationship in the energy sector still characterise the debates on particular energy projects in the Baltic Sea region, especially those involving Russian state companies.

Although the agreement of EU members on economic sanctions applied to individuals and organisations linked to the annexation of Crimea and aggression against Ukraine seemed to indicate a convergence of member states' perceptions of EU policies towards Russia, such a convergence is absent in the field of energy, resulting in a patchwork of national policies and continuous debates on the optimal mix between unilateral, bilateral, sub-regional and EU wide policies, as well as the appropriate mix of market and state-led regulatory and investment policy settings.

In addition to national, sub-regional and EU developments, the evolving agenda of the energy security in the Baltic Sea region is impacted by global technological developments, the competitive environment, the growth of supply from countries like the US and changes in demand in emerging markets, all of which impact the fluctuation of energy resource prices, as well as their availability and changing patterns of interdependence.

This paper discusses the current state of the energy security agenda in the Baltic Sea region, focusing on both recent developments that increased the energy security of the Baltic States – which have for years been characterised by high sensitivity and vulnerability to potential disruption of energy supplies – and on the remaining challenges in dealing with energy security related to the perceived risks. The paper does not aim to present a detailed analysis of the energy security situation in the Baltics, but rather to assess the achievements and challenges to the efforts to coordinate national policies among the Baltic States as well as with other EU members and institutions in order to further improve energy security.

Closing the Delivery Gap

For a number of years, the dominant feature of Baltic States' energy policies was the gap between political rhetoric and the actual implementation of energy projects aimed at increasing energy security.[1] There have been several explanations for this gap between political intentions and actual delivery. First, political economy factors such as interest groups' resistance to potential competition from new sources of supply, as they attempt to maintain the rents that were accumulated due to the existing regulatory restrictions on the supplies of oil, gas and electricity. Second, election cycles and the short-term thinking of policy-makers, often divided along party lines, ruling coalitions and opposition parties attempting to use energy projects to mobilise voters. Third, the specific properties of energy infrastructure projects, such as the long time horizon and large investments needs, often met by different sources of funding as well as their cross-border nature, all of which imply the need for the countries involved to

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1   See, for example, Jakub Godzimirski, Ramūnas Vilpišauskas, and Romas Švedas' *Energy Security: Regional Coordination Management of Interdependencies* (Vilnius: Vilnius University Press, 2015).

overcome their collective action problems and agree on particular routes, regulations and investment models. Newly formed governments in the region reviewed and often cancelled projects that were initiated by their predecessors, and questioned energy projects for their electoral purposes, often at the expense of continuity and agreement on regional projects with other countries.

However, in recent years, a number of projects have been implemented, improving the interconnectivity of the Baltic States to the rest of the EU and in some areas allowing a real choice of supplier for the first time. Most progress in this respect has been achieved in the advancement of electricity links between Estonia and Finland (EstLink I and II, with a combined capacity of 1,000 MW, has been operational since 2014), Lithuania and Sweden (NordBalt, with a capacity of 700 MW, has been operational since the end of 2015), and Lithuania and Poland (LitPol Link I and II, the first one with a capacity of 500 MW has been operational since the end of 2015).[2] Infrastructure connections have been paralleled by the Baltic electricity exchange, coming into operation as a Nordic Pool Spot providing a regulatory environment for wholesale trade in electricity bought from different suppliers.

Although the choice of supplier was first provided to business consumers, it is being gradually extended to households as well, as is the practice in Nordic countries. Thus, the infrastructure for the electricity market that integrates the Baltic States with Nordic countries as well as other EU member states (e.g. Germany) has been largely put in place, allowing the Baltics to join what has recently become, in effect, the largest market for electricity in Europe. It has already had a positive effect on electricity prices in the region, pushing them downwards.[3] The potential economic benefits for electricity consumers and traders, the proximity of the Nordic electricity exchange regarded as the best practice example and the

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2   Although trade in electricity via sea cables such as NordBalt has been frequently interrupted due to technical issues, they are expected to be resolved by 2018–2019.

3   For example, in the first three months of 2017, the prices of electricity in Lithuania reached their historic lows (31.3 EUR/MWh in March), mostly due to imports of electricity generated by hydropower stations in Sweden and Latvia. In Estonia, prices have been slightly lower than in Latvia and Lithuania.

regulatory templates provided by the EU, including within the Baltic Energy Market Interconnection Plan (BEMIP), have facilitated the transformation of the Baltic States from centrally regulated economies, isolated from the rest of the EU, into members of the largest electricity market in Europe.

It is Easier to Desynchronise than to Agree on Synchronisation

However, a number of issues in the field of regional electricity trade still remain unresolved due to disagreements between different actors. After electricity links became operational, the issue of the synchronisation of the Baltic States' power grids with the Continental European system has moved up on the energy security agenda of those countries. Currently, the Baltic States are still part of the BRELL power grid (IPS/UPS system), which includes Russia and Belarus and is managed from a dispatch centre in Moscow.[4] This means that in terms of reliability of supply, the Baltic electricity systems are still dependent on the technological functioning and possible blackouts in Western Russia or Belarus.

Energy sector representatives often stress the technological aspects of reliability, which could be improved if the Baltic power grids become synchronised with the larger Continental European system. However, the issue has financial and geopolitical components as well. It requires significant investments, with estimated amounts varying between 470 million and 1 billion euro.[5] Such high funding requirements increase the importance of attracting EU funding to this project. Another reason for the involvement of EU institutions is the need to increase bargaining power with respect to Russian authorities that are closely following the debates regarding the exit of the Baltic States from the BRELL system. A lot of publicity was given to the comments that President Putin made in

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4   For a more detailed discussion of desynchronisation from BRELL and synchronisation with Western Europe, see Emmet Tuohy, Anna Bulakh, and Yuri Tsarik's "Desynch or Sink: A Political Analysis of Baltic Electricity Desynchronisation," *International Centre for Defence and Security*, May 2017, https://www.icds.ee/fileadmin/media/icds.ee/doc/ICDS_Analysis_Desynch_or_Sink_ Tuohy-Bulakh-Tsarik_May_2017.PDF.
5   Figures provided by representatives of Lithuanian energy company Litgrid, see Edgaras Savickas' "Tikroji Lietuvos pasitraukimo iš BRELL žiedo nauda – technologinė," *DELFI*, December 4, 2016, http://www.delfi.lt/verslas/energetika/tikroji-lietuvos-pasitraukimo-is-brell-ziedo-nauda-technologine.d?id=71833306.

Autumn 2015 and repeated in late 2016, that the exit of the Baltic States from BRELL would "cost a lot" because of the need to deal with the issue of isolating the electricity system of the Kaliningrad region.[6]

Although authorities in the Baltic States agree on the need to desynchronise with BRELL and synchronise with the Continental European system, as well as the need to Europeanise this issue by involving the European Commission, they have been arguing for quite some time about the actual method of implementing this. While Estonian officials have been promoting the option of synchronising via Finland, the Lithuanian side has been proposing to synchronise via Poland. Latvian authorities have maintained for some time the need for more analysis of possible options. Meanwhile, Polish officials seemed rather ambivalent, suggesting that the construction of the second LitPol Link interconnector, which was seen by the Estonian side as necessary for the synchronisation, is not feasible due to environmental concerns, and suggesting synchronisation by sea cable between Lithuania and Poland. It should be noted that Poland has preferred to maintain a low profile domestically regarding the LitPol Link I connection and remains reluctant to proceed with the construction of a second one – a position most probably related to concerns about potential competition with the coal-powered plants in Poland from sources of cheaper electricity that could be imported via the LitPol Link connections. This probably explains why the operating LitPol Link I connection has not been used to its full capacity (500 MW) so far.

The debate on the method of synchronisation of the Baltics with Western Europe entered a new stage in 2017, after the Joint Research Centre of the European Commission presented a study that assessed several alternatives (the Baltic States operating as a self-standing system, synchronisation via Finland, synchronisation via Poland by means of the LitPol Link I and by means of both LitPol Link I and II) concluding that synchronisation via Poland was the most economically viable and reliable method, although the study pointed to the need to have a second LitPol

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6   "Exit from Soviet Energy Grid May Cost Lithuania Money – Daily," **Baltic News Service**, October 5, 2015. In one of his comments on the costs of desynchronisation of the Baltic States, President Putin provided a figure of 2.5 billion EUR.

Link connection constructed for this purpose.[7] The European Commission reemphasised that it was committed to working with the Baltic States on decoupling them from the Russian power grid.[8] However, an agreement between the participating countries regarding their preferred method of synchronisation had to be achieved first.

Lithuanian officials planned the signing of a memorandum of understanding between the European Commission and the Baltic States regarding the issue in June 2017. On the basis of the study, they continued to advocate synchronisation via Poland, though advancing the project through the LitPol Link I due to the reluctance of Poland to proceed with the construction of the second interconnector. Estonia, supported by Latvia (evidenced by the joint letter sent to the European Commission in June), insisted on the need to have a second LitPol Link connection in order to proceed with synchronisation via Poland, or alternatively to opt for the option of synchronising via Finland. Keeping in mind that Poland opposed the construction of the second LitPol Link, a position that provoked speculations about Estonia's real motives (economic, strategic), and the search for new ideas that could motive Latvia to support Lithuania's proposal (e.g. by floating the idea of a second NordBalt link between Sweden and Latvia). Still, as a result of the continued disagreement, the signing of the memorandum of understanding between the European Commission and the Baltic States has been suspended.

In summer 2017, Lithuanian officials raised the issue with increasing urgency. They argued that further discussions would risk missing the 2025 deadline, and that technical preparations by Russia and Belarus to disconnect could make Baltic States "susceptible to all kinds of energy blackmail."[9] The Lithuanian side argued that if Estonia's proposal of synchronising via Finland were adopted, the project would be delayed until at least 2030.

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7   See Purvins et al.'s "Integration of the Baltic States into the EU Electricity System: A Technical and Economic Analysis," *Joint Research Centre of the European Commission*, June 2, 2017.

8   "EU to Work with Baltic States on Decoupling from Russian Power Grid," *Reuters*, June 1, 2017, http://www.reuters.com/article/baltics-energy-eu-russia-idUSL8N1IY455.

9   "Energy Security Can't be Risked by Delaying Synchronization Project – Lithuanian Energmin," *Baltic News Service*, August 22, 2017.

Lithuanian officials signalled their resolve to proceed with synchronisation via the existing LitPol Link I connection without Estonia and Latvia, hoping that once the process was started they would join it. The Lithuanian and Polish operators Litgrid and PSE signed a memorandum of understanding in late March 2017 on cooperation in the preparation of a joint application for the ENTSO-E technical work, however, this had little effect on the positions of Estonia and Latvia. Moreover, Polish officials showed little enthusiasm for sending a public political signal that Poland was prepared to move ahead with Lithuania without the participation of the other two Baltic countries.

Divergences in Threat Perception

Concerns about the safety and security risks associated with the new nuclear power plant (NPP) being built in Astravyets, Belarus by the Russian state company Rosatom added additional urgency to the resolve of Lithuania to move ahead with synchronisation. The idea of disconnecting Lithuanian electricity links with Belarus to prevent electricity trade and make the NPP project commercially not viable gradually gained political support in Lithuania. This support can be seen in the law adopted in April 2017 prohibiting the import of electricity from third countries operating NPP considered unsafe. Furthermore, in June 2017, Lithuanian Parliament declared the Astravyets NPP a threat to Lithuania's national security, its environment and public health. Swift implementation of synchronisation with Continental Europe is seen as an important factor that could facilitate disconnecting from Belarus.

For the threat to stop electricity trade with Belarus to be credible, it is important to work in coordination with Estonia, Latvia and Poland, which also have connections with Belarus or Russia, as well as coordination with the European Commission. However, there is little agreement between those actors on the nature of exactly what threats the project might pose, and to some extent, the domestic politics in Lithuania might have reduced the credibility of its concerns. For some time in 2016, there was a public debate between the opposition and ruling coalition politicians in Lithuania about who was responsible for the lack of initiative in attracting the attention of EU partners and international institutions to prevent the

construction of the Belarusian NPP, which seemed like a pre-election blame game before the parliamentary elections in October 2016. It brought to mind the previous initiatives to organise consultative referendums on shutting down the Ignalina NPP before the parliamentary elections in 2008, or the construction of the Visaginas NPP before the parliamentary elections in 2012.

Moreover, it seemed that Lithuanian policy makers initially did not take the Astravyets NPP project seriously, regarding it as a bluff used by Russia to distract from the Visaginas NPP project, which was developed until 2012, when it was rejected by consultative referendum in Lithuania. However, as the construction of the NPP in Belarus proceeded just 50 kilometres from Vilnius, and especially after some accidents during the construction process were reported, Lithuanian policy makers and diplomats became increasingly vocal about the safety and security risks posed by the NPP, especially regarding the choice of the site and management of the construction process. One of the most recent expressions of the efforts to form a regional alliance on the issue was former President Valdas Adamkus's call for the regional energy summit to voice opposition to Nord Stream 2 and the Astravyets NPP, which he called "the atom bomb."[10]

Still, the other Baltic States and international institutions seem reluctant to join Lithuania on this issue. The European Commission focused on the need to undertake stress tests conducted by independent regulatory authorities in Belarus rather than questioning the choice of site or the quality of the construction process.[11] The Commission has also declined to support the idea of blocking electricity imports from Belarus. Latvian

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10   "Lithuania's Ex-President Adamkus Calls for Regional Energy Summit," *Baltic News Service*, August 22, 2017.

11   Similar position stressing the importance of "ensuring nuclear safety beyond the EU borders" calling Belarus to cooperate constructively with the relevant international authorities in this regard has been expressed by the EU Foreign Affairs Council in early 2016 (February 15, 2016). On May 4, 2016, the joint statement of EU-US Energy Council also reaffirmed "its commitment to the promotion and implementation of the highest levels of standards of nuclear safety as well as independent and effective regulatory practices in third countries with civil nuclear programs and emphasised the role of the IAEA in strengthening international cooperation and information exchange."

representatives publicly supported Lithuania's concerns about the need to observe the highest safety and environmental standards in constructing Astravyets NPP, but also noted that the issue has been part of Lithuania's domestic politics and that Latvia would not support the idea of blocking electricity trade with Belarus outright.[12] The latter position has been interpreted in Lithuania as motivated by Latvia's economic interests in avoiding antagonizing Belarus in order to increase transit flows to and from Belarus and Russia via their Ventspils seaport, possibly at the expense of transit via the Lithuanian port of Klaipėda.[13] Estonian officials have also stressed that it is important that any NPP built in the neighbourhood of the EU should adhere to "the highest safety standards," also stressing that "competitive conditions of third-country electricity producers are equal."[14] However, these comments are much softer than the ones issued by Lithuanian officials. Meanwhile, the Polish Minister of Foreign Affairs has publicly expressed his doubts about the safety of the Astravyets NPP, supporting the idea of blocking the import of electricity from Belarus in a media interview to which authorities in Belarus reacted immediately by summoning Ambassador of Poland to the Ministry of Foreign Affairs in Minsk.[15] Both the Estonian and Polish positions seem to be consistent with their general concern for protecting their market from cheaper electricity imports from Russia and Belarus.

Thus, despite the efforts of Lithuanian officials to raise the issue at bilateral and regional forums, and the resolution of the Lithuanian parliament calling on the Estonian, Latvian and Polish Parliaments to jointly address the EU institutions, there remain differences in the national assessments

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12   "Latvijos ministras: suprantame nerimą dėl Astravo, bet embargo įstatymų nesvarstome," *Baltic News Service*, January 16, 2017.

13   "Latvija neblokuos Astravo AE elektros, nes nori Baltarusijos krovinių," *Baltic News Service*, July 20, 2017.

14   See, for example, the position of the Estonian Minister of Economic Affairs and Infrastructure Kadri Simson's "Simson: Astravyets Nuclear Plant Must Adhere to Highest Safety Standards," *Baltic News Service*, February 13, 2017, http://news.err.ee/120660/simson-astravyets-nuclear-plant-must-adhere-to-highest-safety-standards.

15   "Polish Ambassador Summoned Over Witold Waszczykowski's BelNPP Remarks," *Belarus*, August 8, 2017, http://www.belarus.by/en/government/events/polish-ambassador-summoned-over-witold-waszczykowskis-belnpp-remarks_i_0000061902.html.

of the threat posed by Astravyets NPP, especially the appropriate ways to deal with it. Domestic politics in Lithuania and the economic interests of partner countries to a large extent account for the failure to formulate a joint position on the risk posed by the Astravyets NPP.

Similarly, one can find divergent positions on projects such as Nord Stream 2. It is not only Germany, on the one hand, and Poland, the Baltic and Nordic states, on the other hand, that treat the project differently.[16] Positions also diverge within the Baltic States and within the Nordic countries, with Poland and Lithuania being most vocal in their opposition to this project. There are also subtler differences in the level of trust in the European Commission as an institution, which could represent the EU in negotiations with Russia on whether the project complies with relevant EU norms.

Finally, the difficult process of trying to create a common sub-regional market in natural gas, which has been significantly slower than the progress in integrating electricity market, also exposes disagreements between the Baltic States. Lithuania's authorities moved ahead in constructing the LNG terminal in Klaipėda, frustrated with a lack of progress in trilateral negotiations with Baltic partners on the regional LNG terminal and distrusting not only Latvian partners but also domestic private companies in Lithuania to respond to the need of providing alternatives to supplies from Gazprom.

This decision has been credited with pushing Gazprom to reduce the price of natural gas sold to Lithuania, which before 2015 had been among the highest in the EU. At the same time, Lithuanian authorities have been

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16   Germany's official position is to treat the project as a business project while other EU countries in the Baltic Sea region emphasise the geopolitical risks of isolating Ukraine and increasing dependence of the EU on supplies of natural gas from Russia. There also seem to be partisan differences within particular countries, for example, between Christian Democratic Union and Social Democrats in Germany, regarding this project and doing business with Russia in general in the context of continuous annexation of Crimea and aggression against Ukraine, but they do not overshadow differences in national positions. For a more extensive discussion of the national positions of EU member states regarding Nord Stream 2, see Kai-Olaf Lang and Kirsten Westphal's "Nord Stream 2 – A Political and Economic Contextualisation," *Stiftung Wissenschaft und Politik*, March 2017, https://www.swp-berlin.org/fileadmin/contents/products/research_papers/2017RP03_lng_wep.pdf.

trying to maximise the market for gas imported through the LNG terminal and to find ways to reduce the costs of maintaining it for consumers in Lithuania. In 2017, Lithuania has advocated for submitting an application for an EU-funded regional project called Regional Scale LNG Import Solution (or "one and a half" LNG terminal) which would consist of the acquisition of the already operating LNG terminal in Klaipėda and the construction of a new mid-scale LNG terminal in Estonia, also allocating funds for the modernisation of gas storage in Inčukalns in Latvia (in addition to the Baltic connector between Estonia and Finland, and the gas interconnection between Poland and Lithuania (GIPL) which are expected to become operational in 2019 and 2021 respectively).[17] The project has been conditionally supported by Estonia (its officials pointing to the market-based solutions and discontinuing of state aid to the Lithuanian LNG terminal after 2024) but regarded with reservation by Latvia. A final agreement between the three countries was planned to be reached during the trilateral meeting at Inčukalns in mid-August 2017, but then it was postponed for two weeks at the request of Latvian representatives.[18] However, after the term expired, the Latvian side had still not made a decision, requesting more information from the partners.

Several possible explanations have been floated around for Latvia's resistance to support the project. It might have to do with the unclear prospects of ownership of the gas storage at Inčukalns by the end of 2017 when it should change ownership due to the implementation of the EU 3rd energy package norms. Latvia's reluctance to support the application for EU funding to the existing and planned LNG terminals in the other two Baltic States might also be tactical, in order to extract financial or political concessions, as was the case a decade ago when Latvia objected to the

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17   According to the calculations of Lithuanian authorities, if around 100 EUR were granted from the EU (CEF) (the list of projects of common interest to be approved in October 2017), such a scheme would reduce annual operating costs of LNG terminal in Klaipėda by around 44 percent to 38 million EUR. It was estimated that such a project would reduce the price of gas for consumers by 5-7 percent. The savings for consumers in all three Baltic States over a period of 10 years were estimated at around 600-700 million EUR.

18   At least that was the interpretation of Lithuanian officials, which was later public presented by Lithuanian Prime Minister. See "Premjeras dėl Baltijos šalių SGD susitarimo toliau laukia Latvijos sprendimo," *Baltic News Service*, August 23, 2017.

construction of the NordBalt link from Sweden to Lithuania for about a year and a half, suggesting that it should go to Latvia instead.

Concluding Remarks

Energy security concerns have been changing in the Baltic States and in the wider Baltic Sea region in recent years. On the one hand, progress in implementing interconnections, especially in advancing the creation of the electricity market on the basis of the Nord Pool, have increased supply sources and the affordability of electricity to consumers in the Baltic States. On the other hand, while in principle there is agreement between the Baltic States about the need to desynchronise from the BRELL power grid and the geopolitical nature of energy policy, especially after the annexation of Crimea and aggression against Ukraine, there are still persistent differences in national positions on how to proceed with synchronisation or how react to potential safety threats such as the Astravyets NPP.

These differences in threat perception and the methods of increasing energy security are even more evident when compared to the policies of the countries in the Baltic Sea region. On the one hand, Germany regards energy policy primarily as a business matter, as reflected in its approach to the Nord Stream project. Poland and Lithuania, on the other hand, see it as a geopolitical project which could potentially reduce the energy security of the region and the EU. They prefer alternative supplies, such as LNG gas purchased from the US, which in 2017 was first shipped to LNG terminals in Poland and Lithuania. Also, the priority placed on the security of supply, price competitiveness and the environmental effects of using particular energy resources varies in different countries, with Germany and Nordic countries attaching higher importance to environmental and competitiveness elements, while Poland and Baltic States prioritise the security of the supply. It should also be noted that unilateralism and difficulties in coordinating national policies have been more pronounced in the field of natural gas than electricity generation and trade, although the EU has been attempting to advance regulatory harmonisation in both areas simultaneously. The integration of the Baltic Sea electricity market has progressed faster, potentially complicating the recent efforts of

Lithuanian authorities to securitise the role of Rosatom as an instrument of Russia's foreign policy, comparable to Gazprom.

The differences in national positions, which complicate agreements on regional energy projects and market integration, are here to stay. They have their basis in the domestic politics of each country and the political and economic calculations affected by established interest groups in the energy sector (i.e. coal powered plants in Poland or producers of oil shale in Estonia). Although the changing geopolitical situation in the region might affect the prioritisation of different objectives of energy policy, and advances in technology and world energy markets might further facilitate the security of the energy supply of the Baltic Sea region countries, concrete agreements on sub-regional and regional energy projects will continue to be affected by domestic factors of political economy.

THE BALTIC STATES: FROM ENERGY ISLANDS TO AN ENERGY PENINSULA

Kristīne Bērziņa

Long known as "energy islands," the Baltic States have significantly improved their energy links to the rest of the EU and the wider world. Energy markets have been liberalised, which is allowing for greater energy trade between Estonia, Latvia, Lithuania and their EU neighbours. Most remarkably, the advent of liquefied natural gas deliveries to Lithuania is solving a vulnerability that has in the past seemed intractable – the absence of alternative natural gas suppliers to the region.

Now that all three Baltic countries can depend on heat and electricity from a range of sources, and even buy natural gas directly from the United States, has the challenge of energy security in the Baltics been solved? Not yet.

The problem of energy security in the Baltic Sea is no longer existential, but two main challenges remain. The first is political. Can the Baltic countries help build a European energy market based on principles of not only interconnection but also true solidarity? This year's dispute between EU countries on the expansion of the Nord Stream pipeline between Russia and Germany illustrates the distrust between EU members on energy issues.

The second challenge is technological. Will the region be able to embrace a digitised and electrified energy future? The increasing electrification and digitisation of economies will change the way energy systems are structured. Are the Baltic countries ready to lead the way on digitised energy? And in this energy future, are the risks of cyber-attack sufficiently taken into account? Estonia is spearheading efforts to address cyber security and data in the energy sector through its presidency of the Council of the European Union and through its cyber defence expertise.

This paper will track the progress made in securing the electricity and gas resources of the three Baltic States and will discuss existing and future political and technological challenges in the region.

The Road to 2017: Assessing the Progress Made

When they joined the European Union in 2004, Latvia, Lithuania and Estonia were isolated from Europe's energy grids. The three countries had electricity and gas grid connections to each other but were structurally bound to the former Soviet Union's gas and electricity systems. Today, the countries' newly liberalised markets are better connected to each other and to the rest of the world than they have ever been before.

Joining the European Union did not initially change the Baltic States' dependence on Russian energy sources. Russia was the sole supplier of natural gas to the three Baltic countries until 2015. And Russian energy companies maintained a large business interest in the gas sector of the three countries. In 2009, when the European Commission initiated legislation to address the vertical integration of natural gas companies in the EU, Gazprom owned between 34% and 37% of Latvijas Gāze, Lietuvos Dujos, and Eesti Gaas.[1] This meant that Gazprom had an ownership stake in the supply, transit, storage and sale of gas to consumers. Economically, Gazprom had no incentive to allow other players to enter the market.

According to the European Commission, Gazprom was abusing its market power across Central and Eastern Europe, including in the Baltic States. In a 2015 Statement of Objectives against Gazprom, the European Commission argued that the company imposed territorial restrictions (such as destination clauses) in its supply contracts and pursued an unfair pricing policy in Central and Eastern European countries, including the three Baltic States.[2]

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1   Agnia Grigas, "Energy Policy: The Achilles Heel of the Baltic States," in A. Grigas, A. Kasekamp, K. Maslauskaite, L. Zorgenfreija, "The Baltic states in the EU: yesterday, today and tomorrow", Studies & Reports No 98, Notre Europe – Jacques Delors Institute, July 2013, http:/www.institutdelors.eu/media/balticstateseu-energypolicy-grigas-ne-jdi-july13.pdf?pdf=ok

2   European Commission, "Antitrust: Commission sends Statement of Objections to Gazprom for alleged abuse of dominance on Central and Eastern European gas supply markets," Press Release, 22 April 2015, http:/europa.eu/rapid/press-release_IP-15-4828_en.htm

In addition, complete dependence on Russia for natural gas made the three countries vulnerable to politically motivated supply interruptions. The risks of such interference became clear in the winters of 2006 and 2009, when Russia cut off gas to Ukraine because of a dispute over transit fees, leaving European customers further down the pipeline in the cold. Since these cut-offs, the main task for energy security in the Baltic region has been to open markets and secure new sources of natural gas.

European Union regulation has improved the energy security of the Baltic States by mandating that countries open their gas markets to competition. In 2009, the European Union passed the Third Energy Package, which required separating the transmission and sale of gas and electricity. The fullest form of separation is known as ownership unbundling. Lithuania became "the first EU country to implement ownership unbundling of its gas transmission system in which ... Gazprom, had an ownership interest,"[3] followed in quick succession by Estonia in 2014.[4] Latvia took the final steps to open the Baltic gas markets this year.[5]

Once gas transmission was unbundled from the gas supply, new suppliers could enter the gas market. The Baltic States had relied exclusively on pipeline gas, but to diversify gas suppliers the region needed to turn to liquefied natural gas (LNG). Lithuania opened a floating liquefied natural gas import terminal called the "Independence" in Klaipeda at the end of 2014. The terminal has a capacity of 4 billion cubic meters per year, which covers nearly 80 percent of the annual gas demand of the three Baltic States.[6]

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3   Vija Pakalkaité, "Lithuania's Strategic Use of EU Energy Policy Tools: A Transformation of Gas Dynamics," OIES Paper: NG 111, The Oxford Institute for Energy Studies, September 2016, https://www.oxfordenergy.org/wpcms/wp-content/uploads/2016/09/Lithuanias-Strategic-Use-of-EU-Energy-Policy-Tools-A-transformation-of-Gas-Market-Dynamics-NG-111.pdf

4   European Commission, "Country Reports: Estonia," 2014, https://ec.europa.eu/energy/sites/ener/files/documents/2014_countryreports_estonia.pdf

5   European Commission, "Latvia's gas market now liberalized," Press Release, 3 April 2017, https://ec.europa.eu/energy/en/news/latvias-gas-market-now-liberalised

6   The Economist Intelligence Unit, "Baltic energy market integration increases," 29 February 2016, http://www.eiu.com/industry/article/783994462/baltic-energy-market-integration-increases/2016-03-02

Because of Lithuania's floating LNG import terminal, the Baltic States are now receiving gas from Norway and the United States. In 2015, Lithuania became the first country in the region to import gas from Norway, and in 2016 Statoil supplied more gas to Lithuania than did Russia.[7] In August 2017, the first deliveries of US LNG from Cheniere's Sabine Pass facility in Louisiana arrived in Lithuania.[8] Lietuvos Duju Tiekimas had signed a contract with Cheniere for 140,000 cubic meters of LNG, and additional US LNG deliveries were expected in September through a contract with Gas Natural Fenosa.[9]

American natural gas arriving in the Baltic States is politically symbolic. Lawmakers on both sides of the Atlantic have framed exporting US natural gas to European allies dependent on Russian energy as a national security issue – US bills to permit LNG exports had been framed in terms of a NATO-like commitment to allies' independence.

The energy minister of Lithuania celebrated the deliveries of American gas, emphasising both the political and economic benefits of the new relationship: "As the most important strategic partner of Lithuania, the US today became a reliable LNG supplier for the whole region. This strengthens not only our partnership, our energy independence, but also intensifies competition between gas suppliers, which guarantees even better gas prices to consumers in Lithuania and the entire region," said Minister of Energy Žygimantas Vaičiūnas.[10] In a visit to Estonia in August 2017, US Vice President Mike Pence praised the upcoming gas trade between the US and Lithuania, saying that the deal will "benefit not only our prosperity, but

7   Reuters, "Norway to surpass Russia as Lithuania's top gas supplier in 2016," 8 February 2016, http://www.reuters.com/article/lithuania-gas-idUSL8N15N1UF

8   Associated Press, "Lithuania takes delivery of US gas to cut reliance on Moscow," 21 August 2017, https://www.washingtonpost.com/business/lithuania-takes-delivery-of-us-gas-to-cut-reliance-on-moscow/2017/08/21/239ad532-8689-11e7-96a7-d178cf3524eb_story.html?utm_term=.9d73bac0a185

9   Natural Gas World, "US LNG from Sabine Pass reaches Lithuania," JWN Energy, 21 August 2017, http://www.jwnenergy.com/article/2017/8/us-lng-sabine-pass-reaches-lithuania/

10   Lietuvos Respublikos energetikos ministerija, "Į Lietuvą atplaukė neeilinis krovinys: Baltijos šalių vartotojus netrukus pasieks pirmosios dujos iš JAV," 21 August 2017, https://enmin.lrv.lt/lt/naujienos/i-lietuva-atplauke-neeilinis-krovinys-baltijos-saliu-vartotojus-netrukus-pasieks-pirmosios-dujos-is-jav

regional security. And I am confident that this deal will only be the first of many."[11]

The natural gas that arrives in the Klaipeda terminal in Lithuania improves the energy security of the whole region. Because the gas markets of the Baltic countries are now open, Lietuvos Duju Tiekimas can store the US natural gas in Latvia's Inčukalns underground storage facility and can make the gas supplies available to Latvian consumers.[12] Such sharing of resources was not possible a couple years ago. The Latvian utility Latvenergo had tried to purchase LNG from Klaipeda LNG terminal, but Latvijas Gāze did not allow the company to access its infrastructure. Now that ownership is unbundled, such restrictions are history.[13]

 With the advent of new gas supplies, the price of gas in the Baltics has fallen. LNG can be cheaper than pipeline gas – the US gas delivered to Lithuania in August 2017 was cheaper than gas from Gazprom, according to Lithuania's energy minister.[14] And, competition between LNG and pipeline gas can drive down the price of traditional supplies. Already in 2014, Lithuania received significant price discounts for gas from Gazprom in anticipation of the opening of the LNG import terminal.[15]

In the past three years, the Baltic States have addressed many concerns in the gas sector. Progress has been made in the electricity sector as well. Estonia, Latvia and Lithuania have become more interconnected and have developed better links to EU states across the Baltic Sea and to Poland. In 2014, Estonia inaugurated an expanded electricity cable connection to Finland known as Estlink 2. Lithuania became connected to Sweden through the Nordbalt cable in 2015 and to Poland through the LitPol Link in 2016. These connections have raised the interconnectivity of

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11   Jari Tanner, "VP Pence in Estonia: Attack on 1 NATO ally is attack on all," Associated Press, 31 July 2017, https://apnews.com/56bef9c1ae3048f0bbd2822b0d9f0254

12   Lietuvos Respublikos energetikos ministerija, 2017.

13   The Economist Intelligence Unit, 2016.

14   Natural Gas World, 2017.

15   Reuters, "UPDATE 2-Lithuania wins cheaper Russian gas after LNG sabre rattling," 8 May 2014, http://uk.reuters.com/article/lithuania-gazprom-idUKL6N0NU4CM20140508

the Baltic States and the EU electricity market to 22 percent.[16]

One major task in the electricity sector remains incomplete. Today, the three countries' electricity systems are synchronised with Russia and Belarus rather than with the continental network. In order to fully integrate the Baltic countries into the European electricity market, they would need to be synchronised to Europe instead. If a new interconnector is built between Lithuania and Poland, the three countries could be decoupled from Russia by 2025.[17]

Political Challenges Persist – EU Solidarity and Nord Stream 2

The technical work of building interconnections and completing market reforms has progressed nicely, so it would seem that energy security should be a quiet area of policy. But as this year's controversy over the Nord Stream 2 pipeline shows, energy security is still an open political sore in the EU and between the Baltic States and other European countries.

The battle over the expansion of the Nord Stream 2 pipeline illustrates what is still missing in Europe's energy security policy – solidarity and trust. The absence of these values is striking because they are supposed to underpin European energy policy. The European Commission launched an EU Energy Union in 2015 with a vision "of an Energy Union where Member States see that they depend on each other to deliver secure energy to their citizens, based on true solidarity and trust, and of an Energy Union that speaks with one voice in global affairs."[18]

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16   European Commission, "Baltic Energy Market Interconnection Plan," 21 August 2017, http://ec.europa.eu/energy/en/topics/infrastructure/baltic-energy-market-interconnection-plan

17   Reuters, "EU to work with Baltic states on decoupling from Russian power grid," 1 July 2017, http://www.reuters.com/article/baltics-energy-eu-russia-idUSL8N1IY455

18   European Commission, "Communication from the Commission to the European Parliament, The Council, the European Economic and Social Committee, The Committee of the Regions, and the European Investment Bank: A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy," COM/2015/080 final, http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2015:80:FIN

The Nord Stream 2 pipeline pits the economic interests of Germany and Austria against the economic and political interests of a number of weaker states to Germany's east. The pipeline would expand an existing link between Russia and Germany and would enable Gazprom to cut gas transit over Ukraine and other European countries. Gazprom has already expressed the intention to stop sending gas across Ukraine once the new pipeline was available.[19] Five European companies – Uniper (Germany), Wintershall (Germany), OMV (Austria), Engie (France), and Shell (UK–Netherlands) – have agreed to provide fifty percent of the funding for the pipeline.

German officials have labelled the project a commercial venture, with Chancellor Angela Merkel saying that "I think some legal questions need to be clarified in relation to Nord Stream 2 ... Otherwise, it is an economic project and I don't think we need an extra mandate for it."[20] The chancellor was referring to a bid by the European Commission to obtain a mandate to have greater powers to negotiate with Russia over the pipeline.

But for many EU member states, the new pipeline is an anathema to the principles of solidarity and trust. Nine EU member states (Croatia, the Czech Republic, Estonia, Hungary, Latvia, Poland, Romania and Slovakia and Lithuania) oppose the pipeline, and the two biggest parties in the European Parliament have expressed their objections to the project.[21]

The Baltic States and Poland have been the most vocal in their objections. Latvian Foreign Minister Edgars Rinkēvičs explained his opposition as being due to security risks, inconsistency with EU policy, environmental risks, and foreign policy risks – "as it's yet another attempt to pit EU countries against

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19   Dmitry Zhdannikov and Denis Pinchuk, "Gazprom warns of steep gas transit cuts via Ukraine after 2020," Reuters, 16 June 2016, http://www.reuters.com/article/us-gazprom-exports-ukraine-idUSKCN0Z20YR

20   Reuters, "No need for EU mandate to negotiate Nord Stream 2-Merkel," 15 June 2017, http://www.reuters.com/article/germany-estonia-nordstream-idUSB4N1G002D

21   Konur Alp Kocak, Pasquale De Micco, Faustine Felici, "The quest for natural gas pipelines. EU and Eastern Partner energy policies: Security versus transit benefits," European Parliamentary Research Service and Directorate-General for External Policies , July 2016, http://www.europarl.europa.eu/RegData/etudes/STUD/2016/586626/EPRS_STU(2016)586626_EN.pdf

each other, bringing the US into it and to screw with Ukraine."[22]

Fundamentally, the problem of Nord Stream 2 is a problem of security perceptions and foreign policy outlook. While Baltic leaders celebrated the start of US LNG deliveries to Klaipeda, German leaders have disparaged the US's growing role in the European energy landscape. German Foreign Minister Sigmar Gabriel and Austrian Chancellor Christian Kern denounced a US bill opposing Nord Stream 2, arguing that the US policy was aimed at selling American gas rather than supporting Europe: "Europe's energy supply network is Europe's affair, not that of the United States of America! We decide who supplies us with energy, and how they do it, and we do so based on transparency and on free market principles."[23]

The difference in outlook on energy extends to the populations at large. A July poll commissioned by Wintershall in Germany found that merely 6% of people in Germany believed Germany and Europe should import less Russian gas and more US LNG. [24]

The European battle over Nord Stream 2 illustrates how far energy security policy still needs to evolve in the EU. Germany's decades-long experience of reliable gas deliveries from Russia differs from the experiences of other EU member states. Until there is a common European perception of security threats, there cannot be a common energy security stance. The future of the Nord Stream 2 project will provide a litmus test for EU energy security policy. If Germany and the Baltic States and Poland are able to come to a common position on the pipeline, the EU will be able to achieve its larger Energy Union objectives of trust and speaking with one voice globally. At the moment, the outlook for that looks grim.

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22   LSM, "Nord Stream 2 a 'geopolitical project' says Rinkēvičs," 30 June 2017, http:/eng. lsm.lv/article/politics/politics/nord-stream-2-a-geopolitical-project-says-rinkevics.a241756/

23   Federal Foreign Office, "Foreign Minister Gabriel and Austrian Federal Chancellor Kern on the imposition of Russia sanctions by the US Senate," Press Release, 15 June 2017, https:/ www.auswaertiges-amt.de/EN/Infoservice/Presse/Meldungen/2017/170615_Kern_Russland.html

24   Georgi Kantchev, "As US Exports Gas to Europe, Russia Digs In," *The Wall Street Journal,* 19 August 2017, https:/www.wsj.com/articles/russia-readies-for-u-s-gas-competition-in-europe-1503140402

New Technological Challenges: Energy Security in the Era of Electrification

The Baltic States have come a long way toward reducing their vulnerability to traditional energy security risks. But new issues are threatening to turn off the lights. Policymakers in the Baltic States and across Europe need to incorporate cyber security in their understanding of energy security risks.

Renewable energy is driving a transformation of the energy sector. As the EU moves to at least 27 percent renewable energy consumption by 2030, the whole energy system will evolve. Because solar and wind are intermittent energy sources, solar panels and wind turbines need to be paired with traditional power plants or other technologies to ensure reliable electricity supplies. As the push for greener solutions accelerates, communities are choosing to link to each other to balance power supplies rather than to rely on fossil fuels for backup generation.[25] This evolution of technology, and the emergence of the Internet of Things comes with its own vulnerability. As energy security experts at NATO recently explained, "a new and often overlooked challenge is emerging. Renewables — which make up a greater share of the energy mix around the world — have a major flaw: vulnerability to cyberattacks."[26]

In 2015, a malware attack on an electricity distribution grid in Ukraine left 225,000 people without electricity, and the software damage took months to fix. In 2013, a hacker group called "Dragonfly" attacked renewable energy companies across Europe.[27]

Estonia is taking the lead in Europe on establishing new policies to facilitate the secure and competitive digital transformation of the energy sector. Estonia holds the presidency of the Council of the European Union

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25   For more information on a community-based energy project see Ryan Kilpatrick, "A Startup in Brooklyn Will Let People Collect and Trade Solar Power, Bypassing Utility Companies," *Fortune,* 14 March 2017, http:**/**fortune.com/2017/03/14/brooklyn-microgrid-solar-energy-blockchain-startup/

26   Michael Ruhle and Lukas Trakimavicius, "Cyberattacks are the new challenge for renewable energy," *Politico*, 18 July 2017, http:**/**www.politico.eu/article/opinion-cyberattacks-are-the-new-challenge-for-renewable-energy/

27   Michael Ruhle and Lukas Trakimavicius, 2017.

in the second half of 2017, and "the overarching energy policy narrative of the Estonian Presidency will be based on a strong link to its horizontal digital priority."[28] Estonia is also leading exercises and training courses on how to protect critical infrastructure against cyber-attacks through its NATO Cooperative Cyber Defence Centre of Excellence in Tallinn. The centre organised the world's largest major cyber defence exercise, Locked Shields 2017, bringing together experts from 25 countries to defend a military airbase against cyber-attacks against its electric grid and other control systems.[29]

The electrification of the economy will pose a policy challenge for the Baltic policymakers because they will need to create a policy framework in which their citizens are able to securely use electric vehicles, build microgrids, and develop smart devices, while at the same time not losing momentum on solving traditional energy security challenges. This is especially difficult given the high rates of energy poverty in the region. In Lithuania, for example, 31.1 % of inhabitants of Lithuania could not afford to keep their house sufficiently warm.[30] Finding the right balance between embracing the new energy economy and solving old energy security concerns will be difficult. But when done right, the Baltic countries can lead a wave of innovation and share their skills with Europe and the wider world.

Concluding Remarks and Next Steps

The three Baltic countries are well on their way to solving gas supply insecurity and connecting themselves to EU electricity grids. New electricity cables and the LNG import terminal in Lithuania have turned the Baltic "energy island" into a peninsula. This achievement is the result of impressive efforts by the three Baltic countries as well as of ambitious EU level regulation.

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28   "The Estonian Presidency Programme for the Transport, Telecommunication and Energy Council (TTE)," July 2017, https://www.eu2017.ee/sites/default/files/2017-07/EU2017EE%20TTE%20Programme_0.pdf

29   NATO, "World's largest cyber defence exercise takes place in Estonia," 26 April 2017, http://www.nato.int/cps/en/natohq/news_143301.htm

30   According to the EU Survey on Income and Living Conditions, found in Nora Mžavanadze, "An update on energy poverty situation in Lithuania," Energy Vulnerability and Urban Transitions, 7 June 2017, https://urban-energy.org/2017/06/07/an-update-on-energy-poverty-situation-in-lithuania/

The next challenges in energy security will be both geopolitical and technological, and the Baltic States will need to coordinate their efforts to address the new tasks. A coordinated diplomatic approach by the three Baltic countries is the best path for convincing large member states like Germany that collective energy security should be the primary driver of the bloc's energy policy. The countries should also push for a great role for the EU on energy issues. With greater EU oversight, the needs of individual member states will be considered in the context of the European whole. Similarly, as cyber-attacks on electricity infrastructure increase, it will be imperative for the Baltic region to share best practices in cyber defence. Cooperation will reduce costs and provide an example for the rest of Europe.

CHANGING VECTORS OF RUSSIA'S ENERGY EXPORTS AND THE BALTIC SEA REGION

Mikhail Krutikhin

The EU's determination to enhance its energy security through the diversification of supply routes, the interconnection of national grids, the enforcement of anti-monopoly regulation, and ensuring better cooperation and coordination within the Union, has made – and continues to make – an impact on Russia's strategy of energy exports. Gazprom, the company that has been criticized for monopoly practices and politicized business actions, is amending its attitude in compliance with the Third Energy Package and offers new flexible terms to attract customers in Europe.

Nevertheless, the transition of Russia's energy export strategy towards friendly and civilized methods is too slow, and Moscow continues employing some of its traditional instruments to promote Gazprom's business and, simultaneously, using Gazprom as a political weapon.

The new sanctions against Russia, which the US now officially includes in the group of 'toxic' nations together with Iran and North Korea, can make cooperation with Russian energy suppliers more difficult for the Europeans, even though the Russians – especially if the sanctions are expanded to include the gas sector of Russia – will probably try to do their best to keep the westward gas flows safe and expanding.

Moscow's Fears

Energy security is not a problem, even if you are fully or significantly dependent on a single energy supplier – provided that supplier has proven to be reliable and friendly. If this is not the case, you have to seek alternative ways and means of obtaining energy supply to diversify the sources. Building new infrastructure to receive energy from the same unreliable supplier is hardly a solution.

Theoretically, the Baltic region appears to be blessed with an abundance of available energy resources at home or nearby. To the west, there is Norway with its "green" electricity generated at hydro stations, offshore oil reserves (gradually depleting but still enough to last for a few decades) and natural gas, which has the potential to remain a steady supply source in the foreseeable future. In the east, Russia can deliver not only electric power but also coal and uranium. In 2016, Russia exported 235.8 MMt (4.78 MMbd) of crude oil to areas beyond the borders of the CIS, plus about 113 MMt of refined petroleum products (fuel oil, diesel, jet fuel and gasoline).[1] Russia's Gazprom has developed so many gas fields that it can add another EU to the list of its foreign customers: the company's overcapacity of production exceeds 200 Bcm a year[2] while its exports to Western Europe and Turkey in 2016 totalled 178.3 Bcm.[3]

In reality, the Baltic nations cannot be complacent and optimistic in the current situation. Gas pipelines from Norway to Poland have been gathering dust on the drawing table for quite a few years, coal has fallen out of fashion due to environmental concerns, and Russia frequently demonstrates an unwillingness to cooperate in a mutually acceptable manner.

The strategy of the current government in Moscow is, strangely enough for the world of today, based on zero sum gambling. Win-win solutions and long-term cooperation options are despised, disregarded and often rejected. If domestic propaganda is to be believed, Russia is surrounded by a hostile world that wishes to conquer and enslave it. This psychology determines Moscow's attitude vis-à-vis the prospects of cooperation in the Baltic region – and it costs a lot in otherwise unnecessary spending.

One of the consequences of this attitude is Russia's insistence on being independent of transit routes for its energy exports. This is true not only for Ukraine, which has become an official political enemy of the Kremlin,

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1   Ekaterina Bykkova. "Vneshnyaya torgovlya Rossii v 2016 godu: tsifry i fakty," *Provad,* February 14, 2017, http://xn--b1ae2adf4f.xn--p1ai/analytics/research/40407-vneshnyaya-topgovlya-possii-v-2016-godu-tsifpy-i-fakty.html.

2   RusEnergy analysis of Gazprom statistical data

3   Gazprom Export, "Statistika postavok," n.d., http://www.gazpromexport.ru/statistics/.

but also for Belarus, Lithuania, Latvia and Estonia.

The "Baltic Pipeline System-2" (BPS-2) project is a good example. In January 2007, President Vladimir Putin accepted the proposal of Transneft, Russia's oil pipeline monopoly, to shut down the Druzhba pipeline system, in operation since 1964, and reroute export flows of crude oil from the eastern border of Belarus to a Russian port on the Baltic Sea.

The plan, if it were carried out as proposed, would have left Belarus with a crude supply of just 18 MMty for its two refineries, and cancelled all Russian oil supply by pipeline to Poland, Germany, Hungary, Slovakia and Czech Republic. Prior to that, Transneft stopped oil exports through Lithuania under a technical pretext, and through Latvia's Ventspils. Later, the idea to "punish" European nations by terminating piped oil deliveries was abandoned, but a smaller version of the BPS-2 bypass has actually been built from the border of Belarus to Ust-Luga on the Baltic Sea. Nobody can guarantee that the old plan of decommissioning the vitally important Druzhba pipeline will not be reborn.

The same attitude is dominating in Moscow's plans to supply energy to the Kaliningrad exclave. The gas pipeline that crosses Lithuania, a NATO member, is officially considered unsafe and open to possible disruptions, given the Russian leadership's incessant complaints about NATO expanding eastwards,[4] and the Russian government is looking for an "independent" solution – such as a nuclear power station or a short-distance LNG link in the Baltic Sea. Both options are extremely costly and far from economical, but Russian decision makers always prefer confrontation and self-isolation to any kind of cooperation.

Since the winter of 2004-2005 the Russian government has been playing with the flows of natural gas it sells to the Europeans. First, exports were disrupted for a few cold winter days to Poland and Germany via Belarus. Then, in 2006 and 2009, Putin ordered Gazprom to shut down the taps

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4   This is hardly a reasonable attitude as Russia is trying to replace the ongoing gas transit route across Ukraine with a bypass via another NATO member, Turkey. The argument against transit via NATO members is therefore just political rhetoric, aimed primarily at domestic audience.

on the Ukrainian pipes that reach the EU, and in 2014-2015 he instructed Gazprom to decrease gas deliveries to European nations by half because some of that gas was being resold by the buyers to Ukraine. According to the East European Gas Analysis, the politically-motivated decrease cost Gazprom about US$ 4 billion in missed revenues, and cost the Russian budget about US$ 1.5 billion in missed taxes.[5]

Risky Dependence

The largest risk for the energy security of European customers of Russian suppliers is the proven unpredictability of export disruptions by the will of the Kremlin rather than uncertainties in transit nations (Ukraine has never interrupted Russian gas flows to Europe for either technical or political reasons).

European customers and regulators are aware of this risk. In 2014, a working group of experts (including representatives of Gazprom) contracted by the European Commission made a stress test for the EU gas market in an attempt to analyse the consequences of Russian gas supply disruptions.[6] The experts assessed different scenarios, such as the termination of exports via Ukraine, the total termination of Russian gas exports, and possible termination during an abnormally cold winter. While the disruption of Russian gas flows in Ukraine would not have an impact on the energy security of the Baltic area, the total termination of gas exports from Russia would affect Finland, Estonia, Latvia, Lithuania and Poland.[7]

Given the unpredictability of political decisions made in the Kremlin, the potentially vulnerable countries have to consider and plan for emergencies, even though "safe cushions" might be cumbersome and expensive. It pays off in a long-term perspective and, paradoxically, benefits both the consumers and suppliers. The availability of alternative suppliers

5   Mikhail Korchemkin. "Energobezopasnost' po Gazpromu i Dzhordzhu Oruellu," *LiveJournal,* April 22, 2016, https://m-korchemkin.livejournal.com/697313.html.

6   Anna Zhur. "Forum 'Neftegazovyy dialog,'" presentation, October 16, 2014, https://www.imemo.ru/files/File/ru/conf/2014/16102014/16102014_PREZ_JUR.pdf.

7   Carmen Rodriguez. "Security of Supply Stress Test," presentation at *DIW & TU Berlin conference, Berlin, October 9, 2014,* https://www.infraday.tu-berlin.de/fileadmin/fg280/veranstaltungen/infraday/Infraday_2014/Presentations/Rodriguez_Infraday_2014.pdf.

eliminates full dependence on one seller and makes natural gas the same type of globally-traded commodity as oil or coal. When a Baltic nation can choose between Gazprom, LNG and/or imports from a neighbouring EU member via an interconnector pipeline, the buyer may opt for Russian gas if it is cheaper. A buyer with a good negotiating position and a few alternative options can dictate the price and other terms to the seller.[8]

In an area where dependence on one supplier does not exist, Gazprom will have to accept the buyer's price. Nevertheless, a non-politicized market environment will still enable the Russian gas exporter to keep its European sales within a commercially viable range and successfully compete with LNG suppliers. (Despite the statements of US President Donald Trump[9] and Russian propaganda, which regard the American LNG deliveries to Europe as the principal threat to Gazprom's market position,[10] Russian gas will have to compete mainly with LNG from places other than North America.)

Gazprom, The Winner

The competitive edge of Gazprom consists of several factors:

- The company has signed many long-term contracts ensuring its dominating position in the European gas market through 2025 and beyond;

- It has an overcapacity of gas production, in excess of 200 Bcmy, and the domestic market in Russia cannot absorb this gas (gas delivery projects to China are to tap new upstream projects in the east, not the developed ones in Western Siberia);

- Gazprom's existing gas transportation infrastructure is sufficient for doubling the current volume of sales to Europe; new pipeline

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8   Judy Dempsey. "Judy Asks: Is Europe too Dependent on Russian Energy?" **Carnegie Europe**, July 12, 2017, http://carnegieeurope.eu/strategiceurope/71507?lang=en.

9   Tom DiChristopher. "Trump Pitches US Natural Gas to European Leaders, Suggests Russian Gas Holds Them Hostage," **CNBC**, July 6, 2017, https://www.cnbc.com/2017/07/06/trump-natural-gas-europe-leaders.html.

10   Anastasiya Bashkatova. "Spokoynaya zhizn' "Gazproma" zakanchivayetsya," **Nezavisimaya**, June 2, 2017, http://www.ng.ru/economics/2017-02-06/1_6921_gazprom.html.

projects are political rather than commercial;

- The weakening Russian currency translates into great savings on production and transportation costs within Russia;

- Gazprom can also decrease the costs of infrastructure projects, which are notoriously exaggerated;

- The government maintains strong support for Gazprom and may provide it with fiscal benefits.

The Russian gas supplier is expected to pursue the following strategy regarding the EU gas market: maintaining and, where possible, expanding its market share through spot sales and short-term contracts based on gas-to-gas (hub-determined) indexation of prices (engaging in "commercial cannibalism," that is, competing with its own long-term oil-indexed contracts).

Non-market tools promoting the interests of the Russian gas exporter will not be abandoned either.[11] Agents of Moscow in Europe will continue to attempt to undermine the solidarity of EU members through vehement propaganda campaigns, separate political and commercial deals, material support for local organizations and persons (Schröderization), etc.

EU members have been largely unable to p ursue a unanimous course vis-à-vis this Russian strategy. Some countries, such as Germany and Austria, are willing not only to maintain and develop cooperation with Gazprom, but also encourage Russia's heavily politicized pipeline projects while other EU states keep voicing protests. This lack of unity affects the unity of the whole EU and also of its regions, including the countries around the Baltic Sea.

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11   Heather Conley. "The Kremlin Playbook: Understanding Russian Influence in Central and Eastern Europe," *Center for Strategic and International Studies*, October 13, 2016, https:**/** www.csis.org/analysis/kremlin-playbook.

Concluding Remarks

The situation may change if the US administration uses some of the instruments it has obtained in the Countering America's Adversaries Through Sanctions Act, signed by President Donald Trump in early August 2017. The new legislation envisages punitive measures against companies participating in Russian pipeline projects, and Germany will probably drop its insistence on Nord Stream-2 to remain on the safe side of its relations with the United States. The advantage of obtaining a new redundant route of natural gas supply from Russia, in addition to other perfectly safe routes, is a weak argument when the friendship and business connections with the USA are at stake.

The Baltic region, badly in need of coordination and cooperation where its energy security is concerned, will gain a lot from a new degree of unity, which is a sine qua non for the diversification of supply routes and diminishing dependence on Russian deliveries.

REVISITING THE ECONOMIC SECURITY OF LATVIA AND THE OTHER BALTIC STATES

Aldis Austers

The economic security agenda of the three Baltic States is different from that of Germany, Sweden or even Finland. For the Baltic States, as small peripheral economies located next to an increasingly unpredictable Russia, the main goal is the consolidation of liberal-democratic accomplishments in combination with robust and sustainable economic growth allowing for quick income and living standard convergence with the most developed economies in the wider region of Northern Europe. However, this goal is elusive, and the three have experienced extremely volatile economic growth, perforated by regular recessions. That is not to say that the political elites have completely ignored the issues of economic security. In an earlier article, I argued that by exclusively focusing on the external aspects of economic security (e.g. safety of deliveries, shielding strategically important assets from hostile takeovers, promoting sales in foreign markets), Latvian policy makers have failed to systematically address the domestic aspects, which, if properly dealt with, would probably have led to a superior social, political and economic performance and, hence, greater economic security in Latvia.[1]

In this article, I revisit the problem of economic security in the Baltic states from three different aspects. The first aspect refers to the resilience of the national economy to shocks – a nurtured policy response to the inherent problem of the vulnerability of small economies because of their external openness. This policy response, however, remains problematic in the Baltic countries. The second aspect relates to the need for pragmatic balance between the West and the East without compromising national

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1   Aldis Austers, "Juxtaposing Economic and Societal Security: Lessons from Latvia," in *Ten Years in the Euro-Atlantic Community: Riga Conference Papers 2014*, ed. Andris Sprūds and Kārlis Bukovskis (Latvian Institute of International Affairs, 2014), 9–20.

sovereignty. Some progress has been achieved in this regard, but many challenges still lay ahead. Finally, the third aspect has to do with the EU's role in the economic development of the Baltic countries. The anticipation of the EU being "leverage" in relations with Russia and a shelter from economic hardship have been only partially fulfilled. For the EU to deliver, a team-spirit and deeper solidarity between the core and peripheral EU member states needs to be developed.

Domestic (Resilience) Perspective

The major know-how of the Baltic countries was the neoliberal development model introduced in the 1990s. This model was centred on a fixed exchange rate, simple and low taxation and limited government expenditure. The model worked well from an economic point of view and secured a respected place for the three countries in the community of European liberal-democratic states. However, despite warnings about damaging social consequences, the model was not adjusted after 2004 when external and domestic circumstances allowed it. As a consequence, the Baltic States have endured high wealth inequality, poor public services, an omnipresent shadow economy, high out-migration, and low trust in domestic public institutions and political activism (see Table of comparative indicators in Annex).

Unfortunately, Latvia represents the most extreme case, combining the worst aspects of the two other Baltic peer countries. The problems of mobilising political will for front-loaded structural reforms and a tendency to develop extremes is an endemic problem in Latvia, leading to inferior economic performance. Also, as attested by domestic struggles over the more socially just taxation system, the current government is yet again incapable of providing an adequate response to existing deep social problems and future economic imbalances.[2]

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2   The reform was started under the pretext to find additional revenues but ended in cutting yet again taxes for businesses. For example, the personal income tax was reduced, ignoring the fact that Latvia already has the lowest implicit taxation rate on labour. More on this in Pauls Raudseps, "Reforma un krahs," *Ir*, 21 June 2017.

After a period of sluggish growth in 2012-2016, the Baltic countries have returned to a robust growth performance in 2017 – all registered 4 percent growth in the 1st quarter. However, the path of real convergence has not been that impressive (see Figure 1). From this perspective, one can see that Estonia – the highest ranked (30th) and the only innovation-driven economy in the Baltic region according to Global Competitiveness Report 2016-2017 (GCR) – has somehow lost its pace and since 2014 has experienced a divergence instead of convergence. Lithuania appears to be the most successful from the point of view of the consistency of development performance, despite its lower GCR ranking (35th) and transition status between an efficiency-driven to an innovation-driven economy. Behind the success of Lithuania stands its better export performance driven by the re-export of processed oil products – a commodity of large volumes and low added value.[3] Latvia's economic development has been steady but inferior to that of its Baltic peers, especially after the recession in 2008-2009. Despite also transitioning to an innovation-driven economy, Latvia's GCR ranking is considerably inferior to that of its Baltic neighbours (49th). Latvia is lagging behind in quality of infrastructure, institutions, innovation and business sophistication, but in particular in the performance of political bodies, law and property right enforcement institutions.[4]

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3   In 2015, the total export volume from Lithuania equalled 61 percent of GDP in Lithuania, while in Latvia – 45 percent and in Estonia – 57 percent. At the same time, the share of high technology products in overall exports stood at 7.5 percent in Lithuania, 9.8 percent in Latvia and 15.4 percent in Estonia. Interestingly, since 2010 Latvia has made its export volumes grow faster (45 percent increase) compared to Lithuania (38 percent) and Estonia (29 percent). This relatively higher share of high tech products in Latvia's exports and more quickly expanding volumes in combination with labour shortage would put additional pressure on productivity growth, which ultimately should speed up Latvia's convergence. Data from Eurostat data sets [ext_lt_intertrd] and [htec_si_exp4].

4   *The Global Competitiveness Report 2016-2017*, ed. Klaus Schwab, (World Economic Forum, 2016).

Figure 1. The Real Convergence of Latvia, Lithuania and Estonia with the Group of EU15 Member States, GDP Expenditure Per Capita, PPS, EU15=100*
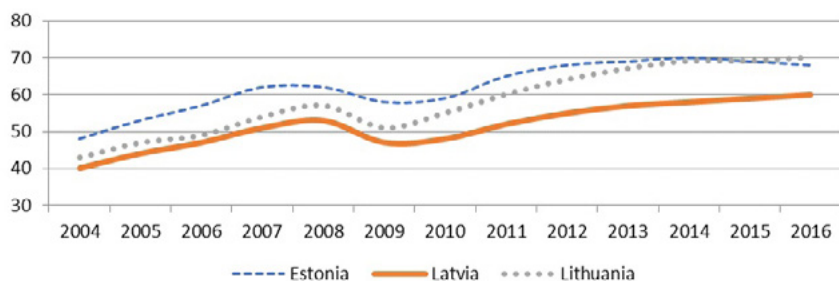
Note: EU15 represents the EU member states before the 2004 enlargement
Source: Eurostat data set [prc_ppp_ind]

The changing fortunes of Estonia might actually be an indication of a looming "middle income" trap for all three countries. This trap stems from a lack of coordination among different actors in the economy and, by its nature, indicates the presence of self-reinforcing mechanisms, holding back the growth of productive capacity. The exhibited weaknesses in the education sector, the prevalence of low-tech goods in exports, the lack of institutional quality and ageing populations are the right measures of a presence of structural coordination problems in the Baltic countries.[5] Take the example of Latvia – as noted by the European Commission, the latest spurt of economic growth has been caused mostly by the improving external environment and higher domestic demand (thanks to reactivation of EU funding flows), and not so much by structural efforts.[6]

Indeed, the times of "easy productivity gains from sectoral reallocations, imports of foreign technology and surging domestic demand" are

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5   Karsten Staehr, "Economic Growth and Convergence in the Baltic States: Caught in a Middle-Income Trap?" *Intereconomics 2015|5*, 2015, https://archive.intereconomics.eu/year/2015/5/economic-growth-and-convergence-in-the-baltic-states-caught-in-a-middle-income-trap/.
6   Fiscal Discipline Council of Latvia, "Macroeconomic forecast endorsement," letter to the Ministry of Finance, 4 August 2017, http://fiscalcouncil.lv/04082017-macroeconomic-forecast-endorsement.

exhausted, and passing to a knowledge-based economy requires new forms of growth based on social justice and inclusion. The liberal economic thinking professing the merits of individual achievements, free competition (conflict) and limited state's inference will not deliver in the case of the Baltic States anymore. Instead, ideas and concepts reducing social conflicts and helping to preserve the unity of community – e.g. social corporatism, societal security and identity politics – are more promising. In order to strengthen the global competitiveness of local companies, clustering and vertical integration of currently fragmented production processes have to be fostered. Besides, trade unions and collective bargaining must be treated as essential partners and not foes in the process of forging better total-factor productivity. At the same time, the capacity of competition and law enforcement authorities has to be fostered with double eagerness – dominance and vested interests abound in small communities. More resources need to be allocated for public infrastructure, education and healthcare, as these are also investments intended to overcome bottlenecks created by inadequately skilled and sickly people living in regions made remote by poor physical infrastructure. Besides, it is the right time to start accumulating fiscal buffers for the next rainy day.

Geopolitical (Pragmatic) Perspective

The Baltic States, but in particular Latvia, had high expectations to serve as a transportation, banking and business hub serving both the West and the East. However, the mediation between Russia and the Western powers did not work – not only due to the strict Western rules (e.g. on anti-money laundering), but also disorderly relations of Russia and Belarus with the West and, to some extent, the Baltic States' own policy mistakes have made building "bridges" between East and West a daunting task.[7]

The two sectors that suffered the most are banking and transportation. For example, the accelerated cleanup of its banking system and the fight against money laundering in the wake of accession to the OECD

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7   On these policy mistakes, see Aldis Austers, "Latvia's Economic Pragmatism – Business above All Else," in *the Centenary of Latvia's Foreign Affairs: Ideas and Personalities*, ed. Diāna Potjomkina et al. (Latvian Institute of International Affairs, 2016), 211–237.

delivered a blow to Latvia's banking system. Hitherto, Latvia's many *niche* banks had operated in the East under the slogan "We are closer than Switzerland." This had resulted in considerable deposit and crediting activity in Latvia's banks in the eastern regions and therefore the exposure of Latvia's financial system to the politically and economically capricious Eastern countries. Anti-laundering activities have forced banks either to adjust their business models or to give up. Likewise, the Baltic transit sector has also been struggling, albeit in their case not so much because of rules but because of Russian whims. The shipment diversion policy, which Russia began in the early 2000s – soon after the Western aspirations of the Baltic states became feasible – and which also involves the controversial Nord-Stream gas transportation pipelines with Germany under the Baltic Sea, has eradicated the strategic relevance of the Baltic states in Russia's commodity transit to the West. Most recently, Russia has put pressure on even Belarus to direct all its oil shipments via Russian ports.[8]

However, the eradication of mutual economic interdependence between Russia and the Baltic states has been reciprocal. As of 2014, the LNG (liquefied natural gas) terminal in Klaipeda is capable of receiving natural gas shipments over the sea, representing an important step towards reducing Baltic dependency on natural gas imports from Russia. Notwithstanding this positive development, full disentanglement from Russian gas supplies will require considerably more efforts. An effective independence from Russia's deliveries will be reached when the Gas Interconnector Poland-Lithuania "GIPL" becomes operational in 2019 and a gas pipeline between Estonia and Finland "Balticconnector" begins its work in 2020. Interlocking Latvia in this network with its high capacity gas storage reservoir at Inčukalns would complete the development of the Baltic gas transportation and storage system; however, the steps from Latvia's side to open the gas market have been very timid, and plans to expand the capacity of gas transportation between Latvia, Lithuania and Estonia have thus far remained only on paper.

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8   „Putins spiež Baltkrieviju pārvirzīt naftas kravu tranzītu no Baltijas valstu ostām uz Krieviju," *LSM*, 16 August 2017, http://www.lsm.lv/raksts/zinas/ekonomika/putins-spiez-baltkrieviju-parvirzit-naftas-kravu-tranzitu-no-baltijas-valstu-ostam-uz-krieviju.a246918/.

Much better progress, though, has been achieved with respect to integrating the Baltic countries in the Nordic electricity market. Since 2016, "NordBalt" power cables connecting Sweden and Lithuania and "LitPol Link" connecting Lithuania to Poland have been in operation. In parallel to the already existing connections between Finland and Estonia "Estlink 1" and "Estlink 2," the Baltic region's dependency on electricity deliveries from Russia and Belarus has been effectively lifted.[9] Besides, there are plans to build a second interconnection between Lithuania and Poland, and also to expand interconnection between Latvia and Estonia by 2020.[10]

At the same time, things are more complicated for the Baltic States. The unpalatable truth is that the economic fortunes of the Baltic countries depend to a great extent on the intensity of economic relations between the West and Russia – interrupted flows of commodities and goods over their borders push the Baltic economies deep into the periphery. The growing economic and political ties with the wealthy Nordic region – the Nordic companies dominate in the Baltic banking and retail sectors – has been a very welcome development (see Figure 2). However, the Nordic companies see the Baltic states as their final consumers and not so much as intermediaries for better access to the Eastern markets. The Baltic market is already saturated, and investment opportunities are limited. Therefore, if the existing order of things is not changed, the Nordic factor on Baltic development will be soon exhausted. Besides, it seems that close integration with the Scandinavian banking system opens up new vulnerabilities, linked to Scandinavian banks' growing exposure to developing imbalances in the real estate market in Sweden and Norway.[11]

9   While the Baltic countries are members of the Nord Pool, the power market comprising states of Northern Europe except Russia, Latvia is still integrated in the BRELL system which is a Belarusian–Russian electricity supply system that provides for balancing power at peak hours. However, Latvia has begun preparations for full departure from this market. See "Ašeradens: Arī ģeopolitiskie jautājumi liek uz Astravjecas AES raudzīties emocionāli," *TVNET/ LETA*, 19 July 2017, http://www.tvnet.lv/financenet/viedokli/669306-aseradens_ari_geopolitiskie_jautajumi_liek_uz_astravjecas_aes_raudzities_emocionali.

10   Rolands Irklis, "Baltijas jūras reģiona enerģijas tirgu attīstība," Presentation in the forum "Ceļā uz ilgtspējīgu energoapgādi Latvijā," slide no 6, 25 Februaru 2016.

11   Latvijas Banka, *Financial Stability Report 2017*, 5, https://www.bank.lv/en/publications-r/financial-stability-report.

As for the other big powers, China and the USA, their presence in the Baltic region thus far has been limited. Poland, the Czech Republic, Hungary, Romania and Bulgaria have been very active in the framework of 16+1 initiated by China in 2012.[12] Also, Latvia has made its interest known – it hosted the 5th 16+1 summit in 2016 which ended in the Riga Declaration on more intensive cooperation in the development of ports, transport corridors and infrastructure connecting the CEE countries with China. At the same time, some EU countries from CEE like Estonia have chosen to follow more a cautious path in their relations with China. Also, the European Commission has expressed dissatisfaction with Chinese "investment" conduct and intends to propose counteractions.[13] The failure to finalise the Transatlantic Trade and Investment Partnership (TTIP) agreement between the EU and the USA, unfortunately, will limit the impact of the USA on Latvia and the Baltic region in general. As a result, high market entry barriers will be maintained from both sides, limiting trade and investment flows, inter alia, also in the direction of Latvia. For the Baltic perspective, the USA will remain an exotic foreign market, out of reach for most local companies due to their small size and the high costs of doing business with the USA.

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12   Kong Tianping, "The 16+1 Framework and Economic Relations Between China and the Central and Eastern European Countries," *A Forum for Research & Commentary on Europe* (14 December 2015), http:/councilforeuropeanstudies.org/critcom/161-framework-and-economic-relations-between-china-and-ceec/.

13   Jakob Hanke et al., "Juncker aims to slam the brakes on Chinese takeovers," Politico, 27 July 2017, http:/www.politico.eu/article/china-europe-technology-eu-juncker-aims-to-slam-the-brakes-on-takeovers/.

Figure 2. Investing in and Exporting from the Baltics, 2016 Data, Million Euro
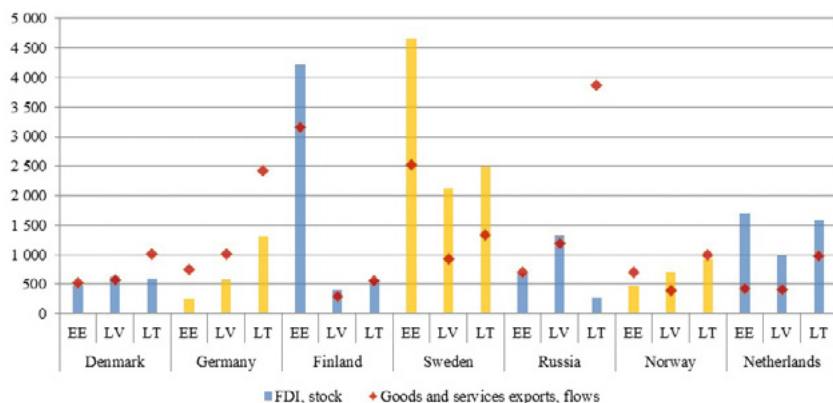
Source: Data on foreign direct investments and services from Eesti Pank, Lietuvos Bankas and Latvijas Banka balance of payments statistics collections, trade data from Eurostat data set [DS-016890]

The EU (Team Spirit) Perspective

Although the EU continues to be an attractive security organisation for most small states in Europe, the developments in recent years have challenged these security assumptions and other important aspects of small EU member states interests in the EU.[14] The very good news is that finally, after the double-dip recession, a healthy economic recovery has been registered in the euro zone, surpassing the EU countries outside the euro zone. The long awaited economic growth will alleviate the tormenting fiscal problems and make European banks stronger. Notwithstanding that, a lesson from the crisis has been that the EU offers a superior framework for economic cooperation in times of economic upswing but it also leads to hyperbolised interdependencies which, unmatched by appropriate administrative capacities at the EU level, may exacerbate the impact of

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14   Anders Wivel, "The security challenge of small EU member states: Interests, Identity and the Development of the EU as a security actor," *JMCS 43:2* (2005), 393–412.

economic shocks and make shoring up national economies after crises extremely difficult at the end of the day. Latvia is a case in point – the first decade of Latvia's EU membership was marked by a record high domestic economic expansion and rarely seen economic fiasco.

From the Baltic perspective, the good news is that EU membership has fostered deep economic integration between the three states: for example, the volumes of investment and trade flows have quadrupled between Latvia and its Baltic peers between 2004 and 2016. Less good news is that Latvia and the other Baltics are running on increasingly unbalanced economic relations with the core economies of the euro zone, but in particular with Germany.[15] The latest data suggest that the Baltic states are actually drifting away from the EU core, despite sharing the common currency. The strange development is that, notwithstanding their mutual trade, the Baltic states as a whole increasingly trade with countries who are not part of the euro zone. The lack of integration with the core deepens the peripheral status of the three countries and leaves them at the mercy of public investments coming from EU structural funds.

In general, Baltic businesses are happy about the single market. However, at certain moments, the experience has been rather sobering, leading to the conclusion that not everyone is treated equally and that common rules can be bent to the interest of more powerful actors. Thus, the companies from CEE providing construction and road haulage services turned out to be not very welcome competitors in German, Austrian and French markets as attested by the newly introduced restrictions on posted workers, including truck drivers. At the same time, the Baltic farmers are not happy seeing farmers from richer EU member states with more generous agricultural support schemes buying out the relatively cheap farmland in their countries and have staged protests.

A heavy reliance on EU structural funds in the Baltic countries has been noted by a number of studies: for example, in Latvia, EU money makes up

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15   As reported recently, Germany alone is running a trade surplus worth 300 billion euro, surpassing China, and this is a huge problem no only for the euro zone, but for the whole global economic development. "The German problem: Why Germany's current-account surplus is bad for the world economy," *Economist Print Edition*, July 8 2017.

to 70 percent of all public investments.[16] Also in the case of Estonia, EU funds have become practically the only source of public investment.[17] This proves the assumption of the relevance of "downhill" financial flows from the centre to the euro zone's periphery.[18] However, the Baltic countries represent a different case than the debt plagued southern periphery of the euro zone. Namely, the Baltic problem is that it is not very interesting for large scale private investors because of low market potentiality. Juncker's Investment Plan for Europe, unveiled with pomp in 2014, has had a mediocre impact on the Baltics and other EU peripheral regions – if the plan had worked, it would have put the peripheral countries among the best in terms of attracted investments per capita; instead, the richest EU member states remain in the lead. The "unlocking" of public and private investment is not working in the periphery precisely for the reason that this Investment Plan is, in essence, a public guarantee scheme for private investments in public infrastructure. In the Baltic region, by contrast, things stand in a reversed order –EU funding comes first and then private investments follow.[19]

The EU has taken serious steps to seal the holes in the European macroeconomic governance regime. It has established a backstop for financially stressed member states, made fiscal rules more stringent and decoupled large failing banks from weak sovereigns. Next steps should include completing the Banking and Capital Markets Union including an EU-wide unemployment (re)insurance scheme. The latter is indeed essential for the euro zone, as the employment situation today is largely influenced by processes outside of national control. A trickier issue is common debt issuance and non-debt-creating fiscal transfers between

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16   European Commission, "Country Report Latvia 2017," *Commission Staff Working Document SWD(2017)79*, 2017, 29.

17   Karin Kondor-Tabun and Karsten Staehr, "EU Cohesion Policy Funding in Estonia: Background, Developments and Challenges," *TUTECON Working Paper*, No 2/2015 (2015), 21, www.tutecon.eu/index.php/TUTECON/article/download/21/19.

18   European Commission, "Current account surpluses in the EU," *European Economy 9/2012*, 2012, 11.

19   "Crowding out effect and public capital elasticity in Latvia for the development of the EU funds impact assession methodology," *Projektu un Kvalitātes Vadība Research Report*, 2013, 9.

euro zone countries in situations of distress. The European Commission does not see the need for urgency in this "fiscal stabilisation function" taking into account the controversies surrounding these ideas.[20] However, as argued earlier, without a genuine fiscal union the periphery of the euro zone creates the risk of entanglement in stagnation. France has recently called for a social union too, however, from the Baltic perspective, it would be a great mistake to agree to such social union without agreement on a fiscal union, as unified social standards would quickly destabilise the public finances of the Baltic countries in the manner observed in Puerto Rico in 2015.

Concluding Remarks

Although increased vigilance towards external developments needs to be maintained as an essential element of economic security, domestic issues, most notably the structural problems of delivering a coordinated economic policy response to shocks, have to be embraced with equal care. Yet, the traditional prescriptions that the market solves all problems, provided that there is more competition, deregulation and decentralisation around, are not going to deliver in the Baltic States. Instead, a more socially sustainable and inclusive path of growth has to be introduced. Such path would increase individual freedom and flexibility, making society more secure in sum.

Small states rarely dictate the rules of game; however, by applying nimbleness, canny opportunism and policy flexibility, small states may actually profit a lot from power/legal voids left open in international arena. The variable geometry of existing political allegiances and the centres of economic gravity in the Baltic region provide a lot of opportunities, however, as shown, the current adverse constellation of developments push the Baltic states deep into the periphery. Yet, in a situation of weak law enforcement institutions and a distressed society, policy opportunism will not pay off.

The level of distrust, however, among the EU member states is occasionally

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20   European Commission, *Reflection Paper on the Deepening of the Economic and Monetary Union* (2017), 31.

astonishing. The bashing of the allegedly spendthrift and reform indolent southern members of the euro zone is self-defeating, because it leads many to see the EU chiefly as an instance of globalisation and not defender. For the EU to win back the hearts of the European people, it would need to demonstrate that it can act as a guarantor of economic security and balanced development. A solidarity of higher order is required between the euro zone core and peripheral members, encompassing fiscal solidarity in exchange for more discipline and structural flexibility. In addition, the completion of the Digital Single Market, the Energy Union and full liberalisation of service sectors would make the resumed economic growth more sustainable and reassuring for everyone, including in the periphery.

ANNEX

Facts about Latvia, Estonia and Lithuania				
		Latvia	Estonia	Lithuania
General data	Population[1]	1959537	1315790	2868231
	Population increase (2010=100)[1]	93.4	98.8	92.6
	GDP nominal GDP (bill. euro)[2]	25.0	20.9	38.6
State of overall development	GDP per capita (PPS, euro)[3]	19000	21500	21900
	GDP real growth (% y-on-y)[2]	2.0	1.6	2.3
	Global competitiveness ranking (out of 137)[15]	49	30	35
	Quality of governance (out of 129)[16]	7	4	6
	Corruption Perceptions Index (out of 176)[17]	44	22	38

Macro–prudential parameters	Public debt (% of GDP)[4]	40.1	9.5	40.2
	Inflation (annual % change)[5]	0.1	0.8	0.7
	Unemployment (%)[6]	9.6	6.8	7.9
	Current account balance (% of GDP)[14]	1.5	2.7	-0.9
Social situation	Median monthly income, 2015 (euro, PPS)[7]	674	869	688
	Life expectancy, 2015 (years)[8]	74.8	78	74.6
	Gini coefficient, 2015[9]	34.5	34.8	37.2
	At risk of poverty, 2015 (% of population)[10]	18.6	18.1	20.0
	Tertiary educational attainment, 2015 (% of population aged 30–34)[18]	41.3	45.3	57.6
	Public trust in government (% of positive responses)[19]	32	37	30
	Euroscepticism (% of responses)[19]	31	21	26

Business related factors	Ease of Doing Business ranking[20]	14	12	21
	Price of electricity for industrial customers (eurocents/kWh)[21]	11.58	8.89	8.46
	Price of natural gas for industrial customers (eurocents/kWh)[22]	2.43	2.40	2.00
	Taxation of labour (implicit rate %)[23]	30.4	34.4	32.1
	Time needed to enforce contracts (days)[18]	469	425	370
	Composite cost of borrowing for businesses indicator (% per annum)[24]	2.87	2.71	2.41
	Size of shadow economy (% of GDP)[25]	20.3	15.4	16.5

	Exports of goods (% of GDP)[2]	58.0	79.9	74.3
	High-tech exports, 2015 (% of all exports)[11]	9.8	15.4	7.5
	Export volume indices (2010=100)[12]	145.3	129.0	137.9
External economic activity	Export value indices (2010=100)[12]	106.4	106.6	105.5
	Export reorientation – EU28 (% of total; 2010/2016)[12]	66.0/69.9	66.3/73.9	61.4/60.7
	Export reorientation – Extra-EU (% of total; 2010/2016)[12]	34.0/30.1	33.7/26.1	38.6/39.3
	Net international investment position (% of GDP)[14]	–62.5	–40.9	–44.7

Best result; 2016 data if not otherwise indicated

Sources: 1 – Eurostat data set [demo_gind]; 2 – [nama_10_gdp]; 3 – [prc_ppp_ind]; 4 – [gov_10dd_edpt1]; 5 – [prc_hicp_aind]; 6 – [une_rt_a]; 7 – [ilc_di04] ; 8 – [demo_mlexpec]; 9 – [ilc_di12] ; 10 – [ilc_li04]; 11 – [htec_si_exp4]; 12 – [ext_lt_intratrd]; 13 – [nama_10_gdp]; 14 – [bop_gdp6_q]; 15 – WEF Global Competitiveness Report 2016–2017; 16 – Bertelsmann Stiftung's Transformation Index 2016; 17 – Transparency International CPI 2016; 18 – European Commission Country Reports 2017 European Semester; 19 – Eurobarometer Interactive "Trust" and "Security and stability"; 20 – World Bank Group Ease of doing business index 2016; 21 – European Commission Report on European Electricity Markets (Vol. 10, Iss. 1, 2017); 22 – European Commission Report on European Gas Markets (Vol. 10, Iss. 1, 2017); 23 – European Commission Taxation Trends in the European Union 2017 Edition; 24 – European Central Bank website; 25 – Shadow Economy Index for the Baltic Countries 2016, Stockholm School of Economics in Riga.

Beyond Traditional Security: Strategic Communication and Cyber

GROWING DEMOCRATIC VULNERABILITY IN THE NORDIC–BALTIC REGION: LEARNING LESSONS FROM THE GEOPOLITICALLY MOTIVATED RUSSIAN HACKING OF THE 2016 US ELECTION

Mika Aaltola, Mariita Mattiisen

Recent years have seen an increasing number of geopolitically-motivated cyber-attacks in the Nordic-Baltic region.[1] The targets have included government offices and international organizations in several countries. Three main factors are driving these cyber activities in the Nordic-Baltic region. First, trade espionage against the region's advanced innovation economies and large portfolios of intellectual property. Second, information-gathering through the links that the region's states have with wider institutions and security organizations. Third, the new uses for cyber operations – that is, their use as a synergistic tool for influence and destabilization operations in regional organizations, as well as in individual countries of the region. This paper studies the third aspect, through the recent example of the hacking of the 2016 US election. The study looks at how the vital infrastructure of democracies can be attacked by innovative means during the sensitive period of elections.

Cyber connectivity is clearly unevenly spread. The United States, Western and Northern Europe, and some parts of East Asia are highly connected and therefore vulnerable and exposed to cyber hacking. It is noteworthy that all of the Nordic states are in the top seven of the network readiness index, published by the International Telecommunication Union (ITU), which measures the percentage of the population that is connected to

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1   These have included the so-called Dukes – a family of Russian-originated malware programs – and the Red October and Turla large-scale cyber-espionage campaigns.

the internet. The Baltic States have also made considerable progress in adopting digital technologies. These Nordic-Baltic achievements, paradoxically, also measure a high opportunity cost. In other words, the clear advantages of internet connectivity have the downside of cyber vulnerability.

As the Nordic-Baltic region has digitized its critical infrastructures and decision-making processes, their awareness of the resulting geopolitical vulnerabilities has lagged behind. The influence of outside actors on the 2016 US elections highlights the need to understand that cyber operations have strategic aims that go beyond mere snooping and spying. The election hacking demonstrated that cyber-operations are effective at spreading disorder and mistrust, blackmail and destabilization, and also at showcasing the perpetrator's capabilities and serving their deterrence motivations. The harm scales used to evaluate the severity of a cyber-attack usually focus on physical or economic damage, overlooking the real significance of politically-motivated cyber-attacks. For example, the damage caused by rigging an election process goes far beyond some of the physical harm scenarios. Essential functions of a democratic political system should be included in the definition of critical infrastructure.

The Hacking of the 2016 US Elections

The US as a highly digitalized state depends on different cyber platforms for election related discussions and for forming popular opinions. They are also required, in many cases, for the voting process itself. A geopolitically motivated election-hacking can aim to influence the direction of foreign policy debates, to promote/demote candidates, and to instigate disruptions, suspicion and distrust in the election process or the democratic system itself. An illicit actor can demonstrate that it has rivalling cyber-hacking capabilities and, thereby, promote its own major power standing. Even if its efforts raise suspicions, the actor gains visibility, as its efforts are discussed in the media and it manages to insert itself into the middle of election discussions. The rivalling power can subtly promote the image of its own political system as comparatively more resilient and stable than the US democratic system. Although the hacking of the 2016 US elections is difficult to evaluate in detail, it appears that it had some impact that could

motivate scaling up the intensity and scope of similar election/hacking operations in future Western democratic elections. This was evident in the 2017 French Presidential elections, and the German security authorities have pointed out similar attempts concerning the German 2017 Elections. At a minimum, the debates concerning the election-hacking indicate a possible future scenario that has to be taken seriously.

Western democratic institutions have been relatively durable throughout the Cold War years up to the present time, despite external geopolitical challenges. It seems that democratic stability has perhaps been taken too much for granted. It appears that the operations to influence elections have gained potency through the digitisation of political debates and processes. Particularly, cyber-based tools, in combination with the older methods, can be used to put additional strains on Western political systems in their most important moments. The legitimacy of a democratic government can be undermined by any problems seeking the consent to govern through a country's regular established procedures. This can cause uncertainty and, to a degree, undermine the legitimacy of the elected government in the eyes of its own population.

Even during the US presidential election, there were enough signs of election-related cyber-hacking to raise popular doubts. This evidence, and later investigations, have led to serious questions about specific democratic vulnerabilities. What motives and capabilities do an outside geopolitically motivated actor need to influence an election in the digital age? This paper examines the alleged methods, possible US foreign policy-related objectives, and the perpetrator state's motives and resources.

The Operational Logic of Election-Hacking

The range of election-hacking efforts includes operations of general influence – where cyber has an increasingly key role – and direct election-hacking, e.g. hacking of the voting machines or giving the perception of the ability to do so. Hacking electronic voting machines might be easier than thought, since the frequent use of outdated and insecure platforms. Although there is no evidence of the direct hacking of e-voting machines, there are indications that several state boards of elections were breached.

These breaches may be convincingly attributed to Russia.[2] It should be pointed out that the US voting system is relatively decentralized, which, in theory, makes hacking the election more complicated.

The most significant effort to influence the election was the hacking of the formal governing body of the Democratic Party, the Democratic National Committee (DNC), to steal leak-able data such as messages, audio recordings and images, and to monitor email, phone calls, and chat traffic. The suspected operational logic was the following: To gain access to the email systems of the Democratic Party, to steal data, to set up fake hacktivist profiles, to establish links with leak-sites, to leak the data to the fictional hacktivists, and then, to release the data in a calculated manner, thereby promoting certain themes and candidates.

The DNC was compromised by two sophisticated cyber operations know as COZY BEAR (initiated probably in the summer of 2015) and FANCY BEAR (from March 2016 until the summer of 2016). The hacks involved two operations: one targeting the internal communications, and another targeting DNC's and the Clinton campaign's research on Donald Trump. The information gained through this cyber-breach was leaked to the press mainly through WikiLeaks and a trolling campaign was directed against many of the email addresses gained through the operation. The audio recordings that were stolen from DNC phones were also published by the media.

COZY BEAR and FANCY BEAR are among the most sophisticated illicit cyber campaigns ever known. The highly sophisticated techniques and agile tactical moves indicate an origin of the two "bears" on the nation-state level. The cyber-security company SecureWorks investigated the group behind hack and concluded "with moderate confidence" that "that the group is operating from the Russian Federation and is gathering

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2   Andy Greenberg. "Hack Brief: As FBI Warns Election Sites Got Hacked, All the Eyes Are on Russia," *Wired*, August 29, 2016, https://www.wired.com/2016/08/hack-brief-fbi-warns-election-sites-got-hacked-eyes-russia/; Tami Abdollah. "US Official: Hackers Targeted Election Systems of 20 States," *AP*, September 30, 2016, https://www.apnews.com/c6f67fb36d844f28bd18a522811bdd18/US-official:-Hackers-targeted-election-systems-of-20-states.

intelligence on behalf of the Russian government."[3] CrowdStrike determined that the two operations "are believed to be closely linked to the Russian government's powerful and highly capable intelligence services."

The COZY BEAR hacker group is also known by the name CozyDuke, which the cyber-security company F-Security examined in their 2015 report on the different variants of hacker groups belonging to the Duke-classification. The Duke-campaigns were used against several Western security institutions, governmental agencies and think-tanks. Their conclusion was based on years of historical evidence that the "Dukes are a well-resourced, highly dedicated and organized cyber espionage group that we believe has been working for the Russian Federation since at least 2008 to collect intelligence in support of foreign and security policy decision-making."[4] The actor behind the CozyDuke (COZY BEAR) campaign had a clear geopolitical motivation with the main motivation of causing distrust and instability in highly digitalized societies.[5]

FANCY BEAR (also called PawnStorm, Sofacy and APT 28) is an operation that has roots that go back at least to 2008. FANCY BEAR operations have previously been claimed to have been directed against the German Bundestag and France's TV5. Whereas COZY BEAR is supposedly associated with Russian domestic intelligence (the FSB), FANCY BEAR has been linked with the GRU, the Russian military intelligence service.[6]

There has been no detectable interaction or synchronicity between

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3   SecureWorks Counter Threat Unit Threat Intelligence. "Threat Group-4127 Targets Hillary Clinton Presidential Campaign," *SecureWorks*, June 16, 2016, https://www.secureworks.com/research/threat-group-4127-targets-hillary-clinton-presidential-campaign?_ga=1.2110649 81.1830189129.1474006576.

4   F-Secure Laps Threat Intelligence. "The Dukes: 7 Years of Russian Cyberespionage," *F-Secure*, 2015, https://www.f-secure.com/documents/996508/1030745/dukes_whitepaper.pdf.

5   Mika Aaltola. "Cyber Attacks Go Beyond Espionage: The Strategic Logic of State-Sponsored Cyber Operations in the Nordic-Baltic Region," *The Finnish Institute of International Affairs*, August 29, 2016, http://www.fiia.fi/en/publication/606/cyber_attacks_go_beyond_espionage/.

6   Dmitri Alperovitch. "Bears in the Midst: Intrusion into the Democratic National Committee," *CrowdStrike Blog*, June 15, 2016, https://www.crowdstrike.com/blog/bears-midst-intrusion-democratic-national-committee.

the two BEAR campaigns. This may seem unexpected. However, in his evaluation of the Russian intelligence agencies, Galeotti (2016) states that there are many turf wars and divisions between the GRU and FSB.[7] This could indicate that the two cyber operations were running without much awareness of each other. another option might be that there were clearly shared geopolitical motives and, although the operations were separate or even competitive, they had similar goals and represented different phases of one overall process, complementing each other opportunistically or working in tandem to back each other up.

The DNC breach can be considered a key phase in a wider influence operation. The emails and other documents were most likely given to the subsequent phase of the overall operation. The subsequent phase used a supposedly independent hacktivist. This person was used to leak the data to the US media under an alias. Many of the leaks took place through an entity called Guccifer 2.0, or through well-known sites such as WikiLeaks.

ThreatConnect concluded in their analysis of the metadata of the files released by Guccifer 2.0 that "although the proof is not conclusive, we assess Guccifer 2.0 most likely is a Russian denial and deception (D&D) effort that has been cast to show doubt about the prevailing narrative of Russian perfidy."[8] It should be noted that one key characteristic of FANCY BEAR operations has been the use of false flag tactics.[9] Operations are made to appear like they were done by a different actor than the true perpetrator.

D&D provides the foundation for the success of a campaign: "In cyberspace, the strategic goal is straightforward: hack everything, deny

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7   Mark Galeotti. "Putin's Hydra: Inside Russia's Intelligence Services," *European Council on Foreign Relations*, May 11, 2016, http://www.ecfr.eu/publications/summary/putins_hydra_inside_russias_intelligence_services.

8   ThreatConnect Research Team. "Shiny Object Guccifer 2.0 and the DNC Breach," *ThreatConnect*, June 29, 2016, https://www.threatconnect.com/blog/guccifer-2-0-dnc-breach/.

9   Max Metzger. "German Intelligence Blames Russia for Parliament Hack," *SC Media UK*, May 16, 2016, http://www.scmagazineuk.com/german-intelligence-blames-russia-for-parliament-hack/article/496583/.

everything, and make counter-accusations."[10] If this theory is correct, Guccifer 2.0 would thus be there to attract media attention, distract from the official security investigation and cause indecision in the use of counter measures.[11] The actors behind the DNC hack seem to be those behind COZY AND FANCY BEAR.[12]

Destabilizing and Influencing Foreign Policy Debates

Potential antagonistic major powers have traditional methods of exerting influence on the US They can pressure the US through diplomatic means and through carrot and stick policies. On the softer side, they can, for example, fund favourable projects in influential Washington DC think-tanks or hire lobbying firms to press for certain policies. Foreign actors can also use middle men to illegally funnel money to political actors in the US However, it can be argued that the contemporary age has opened up new temptingly efficient and alarmingly easy cyber-related influence vectors.

The US is a typical democracy in that the election period is critical in the transition of power between successive administrations. As an already tense, dramatic and even agitated period, elections can be more sensitive to foreign influences, as the main candidates' teams are still maturing and developing their policy points. The long-used concept of the October surprise captures the liability of US elections during the final stretch. The term "October surprise" tries to capture how accidental, random or intentional scandals can become dominant themes and influence the outcome of elections in the final intense weeks of the election.

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10   Adam Segal. "Lessons From the Cold War to Combat Modern Russian Disinformation Campaigns," *Council on Foreign Relations*, September 20, 2016, http://blogs.cfr.org/cyber/2016/09/20/lessons-from-the-cold-war-to-combat-modern-russian-disinformation-campaigns/.

11   Peter Pomerantsev. "Russia and the Menace of Unreality: How Vladimir Purin is Revolutionizing Information Warfare," *The Atlantic*, September 9, 2014, http://www.theatlantic.com/international/archive/2014/09/russia-putin-revolutionizing-information-warfare/379880/?_ga=1.43497893.1830189129.1474006576.

12   ThreatConnect Research Team. "Does a BEAR Leak in the Woods?" *ThreatConnect*, August 12, 2016, https://www.threatconnect.com/blog/does-a-bear-leak-in-the-woods/.

The US has a vast and diverse public, whose political views range from mainstream to fringe. The current anti-establishment sentiments have caused surprisingly widespread dissent, including in matters of foreign policy. The often paranoid fringe is no longer as marginal and isolated as it used to be. The entrenched suspicions of the far-right and the radical left fuel a cacophony of domestic disinformation campaigning – arising from paranoia, suspicions, ignorance and fears – that blends with unintentional and, in some cases, intentional foreign influence. Intentional foreign disinformation campaigning – co-opting domestic elements – can be especially effective in social media, where no moderating or editorial filters exist. The fringes can be mobilized by inundating them with outrageous but false information. This can legitimize fringe suspicions and turn them into semi-legitimate elections issues.

On the other hand, the myriad of different controversies and scandals can also distract attention from underlying changes in the foreign policy debates. With so many simultaneous spectacles, scandals and moral outrages, more traditional topics do not receive critical media attention and do not interest the audiences that would otherwise be preoccupied. Candidates can express previously unheard of foreign policy views because public discussions are so saturated with other trending topics.

Besides destabilizing and complicating, cyber methods can be used to give support to candidates with favourable policy stances and undermine candidates who have unfavourable policy proposals. The overall effect is that the content of policy debates can shift in ways that are beneficial to the outside influencer. The gate-keeping that separates the "serious" foreign policy debates from the increasingly fringe and eccentric ones can fail, e.g. if one of the main parties elects a candidate that holds more marginal views or co-opts these views for political benefit.

During the 2016 election cycle, there were points of view that go outside of typical long-term foreign policy fluctuation. To start with, it is noteworthy that then Republican candidate Donald Trump praised Russian president Vladimir Putin as an example of a strong and committed leader. This language by itself was a clear break from the Washington consensus of the past decades when it comes to Russia.

One additional indicator was the debate over the depth of US support for Ukraine. Some stressed that the US needs to go beyond non-lethal military aid and economic sanctions. Others pressed that US needs to stand firmly behind the sanctions regime and push European allies to do the same. A shift in this balance towards a more neutral position in the Russia-Ukraine conflict was in the interest of a major power competitor. Notably, Donald Trump at times acknowledged the legitimacy of Russian interests in Ukraine and Crimea.

Upholding the commitments to allies has had the support of the Washington foreign policy elite. However, the Republican candidate was notably critical of NATO and strongly blamed allies for not taking their share of the defence burden. His language, which made the US responsibilities under the article 5 of NATO radically more conditional, is something that no major party candidate has used since the signing of the NATO treaty.

It can be argued that that the election-hacking operation was based on opportunistic tactics. These tactics can rely on chance and co-opt the existing dynamics in the targeted country. There is no need for any candidate's willing contribution. What is needed are favourable dynamics that can be reinforced and accentuated. However, since the elections, there have been investigations into the Trump campaign's possible collusion with the Russian influence operation.

On the other hand, the operations might only seem opportunistic because of the complex modus operandi of the attacks. The election-hacking might simultaneously aim to exploit weaknesses of the democratic system, undermine political institutions (parties, elections, etc.) and use third parties (unaware domestic actors and various agents of influence). As the different and sometimes competing entities in the perpetrator state engage with these different levels simultaneously, it can result in an opportunistic and haphazard appearance, even if the objectives are clear and the systems have been tested multiple times with increasing success. In this scenario, favourably disposed actors in the target state can learn to "surf with" of even "adapt to" the underlying operation. This allows for plausible deniability while, at the same time, causing gratitude in the event that a favoured candidate wins.

The Challenger's Motives and Means

Aside from describing the techniques and the possible objectives of US election-hacking, the attack profile would not be adequate without examining the possible motives and means of the perpetrator. Although suspicion has focussed on Russia, this does not mean that the other major anti-liberal powers have not or could not abuse the same democratic vulnerabilities. For example, there are strong suspicions that a Chinese actor – the so called APT16 campaign – hacked the website of a major political party and collected data on users in connection with the 2016 national elections in Taiwan.[13]

It is very likely that geopolitically motivated Russian actors were behind the main US election-hacking. This leads to the questions of possible motives, advantages and resources. The use of election-related cyber-attacks should be seen as part of Russia's wider efforts aimed at stirring social division, creating chaos and dividing in Western societies, undermining trust in institutions and further polarising societies along ethnic or religious lines. Against this perceived pattern, it is understandable that election-hacking worries have been recently expressed in Germany regarding their 2017 elections.[14] In the U.K. it was revealed that an alleged Russian cyber-hacking operation was thwarted in the run-up to the May 2015 parliamentary elections.[15] Whether or not these allegations against Russia in connection with the cyber hacking of the elections can be proven, the key question revolves around the motives of the rivalling major state:

> *The revival of past super-power status*: After the collapse of the Soviet Union, which was described by President Vladimir Putin to be the greatest catastrophe of the 21st century, Russia's role

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13   FireEye iSight Intelligence. "Red Line Drawn: China Recalculates its Use of Cyber Espionage," *FireEye,* June 2016, https://www.fireeye.com/content/dam/fireeye-www/current-threats/pdfs/rpt-china-espionage.pdf.

14   AFP. "German Political Parties Hit by Cyber Attacks," *SecurityWeek*, September 21, 2016, http://www.securityweek.com/german-political-parties-hit-cyber-attacks.

15   Tom Harper and Richard Kerbaj. "GCHQ Spooks Thwarted Russian Cyber-Attack on General Elections," *The Times*, September 25, 2016, http://www.thetimes.co.uk/edition/news/gchq-spooks-thwart-russian-cyber-attack-on-general-election-62zdk9mnb.

in world politics was reduced to a more regional position. The solidification of democracies to the west of Russia under the EU and the increasing US presence through NATO's attractiveness to Eastern European states were interpreted as a threat to Russia. There seems to be a desire to upgrade the regional, and even global position of Russia as well as demonstrating its capabilities and, at least, give an appearance of parity with the US

Worries that the West is engaged in similar regime destabilization: More general strategic planning and national security thinking stems from Western illicit anti-regime activities in Russia and its neighbourhood (e.g. Maidan), as Article 17 of the Russian National Security Strategy states: "The West's stance aimed at countering integration processes and creating seats of tension in the Eurasian region is exerting a negative influence on the realization of Russian national interests." More specific to the cyber-domain, there have also been internal worries about the spreading Western influence as a cause of regime instability. There have been long held suspicions in Russia that the West has instigated regime change via Twitter and Facebook in connection with the Arab Spring and Euromaidan movements, among others. Russia sees the cyber capabilities of the US and its allies, the so called Five Eyes, US, U.K., Canada, Australia and New Zealand, as hostile. This motivates counter-measures to take advantage of the perceived vulnerabilities of the West.

Aside from the gains, Russia as a major power competitor to US enjoys lower opportunity costs when using the cyber-vector against US for three general reasons:

Cyber-reach of influence operations: One of the most advantageous characteristics of cyber is that it negates geographical distance. This allows reaching societies and states that are highly digitalized but further away without the need for methods requiring geographical or cultural proximity. For example, in the Western Europe, these kinds of operations have allegedly co-opted the refugee crisis to catalyse turbulence

in political systems.[16] It could be that the idea is to exploit the vulnerabilities within the key states that are further away but that are crucial for one's own geopolitical goals, though the objectives themselves seem to be focused on the geographically adjunct states bordering Russia.

Opportunity for relative soft power gains: US soft power depends, to a significant degree, on its image as the oldest continuing democracy. Any perception of instability would likely further hamper its democracy promotion efforts and the attractiveness of the Western model. The potential competitor states that have felt threatened by these efforts would benefit from the perceived weakness in US democratic appeal.

More integrated and hybrid cyber-practices: For Russia, cyber is not only a separate technical category. Rather, cyber space is seen in the synergistic context comprised of the practices of informational and psychological operations. These wider information technology practices are considered cheap and good methods of influencing a target for strategic added value. This means that the opportunities, such as advanced capabilities in cyber hacking, can act seamlessly in tandem with other more classical methods such as disinformation campaigning and trolling.

Furthermore, the two sets of evidence of past practices offer indications for contemporary and future geopolitical actions:

Contemporary evidence for geopolitical cyber-operations: During Ukraine's 2014 presidential elections, Russian cyber-attacks were detected destroying software and damaging hard drives and backups.[17] However, the Ukrainian case did not rely on

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16   See, for example, NATO's "The "Lisa Case": Germany as a Target of Russian Disinformation," *NATO Review*, n.d., http:/www.nato.int/docu/review/2016/Also-in-2016/lisa-case-germany-target-russian-disinformation/EN/.

17   Margaret Coker and Paul Sonne. "Ukraine Cyberwar's Hottest Front," *The Wall Street Journal*, November 9, 2015, http:/www.wsj.com/articles/ukraine-cyberwars-hottest-front-1447121671.

the cyber-vector. There were many other means of carrying out operations in Ukraine. A telling case about interfering in elections was the Scottish 2014 referendum for independence. In this case, purported Russian election observers provided legal assistance to the "yes" campaign. Propaganda and trolling were also detectable.[18] Even though the results of the Scottish referendum were not favourable to the supposed Russian interest, they still managed to question the cohesion of the EU and more widely the West. Russian propaganda framed the election as a pivotal opportunity to reclaim national rights from the EU.

E*vidence of general election operations*: The Russian government has claimed to provide moral support and in some cases even financial support to help the rising far-right movements spread their views. Marine Le Pen from France's far-right National Front has admitted to having taken loans from Russia. The Russian "hand" can also be seen in the 2016 Dutch Ukraine treaty referendum. As Anne Appelbaum has stated, in the case of the Dutch referendum, "Many of the "no" campaign's themes, headlines and even photographs were lifted directly from Russia Today and Sputnik, Russia's state propaganda website." Anti-EU sentiments were effectively co-opted for the strategic purpose of hindering the free trade agreement between the EU and Ukraine. Much of these sentiments were endogenous to Netherlands but Russian information may have had the effect of exogenously accentuating these tendencies.

Democratic Vulnerability

For any outside actor, the operation to somehow manipulate US debates to allow a suitable candidate to win a major party's candidacy seems far too complicated to carry out. It would require massive efforts, unseen strategies and tactics and extreme luck. However, a more modest

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18   Iggy Ostanin and Eleanor Rose. "Brexit: How Russian Influence Undermines Public Trust in Referendums," *Organized Crime and Corruption Reporting Project*, June 20, 2016, https://www.occrp.org/en/investigations/5368-brexit-how-russian-influence-undermines-public-trust-in-referendums.

and qualified hypothesis can be suggested. It is possible that once the possibility emerged of a candidate whose views are very different from the long-standing US consensus, an opportunity opened to undermine the other candidate's campaign. The debates in the US election showed that a major power's seemingly entrenched foreign policy debates can change. Radical disagreements can result. This type of effective precision election-hacking, however, cannot be reduced to some supposed underlying major power's plan.

Far more likely is that the election-hacking campaign is being used as an increasingly effective component of an overall effort to meddle with the election process and stir up trouble in liberal democracies and their attractiveness. An outside actor can try to show widespread distrust in the process and, thereby, cause legitimacy challenges to the process of democratic succession. Trustworthiness is a major victim of the attacks. The repeated hacks and leaks can undermine the trust between a political campaign and electorate, and, even more importantly, between a political system and the people.

The signs of at least some level of election interference in several important elections and referendums should be a clear warning-sign requiring counteractions. These include raising awareness and technical cyber-security counter-measures. The focus should be on the synergistic effects of digitised societal processes that support many of the activities that used to be done through more traditional procedures. For an outside actor, a deep understanding of the overall quirks and asymmetries connected to the political life of Western democracies provides opportunities for strategic influence and destabilization. Similar in-depth knowledge is needed in the future to secure future election processes and to establish a strong degree of cyber-deterrence.

In the West, there is still some naivety over the self-preserving nature of the democratic process. The digital dimension and cyber hacking are clearly becoming more deeply and widely established parts of the overall elections influence operations. However, cyber still is not the "beef" of the matter. The crux of the operation is still in other domains and methods and

will continue to be so until the cyber influence operations are proven. This threshold might have been achieved in the 2016 US elections.

Learning Lesson in the Nordic-Baltic Region

The recent cases of hacking in connection with the US presidential elections and other Western elections are particularly alarming from the perspective of the highly digitalized Nordic-Baltic states. The increasing dangers to elections seem to influence the outcomes of the election, not only in terms of persons elected but also in terms lowering election legitimacy and causing societal polarization. The key lesson that should be learned here is that open and highly digitized democracies are vulnerable during elections, as the electorates are in the process of forming their opinions and nations are making crucial crossroad decisions. The fast pace of national elections and referendums do not easily allow enough time to thoroughly investigate illicit cyber activities. Sudden leaks and deceptive tactics can cause scandals that destabilise elections and the loss of trust in vital democratic institutions or mechanisms. Hence, extra caution should be exercised at different levels during elections in the states in the region. Hacking should be taken as an expectation, and preparedness to fight election meddling should be heightened. Cyber-based election monitoring should be developed.

Besides the loss of data, technical dysfunction and economic consequences caused by repairing the damage, election hacking broadens the range of consequences. Hacks can give rise to mistrust and disloyalty, and have long-term political and foreign policy ramifications. In cases where the targets do not know what has been perpetrated, the attack erodes trust in the state organization and its data. The trustworthiness and legitimacy of political systems are major casualties of the attacks.

The recent successful cyber campaigns in the Nordic-Baltic region (e.g. Duke-attacks), especially when repeated, constitute a form of geopolitical cyber bullying. The disruptive psychological effect is increased by the logic of "robbing the same bank many times". Repeated intrusions into the region's institutions lead to a greater sense of vulnerability, sense of lost agency and unpredictability. Repeated intrusions into the state

organization responsible for security test their sense of security, which is the raison d'être for the institutions in the first place.

The Nordic-Baltic region's main response has been to strengthen deterrence by bolstering cyber security. However, systems are in a higher reactive mode. Vigilance has been increased against different types of shocks, disruptions and attacks. The goal is for systems as a whole to be in a state of resilience, self-monitoring and self-repair. However, the question remains: Can such a high state of resilience be achieved without active means of cyber deterrence such as shaming, economic sanctions or cyber counter-attacks? It is likely that the game will continue, whereby the region remains a target of low- to medium-intensity cyber operations. One may argue about whether strong resilience can be achieved without more active deterrent measures. However, it takes two to tango online, also. The higher the active deterrence, the stronger the countering reaction is likely to be. The fear is that this could culminate in a destabilising cyber arms race.

More awareness is needed in order to recognize that cyber operations have strategic aims that go beyond mere snooping and spying. They are effective in spreading mistrust, blackmail and bullying, and in showcasing capabilities and deterrence. They are useful in combination with other political pressuring tools. The spectrum of these combinatorial tools is still relatively restricted. Yet the concern is that the situation could escalate, in which case the level of harm caused by cyber operations would become higher and more intense. One should also note that the level of harm is always realized in hindsight. Dukes and Red October/Turla were only identified long after the infections. This suggests that there might already be ongoing campaigns with a higher level of harm that have yet to be detected.

The analysis cannot exclude the possibility of a further escalation in malicious cyber activities. Should this happen, more intense use of cyber tools is to be expected in tandem with other increasingly intense means. If this still unlikely scenario materializes, then the low-intensity cyber operations of today may be seen as a preparatory phase for a far more aggressive challenge directed mainly towards the key functions and stability of the Nordic-Baltic political systems.

BAD NEWS FROM RIGA: THE FUTURE CHALLENGE OF DISINFORMATION

Flemming Splidsboel Hansen

Overall, the year that has passed since the last Riga Conference has not been a good one for the fight against disinformation, which we define as "information which is known to be untrue or even deliberately fabricated."[1] While it seems reasonable to speak of a paradigm shift in many Western states in the public understanding of the challenge posed by disinformation, putting these states (nearly) on the same page as their allies Estonia, Latvia and Lithuania, new worries are being added, and despite the existence of a whole catalogue of possible counter-measures, no immediate solution is in sight. It seems time to recognise the fact that disinformation will be an integral part of the future – yet another aspect of "the new normal," which we will simply have to prepare for.

Fake News

The concept of "fake news" is now central to our current political vocabulary. It seems to have replaced the admittedly less straightforward "disinformation" as the favourite public term for almost anything not to be believed. In its present rather vague usage, it appears to combine both disinformation *and* misinformation, the latter we define here as the spread of disinformation "by someone who is unaware of its false nature."[2] The distinction between disinformation and misinformation is based on the question of intentionality, that is, the question of whether the information, as mentioned in the introduction, is "known to be untrue or even deliberately fabricated." When used most aggressively, "fake news" clearly refers to disinformation, but it is used also more widely to

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1   Flemming Splidsboel Hansen. *Russian Hybrid Warfare: A Study of Disinformation* (Copenhagen: Danish Institute for International Studies, 2017), 21.

2   Hansen. *Russian Hybrid Warfare: A Study of Disinformation*, 21.

designate misinformation, and as such it lacks the conceptual rigour of its twin cousins. It seems advisable to preserve the distinction between disinformation and misinformation, especially for studies of intent and attribution.[3]

The process by which the concept of "fake news" has become so prominent is disturbing, and the consequences are likely to be highly unfortunate. The 2016 United States (US) presidential election and the subsequent inauguration in January 2017 of US President Donald Trump mark a new stage in the fight against disinformation.[4] As Trump complained and continues to complain, about "fake news," he does so with the aim of undermining the confidence and especially the trust of the public in various institutions, including what is otherwise usually considered well established US media. I concur with David Feldman, and see confidence as the belief that the operators of a given expert system "may manage [this system] safely and effectively - and that they can also demonstrate an ability to do so on a regular basis."[5] Trust is defined here as the belief that these operators "possess integrity and will behave ethically, that is that they will be credible, believable, and morally accountable."[6] The two concepts – confidence and trust – together make up trustworthiness.

The negative effect of Trump's comments about the media may be hard to exaggerate. As liberal democratic states such as Estonia, Latvia and Lithuania find themselves under pressure from disinformation campaigns conducted by less free states (typically ranging from semi- to fully authoritarian), the executive branch of the United States of America (USA) would usually be expected to lead in collective efforts to counter those campaigns. This is clearly not currently happening.

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3   An alternative would be to use the terms "disinformation" and "misinformation" as defined in this study and see "'fake news'" (in quotation marks) as the instrumental rejection of valid information.

4   James Carson. "What is Fake News? Its Origins and How it Grew in 2016," *The Telegraph,* March 16, 2017, http://www.telegraph.co.uk/technology/0/fake-news-origins-grew-2016/; for a temporal overview of Google searches of "Fake News," see: https://trends.google.com/trends/explore?q=fake%20news.

5   David Feldman. "Public Confidence in Cybersystems: Issues and Implications for Sustainability," *International Political Science Review* 21, no. 1 (2000), 27.

6   David Feldman. "Public Confidence in Cybersystems: Issues and Implications for Sustainability," *International Political Science Review* 21, no. 1 (2000), 26.

Public confidence and trust in the media are maintained *inter alia*, through careful scrutiny of the standards of the media by media people themselves as well as by outsiders.[7] A lack of such scrutiny is an increasing problem in many states, notably those where the expected costs of being critical of the media are highest. As such, we should also welcome the political awareness of media standards in liberal democratic states, both in general and as these standards relate to specific pieces of reporting. The dramatic "fake news" turn in the USA is disturbing, however, it seems to be politically motivated, wholly questioning the trustworthiness of information usually relied on for subsequent reporting by many other media outlets.[8] Moreover, it opens the door for instrumentally motivated cries of "fake news" elsewhere, by legitimising the tactic of undermining the credibility of criticism. Thus, there is the high risk that such cries will also increasingly come to shape politics in other liberal democratic states, fundamentally changing the nature of political conversations as we know them. It is important to emphasise that this warning is not about the spread of disinformation – it is already there and needs to be addressed in specific ways[9] – but about the spread of the instrumental rejection of valid information.

For an illustration of the possible risk, consider the figures of a 2016 EU Barometer poll on public trust in various news platforms. The average figures for the EU as a whole show greater trust in radio (59%), television (50%) and written media (46%) than in the internet (36%) and online social networks (21%).[10] Behind those figures lie relatively low levels of trust in these news platforms in several member states: from trust in radio (an all-EU low of 41% in Malta), over television (23% in Greece) and written media

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7   For a discussion of trust, see for instance Barbara Misztal's *Trust in Modern Societies* (Cambridge: Polity Press, 1996).

8   Consider for instance the tweet by Trump that "any negative polls are fake news," *Twitter*, February 6, 2017, https://twitter.com/realdonaldtrump/status/828574430800539648?lang=en.

9   Kate Connolly, et al. "Fake News: An Insidious Trend that's Fast Becoming a Global Problem," *The Guardian*, December 2, 2016, https://www.theguardian.com/media/2016/dec/02/fake-news-facebook-us-election-around-the-world.

10   European Commission. *Standard Eurobarometer – Media Use in the European Union* 86 (2016), QA8a.

(21% in the United Kingdom) to the internet (24% in France) and social networks (8% in France).[11] This latter set of figures suggests the existence within the EU of a relatively receptive audience, ready to accept the claim that the engineers of false information are misleading them and that they should, therefore, reject what is presented to them.

It is important to add to this, however, that the argument could easily be made that this same set of figures also indicates the existence of an audience that will view *true* disinformation with a good dose of scepticism, simply on the ground that they do not trust the media, and therefore also reject disinformation. And conversely for the EU member states that record relatively high levels of trust in the news platforms mentioned: From trust in radio (an all-EU high of 82% in Sweden and Finland), over television (78% in Finland) and written media (71% in the Netherlands) to the internet (50% in the Czech Republic) and social networks (36% in Portugal).[12] While members of the public in these states may be more sceptical of cries of "fake news," they may also be more susceptible to true disinformation. It is a complex picture, which needs to be further researched, for instance through the prism of media literacy.

In order to complete the local aspect of this picture, the figures for Estonia, Latvia and Lithuania should be offered: Trust in radio ranges from 66% in Lithuania to 63% in both Estonia and Latvia; trust in television ranges from 65% in Estonia over 62% in Lithuania to 61% in Latvia; trust in written media shows greater variation – from 53% in Lithuania over 50% in Estonia to 44% in Latvia; the highest level of trust in the internet is recorded in Lithuania (43%), with slightly lower levels found in both Estonia (39%) and Latvia (37%); and, finally, trust in social networks stands at 28% in Lithuania, 27% in Latvia and 20% in Estonia.[13]

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11   European Commission. *Standard Eurobarometer*, Q8Aa1 – Q8Aa5.

12   Ibid.

13   Ibid.

Expertise

Whichever term is preferred to describe these phenomena, the increase in the spread of both false information *and* false claims about false information, has been accompanied by a redefinition of the status of expertise. This is unsurprising, as the development has been observable for some years already and the spread of false information is to some extent premised on this redefinition of expertise, as it allows for easier dissemination.[14] Thus, if false information does not have to be filtered through the gatekeeping of expert systems – for instance in the medical profession or in the police – then it may reach its target audiences more easily.

One part of this development is the questioning of traditional expertise (found for instance in academia and based on a peer reviewed system of degrees and titles), leading to the undermining of the latter. Another part is the widening of the understanding of expertise, arguing in favour of a much more inclusive field where, to put it in stark terms, "anyone is an expert." The questioning of traditional expertise relates to both confidence ("are these 'experts' really competent to deal with this?") and trust ("do these experts act within the expected normative framework?").

To illustrate, when then UK justice secretary (and Brexiter) Michael Gove complained during the 2016 UK referendum on Brexit that "people in this country have had enough of experts," he went on to ask members of the public to "trust themselves."[15] In doing so, he was both building on the earlier re-definition of expertise and at the same time pushing it still further. He did so by dismissing the part of traditional expertise that was warning against the possible economic consequences of Brexit, and by suggesting that laypersons were equally, if not even better, qualified to assess those consequences.

Even more spectacularly, Trump has dismissed the findings of the US

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14   For an anti-hegemonic interpretation, see for instance Stephen Turner's "What is the Problem with Experts?" *Social Studies of Science* 31, no. 1 (February 2001), 123–49.

15   Henry Mance. "Britain Has Had Enough of Experts, Says Gove," *Financial Times,* June 3, 2016, https:/www.ft.com/content/3be49734-29cb-11e6-83e4-abc22d5d108c.

intelligence community on the "Russia case." In a 3 January 2017 tweet, Trump noted how "the 'Intelligence' briefing on so-called 'Russian hacking' was delayed until Friday [6 January 2017], perhaps more time needed to build a case," adding that this was "very strange!"[16] The state-run intelligence services represent highly institutionalised expertise, even more so than academia as referred to by Gove, for instance, which operates in what is, by comparison, a much more anarchic environment. Most of the work of the intelligence community is characterised by the fact that it is performed behind closed doors and thus hidden from public view. This makes questions of confidence and trust especially sensitive – and criticism especially damaging. The 3 January 2017 tweet by Trump seemed to suggest to members of the US public that the US intelligence community is cheating behind those closed doors and operating in an unethical manner. Such criticism is poisonous for an expert community.

The consequences of this redefinition of the status of expertise for the spread of disinformation most likely will be very severe. The use of Western "experts" with dubious credentials is already a phenomenon on, for instance, Russian television channels, where they serve to present pre-defined interpretative schemata and views, and thus to influence the preferences of news consumers.[17] To illustrate this, Liz Wahl, a US journalist who worked for the US branch of the Russian state-controlled television channel RT, recalls an interview done following an unsuccessful missile test by North Korea. Wahl was informed by her Russian editor that she would be "interviewing an 'expert' on North Korea later, and was [then] dictated a list of questions which Dmitry [the editor] wanted [her] to ask."[18]

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16   Donald Trump. "The "Intelligence" briefing on so-called "Russian hacking" was delayed until Friday, perhaps more time needed to build a case. Very strange!" *Twitter*, January 3, 2017, https://twitter.com/realDonaldTrump/status/816452807024840704?ref_src=twsrc%5Etfw&ref_url=https%3A%2F%2Fwww.theatlantic.com%2Fliveblogs%2F2017%2F06%2Fdonald-trump-twitter%2F511619%2F.

17   Sean's Russia Blog. "Where Foreign "Experts" and "Political Scientists" on Russian Television Come From," *StopFake.org*, January 7, 2016, http://www.stopfake.org/en/where-foreign-experts-and-political-scientists-on-russian-television-come-from/.

18   Liz Wahl. "Discrediting the West – An Insider's View on Russia's RT," *StopFake.org*, March 8, 2016, http://www.stopfake.org/en/discrediting-the-west-an-insider-s-view-on-russia-s-rt/.

The "expert" was, in fact, a representative of the US Songun Study Group, who had been hand-picked by the RT editors, and the entire interview was set up to disparage those who are critical of North Korea for their use of double standards.[19]

There is little doubt that we will see more of this – and of the use of experts with vague, unclear and misleading titles and institutional affiliations and with unreported biases. As an example of the this, consider the February 2017 interview by the US media outlet Fox News of Nils Bildt, a "Swedish Defence and National Security Advisor," who appeared on-screen with merely this title and neither an academic title nor an institutional affiliation.[20] It seems, in fact, that by being very economical with the truth, Fox News did not present anything untrue to its audience, but viewers surely were left with the impression that Nils Bildt was speaking in an official capacity, as a representative of a Swedish government agency.

Three Recommendations

In lieu of a conclusion, I would like to offer three recommendations. The first is to see this as "the new normal," in the same way that heightened terror risks now are for the majority of people in the world. We adjust to those terror risks gradually, both physically and cognitively, and somehow learn to live with their disruptive impact. We can do the same with disinformation, but that seems to require a wider public recognition that this phenomenon will not go away and that, ultimately, it cannot be decisively defeated. It seems likely, indeed, that disinformation will manage to outrun us. However, it may not necessarily outrun us by a greater distance than terrorism, for instance, manages to do. And that is not difficult – the authorities have generally proven very good at narrowing what before was a wider gap.

Related to this, the second recommendation is to acknowledge the fact that the producers of disinformation are likely to learn at a faster rate than those opposing them.[21] Thus, by the time a piece of disinformation

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19   The interview is available at https://www.youtube.com/watch?v=SqiRY10WgCw.

20   See, for instance, https://www.youtube.com/watch?v=1G23f0ngWe0.

21   This section draws on Hansen's *Russian Hybrid Warfare: A Study of Disinformation*

has been debunked, the world of media has moved on, producing a vast number of new items in the process. And as sites are being flagged for disinformation content, new ones will emerge. The disinformers will learn as they face obstacles on their way and they will adjust accordingly. There is no single response or set of responses to avoid this challenge of a "learning race."

The third recommendation is to focus on systemic responses. The spread of disinformation is a systemic challenge and it requires systemic solutions. It seems advisable to focus on the build-up of greater cognitive resilience, that is, the ability to withstand pressure from various ideas spread through disinformation. The term "resilience" is now widely accepted as a concept relating to the protection of critical functions of society and the term "cognitive resilience" is very similar, but it plays out in the cognitive domain as opposed to the physical domain. It concerns world views and the interpretative schemata used by news consumers to make sense of information. In essence, it will allow for the free flow of information, but it will establish a cognitive "firewall," preventing the disinformation from taking root and being internalised by members of the target audience. Unless extraordinary circumstances dictate a (temporary) ban on a specific media outlet(s), which may be fully legitimate, the flow of information should remain uninterrupted.

Ideally, the cognitive firewall should be installed at both the collective and at the individual level. At the societal level, the ability to recognise and reject disinformation and not give it the attention which it demands should be improved. Moreover, as the dominant collective understanding of the media is still shaped by the pre-digital era, it should be more explicitly understood that the digital era offers an almost endless range of possibilities, especially for autonomous news broadcasting, and that this development has built-in risks which we are now beginning to understand. And at the individual level, new media literacy should be developed; a new ideal of *Bildung*, defined briefly here as the ability to reflect critically on one's practices and on the structures within which one acts, giving members of the target audience the tools with which to

(Copenhagen: Danish Institute for International Studies, 2017).

distinguish fact from fiction and information from disinformation.[22] The *Bildung* should be established in schools, where the teaching of media literacy would be comparable to the teaching of science or computer literacy and be equally important for upholding our societies.

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22   Anders Odenstedt. "Hegel and Gadamer on *Bildung*," *The Southern Journal of Philosophy* 46, no. 4 (December 2008), 559–80.

STRATEGIC CYBER THREATS TO THE BALTIC SEA REGION

Patrik Maldre

Cyber risks to countries in the Baltic Sea region (Denmark, Sweden, Finland, Estonia, Latvia, Lithuania, Poland and Germany) have emerged as a key strategic concern in the last decade, as governments and companies have adopted information technology (IT) at a rapid pace. The following analysis will identify specific categories of risks, assess their severity and forecast future trends in cyber threats to the region. Russia (also a littoral state on the Baltic Sea) will be approached in this report as a threat sponsor, though it undoubtedly faces cyber threats of its own.

State-sponsored, criminal and hacktivist actors threaten the security and prosperity of the Baltic Sea region. The primary risks come from state-nexus[1] attackers, who employ cyber capabilities to conduct political and military intelligence-gathering as well as economic espionage, and, in some cases, have the capability to carry out destructive attacks. FireEye has identified over 25 advanced threat actors targeting the states of the Baltic Sea region in the last several years. Cybercriminal activity can also affect the financial outlook for individual companies or sectors, potentially rising to collectively influence national economic security in some states. Hacktivist actors pose the lowest threat to the Baltic Sea region, only occasionally achieving some influence over business decisions or domestic policy.
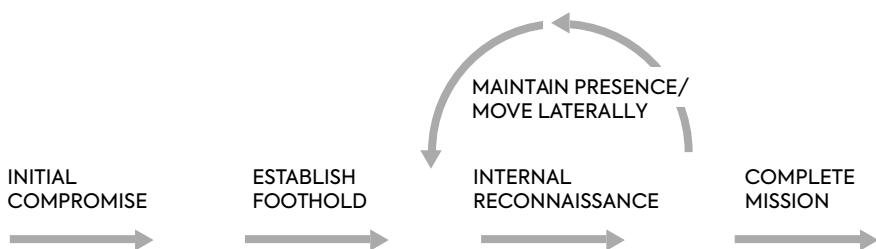
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1   FireEye uses the term "state-nexus" to imply consistency with the interests and capabilities we expect of the perpetrator country, without confirming that military or intelligence services conducted or ordered the attacks.

State-Sponsored Cyber Espionage Threatens National Security

The strategic cyber espionage threat to the states of the Baltic Sea region is high. Various advanced cyber threat actors target organizations in the region to attain political or military information advantage and potentially prepare for destructive attacks. They breach networks and undermine the confidentiality and integrity of sensitive information using a variety of tools, techniques, and procedures (TTPs). The following graphic provides a high-level overview of attacker activities from preparation of operations to successful completion of the mission.

Figure 1. Attacker Lifecycle

MAINTAIN PRESENCE/
MOVE LATERALLY

INITIAL
COMPROMISE

ESTABLISH
FOOTHOLD

INTERNAL
RECONNAISSANCE

COMPLETE
MISSION

Source: FireEye

Russia-nexus cyber threat actors are highly active and aggressive. They conduct operations against targets that are in line with Russian strategic and tactical interests. Their campaigns are primarily directed against government agencies, including political, diplomatic and military targets, as well as companies in the energy and defence sectors. FireEye has identified at least five Russia-nexus threat groups that have conducted operations against states in the Baltic Sea region in recent years.

Figure 2. Overview of 5 Russia–nexus Cyber Threat Actors

	Aliases	Active since at least	TTPs	Targeted sectors
APT28 (TSAR TEAM)	Fancy Bear, Sofacy, Pawn Storm	2008	Spear-phishing, custom malware, zero-day vulnerabilities, watering holes, credential collection, data theft	Government, defence, media, hospitality, construction, non-profit, technology
APT29	Dukes, Cozy Bear	2008	Spear-phishing, watering holes, custom malware, zero-day vulnerabilities, high operational security, data theft	Government, think tank/NGOs, hospitality, finance, pharmaceutical, legal
TURLA TEAM	Snake, Uroborus, Venomous Bear	Late 1990s	Spear-phishing, watering holes, possible human-enabled operations, zero-day vulnerabilities, custom malware, satellite C&C, very high operational security, data theft	Defence, government, energy, transportation, pharmaceutical, manufacturing
SANDWORM TEAM	Telebots, Electrum, BlackEnergy	2011	Spear-phishing, custom malware, zero-day vulnerabilities, data theft, data destruction, physical impact	Energy, defence, telecommunications, finance, government, transportation
KOALA TEAM	Energetic Bear, Dragonfly	2011	Spear-phishing, watering holes, poisoned software downloads, SCADA scanning, data theft	Energy, research, pharmaceuticals, technology

Source: FireEye

APT28 is the most prominent Russia-nexus threat to the region. The group's primary motivation is to discover political and military secrets of rival states, but it has evolved to conduct various types of information operations in recent years as well. APT28 has targeted virtually every state around the Baltic Sea. APT28 intrusions into the German Bundestag[2] as well as an Estonian energy company,[3] and the targeting of a Nordic military[4] as well as a Finnish individual involved in open-source research,[5] illustrate the breadth of activity in the region by this actor. FireEye has observed four key tactics[6] used by APT28 to compromise intended targets:

- Sending spear-phishing emails that deliver exploit documents that deploy malware onto users' systems;

- Sending spear-phishing emails that contain a malicious link designed to harvest recipients' email credentials and provide access to their accounts;

- Compromising and placing malware on legitimate websites intending to infect site visitors;

- Gaining access to organisations by compromising their web-facing servers.

Countries in the Baltic Sea region should be aware that APT28 employed these TTPs to interfere in the Ukrainian election in 2014[7] and the United

2   "Russia 'Was Behind German Parliament Hack,'" *BBC*, May 13, 2016, http://www.bbc.com/news/technology-36284447.

3   "Annual Cyber Security Assessment 2017," *Republic of Estonia Information System Authority*, 2017, https://www.ria.ee/public/Kuberturvalisus/RIA_CSA_2017.PDF.

4   "Cyber Threats to the Nordic Region," *FireEye*, May 2015, https://www.fireeye.com/content/dam/fireeye-www/global/en/current-threats/pdfs/rpt-nordic-threat-landscape.pdf.

5   "Russian Cyber-Espionage Group Hits Sanoma," *Yle*, May 30, 2016, https://yle.fi/uutiset/osasto/news/russian_cyber-espionage_group_hits_sanoma/8919118.

6   "APT28: At the Center of the Storm," *FireEye*, January 2017, https://www2.fireeye.com/rs/848-DID-242/images/APT28-Center-of-Storm-2017.pdf.

7   Nikolay Koval. "Revolution Hacking," in *Cyber War in Perspective: Russian Aggression Against Ukraine*, (Tallinn: NATO CCDCOE Publications, 2015), https://ccdcoe.org/sites/default/files/multimedia/pdf/CyberWarinPerspective_Koval_06.pdf.

States election in 2016.[8] It also conducted a destructive false-flag attack against a French telecommunications provider.[9] These operations demonstrate APT28's versatility, and the group is continuing to innovate. In 2017, FireEye observed APT28 using new zero-day vulnerabilities against targets[10] and recently identified APT28 activity targeting high-profile travellers by compromising hotel networks in Europe.[11] The group is highly likely to continue being a substantial threat to countries in the region in the near- to medium-term future.

To a lesser degree, China- and Iran-nexus threat groups have also targeted the Baltic Sea region to conduct political and military intelligence collection. For example, Danish,[12] Lithuanian,[13] German[14] and Estonian[15] intelligence agencies have publicly asserted that Chinese threat actors have conducted cyber operations against their countries. FireEye has also independently identified several Middle Eastern (primarily Iran-nexus) threat actors that have targeted Nordic and Baltic political interests in the last several years. These operations often involve tangential targeting related to global affairs, such as the conflict in Afghanistan, the political situation in Syria or the diplomatic relationship with Lebanon. However,

8   "GRIZZLY STEPPE – Russian Malicious Cyber Activity," *Federal Bureau of Investigation*, December 29, 2016, https://www.us-cert.gov/sites/default/files/publications/JAR_16-20296A_ GRIZZLY%20STEPPE-2016-1229.pdf.

9   "How France's TV5 Was Almost Destroyed by 'Russian Hackers,'" *BBC*, October 10, 2016, http://www.bbc.com/news/technology-37590375.

10   "EPS Processing Zero-Days Exploited by Multiple Threat Actors" *FireEye*, May 9, 2017, https://www.fireeye.com/blog/threat-research/2017/05/eps-processing-zero-days.html.

11   "APT28 Targets Hospitality Sector, Presents Threat to Travelers," *FireEye*, August 11, 2017, https://www.fireeye.com/blog/threat-research/2017/08/apt28-targets-hospitality-sector.html.

12   "Threat Assessment: The Cyber Threat Against Denmark," *Centre for Cyber Security*, February 2017, https://fe-ddis.dk/cfcs/CFCSDocuments/Threat%20Assessment%20-%20The%20 cyber%20threat%20against%20Denmark.pdf.

13   "National Security Threat Assessment," *State Security Department of the Republic of Lithuania*, 2017, https://kam.lt/download/57114/akatskt_draft%203-31%20en%20hq.pdf.

14   "Brief Summary - 2016 Report on the Protection of the Constitution," *Federal Ministry of the Interior*, July 4, 2017, https://www.bmi.bund.de/SharedDocs/Downloads/EN/ Broschueren/2017/vsb-kurzfassung-engl-2016.html?nn=3867470.

15   "Annual Review 2014," *Estonian Internal Security Service*, 2015, https://www.kapo.ee/ en/content/annual-reviews.html.

as these threat sponsors consolidate and develop their cyber capabilities, their global intelligence gathering will likely expand further in the upcoming years.

State-Nexus and Criminal Actors Undermine Economic Outlook

State-nexus and criminal actors employ cyber capabilities to undermine the economic development of countries in Baltic Sea region. The threat ranges from high-end, state-sponsored groups conducting multi-year economic espionage campaigns to unsophisticated denial-of-service attacks by hacktivists affecting company websites. While the value of surreptitious and long-term intellectual property theft can be hard to estimate, recent ransomware campaigns have resulted in business losses reaching into the hundreds of millions of Euros.[16]
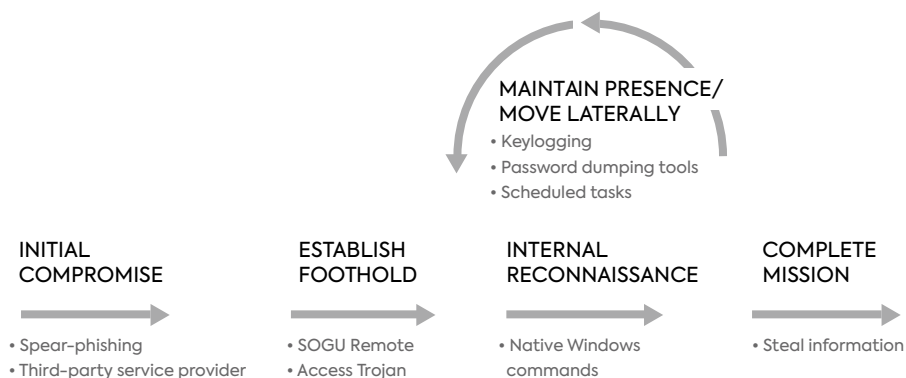
Chinese cyber threat groups present the most risk of economic espionage to countries in the Baltic Sea region. The threat levels are uneven regionally; the wealthier countries are far more heavily targeted. FireEye has identified more than a dozen distinct Chinese threat groups that have targeted companies in the region, primarily in Germany and the Nordics. Innovative companies that are leaders in their field and produce valuable intellectual property face the greatest risk. FireEye has detected, responded to incidents, or observed targeting of the following industries: aerospace, business services, chemical, defence, education, energy, healthcare, manufacturing, technology, telecommunications and transportation. Stolen information includes intellectual property, business plans, executive communications, network diagrams and other sensitive and actionable information. It is very difficult to accurately quantify the total costs in reputation damage, lost revenue, wasted research and development resources, and other losses from these operations, but it can be assumed that the damage to victims is substantial, and ultimately rises to affect the national economic outlook of affected countries. While there was a notable reduction in overall global Chinese espionage following the noted Obama-Xi agreement in late 2015, the Baltic Sea region has already experienced the re-emergence of several threat groups.

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16   Christian Weinberg. "Maersk Says June Cyberattack Will Cost It Up to $300 Million," *Bloomberg*, August 16, 2017, https:/www.bloomberg.com/news/articles/2017-08-16/maersk-misses-estimates-as-cyberattack-set-to-hurt-third-quarter.

APT10 is a Chinese cyber threat actor whose recent operations are emblematic of the threat faced by companies in the region. The group has been active since at least 2009 and was recently observed targeting corporations in several Northern European countries around the Baltic Sea. The group has previously engaged in cyber threat activity to support "Chinese national security goals, including acquiring valuable military and intelligence information as well as the theft of confidential business data to support Chinese corporations."[17] In 2017, it targeted regional companies involved in the energy, extractive and technological sectors as well as their global partners. It is notable that this activity follows a quieter period for Chinese threat activity against Western targets, and represents a resurgence of APT10 as a threat actor. Furthermore, APT10 has been known to compromise service providers in order to facilitate access to their final targets, as well as to mask the exfiltration of sensitive data from targeted organizations. This is also indicative of a wider threat to regional companies and an increasing trend in cyber threat activity worldwide, drawing attention to the need to monitor third-party access to networks and manage risks from connectivity with partner organizations.

Figure 3. Typical APT10 Attacker Lifecycle

MAINTAIN PRESENCE/ MOVE LATERALLY
• Keylogging
• Password dumping tools
• Scheduled tasks

INITIAL COMPROMISE
• Spear-phishing
• Third-party service provider

ESTABLISH FOOTHOLD
• SOGU Remote
• Access Trojan

INTERNAL RECONNAISSANCE
• Native Windows commands

COMPLETE MISSION
• Steal information

Source: FireEye

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17   "APT10 (MenuPass Group): New Tools, Global Campaign Latest Manifestation of Longstanding Threat," *FireEye*, April 6, 2017, https://www.fireeye.com/blog/threat-research/2017/04/apt10_menupass_grou.html.

Several other state-sponsored actors have also conducted operations that constitute minor threats to economic growth in the Baltic Sea region. Russia-nexus breaches by Koala Team several years ago focused on organizations in the energy, research and academic sectors, presumably to steal innovative intellectual property from organizations in the region and globally.[18] Actors with links to North Korea also engaged in a financially-motivated campaign that included the targeting of the Polish financial sector, likely to mitigate the effects of increasingly tough sanctions.[19] Finally, a recently identified advanced persistent threat, APT32, compromised a German corporation prior to its construction of a manufacturing facility in Vietnam.[20] These cyber espionage cases illustrate the breadth of threat activity for economic advantage by countries other than China and can have a substantial impact on targeted organizations. However, they are currently unlikely to have a significant strategic impact on host countries around the region.

Cybercriminal actors and (much less commonly) hacktivists can also threaten company success and collectively rise to exert an influence on the national economic outlook for countries in the Baltic Sea region. Estimates vary wildly regarding drain on the global economy from cybercrime; one notable estimate put it between US$ 375–575 billion in 2014.[21] Cybercrime undoubtedly takes a toll on individuals and companies in the Baltic Sea region as well. FireEye has observed various strains of ransomware, credential theft malware such as banking Trojans, payment card and ATM fraud, and extortive distributed denial-of-service (DDoS) attacks against companies in the region. Hacktivists, on the other hand, have used DDoS attacks, website defacements and data leaks to pressure companies, sometimes causing financial damage. However, recent global

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18   "The Impact of Dragonfly Malware on Industrial Control Systems," *SANS Institute*, January 18, 2016, https://www.sans.org/reading-room/whitepapers/ICS/impact-dragonfly-malware-industrial-control-systems-36672.

19   Paul Mozur and Choe Sang-Hun. "North Korea's Rising Ambition Seen in Bid to Breach Global Banks," March 25, 2017, https://www.nytimes.com/2017/03/25/technology/north-korea-hackers-global-banks.html?mcubz=1.

20   "Cyber Espionage is Alive and Well: APT32 and the Threat to Global Corporations," *FireEye*, May 14, 2017, https://www.fireeye.com/blog/threat-research/2017/05/cyber-espionage-apt32.html.

21   "Net Losses: Estimating the Global Cost of Cybercrime," *McAfee*, 2014, https://www.mcafee.com/de/resources/reports/rp-economic-impact-cybercrime2.pdf.

ransomware campaigns Wannacry and Petya/NotPetya, which dramatically affected German[22] and Danish[23] transportation companies among many other victims and both of which appear to be linked to state actors, demonstrate the kind of strategic effect that attacks can have on individual companies and, in the case of Ukraine and Petya/NotPetya, on entire countries.

Information Operations to Continue, Destructive Attacks on the Horizon

Information operations will very likely continue to be a threat to countries in the Baltic Sea region. While much of what constitutes information operations is outside the scope of this analysis, the term includes cases in which stolen, intercepted or fabricated data is publicized to influence opinion. The goals of these operations include: undermining trust between citizens and the state, worsening tensions between ethnic groups and encouraging polarization in the political landscape. Elections processes provide a particularly attractive target for state actors, such as APT28 in Ukraine and the United States, and various false front personas such as Anonymous Poland, to influence countries' political futures. Publicized cyber operations against the German[24] and Estonian[25] parliaments, for example, may serve two ends: political intelligence gathering as well as material for future information operations during election cycles. NATO forces in the region will almost certainly also be targeted. Russia, as the main source of information operations against the region, is unlikely to stop using this tool of state power to achieve influence, even if tensions were somewhat alleviated.

Cyber operations with destructive impact are also a key and growing strategic risk for countries and companies in the Baltic Sea region. This risk will be exacerbated if tensions between Russia and the Baltic Sea countries deteriorate further.

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22   "German Rail Operator Affected by Global Cyber Attack," *Reuters*, May 13, 2017, http://www.reuters.com/article/us-cyber-attack-germany-rail/german-rail-operator-affected-by-global-cyber-attack-idUSKBN1890DM.

23   See note 14.

24   See note 1.

25   "International Security and Estonia 2017," *Estonian Information Board*, 2017, https://www.valisluureamet.ee/pdf/EIB_public_report_Feb_2017.pdf.

- There is only one publicly known cyber threat actor that has both conducted operations against Baltic Sea countries and completed a mission with destructive impact: APT28.[26]

- Russia-nexus Sandworm Team has also carried out several attacks against Ukraine's electrical sector, demonstrating both the intent and capability to target Russia's "near abroad" with destructive attacks.

- Open source reports about the malware framework[27] used to carry out the second of those attacks in 2016 indicate that Russia can now hold at risk critical infrastructure in many countries around the world.

- Germany has already experienced a cyberattack with physical effects when a steel facility reportedly suffered "massive damage."[28]

These threat groups and events portend a possible future direction for occasional cyber threat activity in the region: plausibly deniable disruptive operations against critical national infrastructure. Political flashpoints such as ethnic tensions or economic decisions such as increasing separation from Russian energy networks could potentially trigger new threat activity. The presence of BlackEnergy in Swedish networks[29] and the identification of APT28 command-and-control communication in Estonia's energy sector[30] may serve as early indicators of warning. Russia-nexus attackers have demonstrated the capability; political and economic developments will likely determine intent.

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26   See note 7.

27   Anton Cherepanov and Robert Lipovsky. "Industroyer: Biggest Threat to Industrial Control Systems Since Stuxnet," *We Live Security*, June 12, 2017, https://www.welivesecurity.com/2017/06/12/industroyer-biggest-threat-industrial-control-systems-since-stuxnet/.

28   Kim Zetter. "A Cyberattack Has Caused Confirmed Physical Damage for the Second Time Ever," *Wired*, January 8, 2015, https://www.wired.com/2015/01/german-steel-mill-hack-destruction/.

29   Ionot Ilascu. "BlackEnergy APT Targets a Diverse Crowd of Victims," *Softpedia News*, November 4, 2014, http://news.softpedia.com/news/BlackEnergy-APT-Targets-a-Diverse-Crowd-of-Victims-463955.shtml.

30   See note 2.

THE MILITARISATION OF CYBERSPACE: IMPLICATIONS FOR THE BALTIC SEA REGION

Piret Pernik

IT components are embedded in almost all modern military equipment. Militaries use cyberspace daily to carry out their activities in many ways, from communication, command and control, and targeting to planning and executing missions. Commanders' objectives in the strategic theatre are to achieve freedom of action in cyberspace and superiority in the information environment. At the same time, however, adversaries seek to exploit militaries' dependencies and vulnerabilities in these venues; the use of offensive cyber capabilities has become an integral part of modern warfare. More than 30 countries have developed offensive cyber capabilities, and even some that publicly oppose the militarization of cyberspace still covertly carry out damaging or even destructive cyberattacks to project influence together with information warfare tools.[1] The reality is that cyberattacks and other information warfare tools (e.g. electronic warfare, intelligence, reconnaissance, surveillance [ISR], psychological operations and military deception) are used concurrently in times of conflict, as well as during peacetime. Cyberspace and cyber threats are global, and despite the fact that militaries in the Baltic Sea region have officially recognised few instances of cyberattacks, they must manage these risks in order to enable mission command and ensure national security. For example, the Nordic countries and Baltic States, as well as Germany have all been targets of cyber espionage and disinformation campaigns.

In the Baltic Sea region, there are disparities in terms of cyber capabilities and experience. Denmark, Estonia and Norway have launched cyber

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1   James Clapper, Marcel Lettre and Michael Rogers. "Joint Statement for the Record to the Senate Armed Services Committee Foreign Cyber Threats to the United States," *United States Senate Committee on Armed Services*, January 2017, https://www.armed-services.senate.gov/imo/media/doc/Clapper-Lettre-Rogers_01-05-16.pdf.

commands, while non-aligned Finland and Sweden are also developing military cyber units with offensive capabilities.[2] Estonia and Latvia have set up voluntary paramilitary cyber defence units. Russia has highly advanced offensive cyber capabilities. It created military information operations forces in May 2014, which participated in the recent Kavkaz-2016 military exercise.[3] Cyber operations are part of the Kremlin's attempts to control the information environment.[4] Among NATO nations, Germany launched a new cyber and information space command in April 2017, while the US recently elevated its cyber command to a unique combatant command, and retired US Navy Admiral James Stavridis has even suggested that it should be developed further into a service branch of its own, on an equal footing with the Army, Marine Corps, Air force, Navy and Coast Guard.[5] Both the US and UK have used offensive cyber capacities against Daesh.

Even though NATO has indirectly indicated its intent to fight in cyberspace by acknowledging that it constitutes a separate military domain, preparing Allied and coalition partner militaries to fight in this complex and interdependent arena is challenging. This article outlines first that, at the national level, militaries should prepare to fight in cyberspace in

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2   According to the 2015 defence bill, Sweden develops an ability to carry out active operations in the cyber domain. Finland develops a military cyber defence capacity that encompasses intelligence and cyber attack capabilities. "The Military Balance," *The International Institute for Strategic Studies* (London: Routledge Taylor and Francis Group, 2017).

3   Maksym Beznosiuk. "Russia's Military Reform: Adapting to the Realities of Modern Warfare," *New Eastern Europe*, October 13, 2016, http://www.neweasterneurope.eu/articles-and-commentary/2153-russia-s-military-reform-adapting-to-the-realities-of-modern-warfare; "Russia Military Power: Building a Military to Support Great Power Aspirations," *Defence Intelligence Agency*, 2017, http://www.dia.mil/Portals/27/Documents/News/Military%20 Power%20Publications/Russia%20Military%20Power%20Report%202017.pdf.

4   James Clapper, Marcel Lettre and Michael Rogers. "Joint Statement for the Record to the Senate Armed Services Committee Foreign Cyber Threats to the United States," *United States Senate Committee on Armed Services*, January 2017, https://www.armed-services.senate. gov/imo/media/doc/Clapper-Lettre-Rogers_01-05-16.pdf; "Russia Military Power: Building a Military to Support Great Power Aspirations," *Defence Intelligence Agency*, 2017, http://www.dia. mil/Portals/27/Documents/News/Military%20Power%20Publications/Russia%20Military%20 Power%20Report%202017.pdf.

5   James Stavridis and David Weinstein. "Time for a US Cyber Force," *US Naval Institute Proceedings Magazine* 140, no. 1 (January 2014), 331, https://www.usni.org/magazines/proceedings/2014-01/time-us-cyber-force.

the same way they have prepared to fight in other domains. A cultural transition towards mission assurance is also needed both at the national level and in collective defence organisations. The paper will then explore the conceptual challenges that complicate this process, notably the unclear understanding of cyberspace and of related concepts such as cyberattacks. Militaries need better frameworks for identifying the consequences and effects of cyberattacks on their missions.

Cyber Force Development at the National Level

Challenges related to the implementation of cyberspace as a military domain stem both from an incomplete conceptual understanding of concepts such as cyberspace and from underdeveloped doctrine and capabilities.[6] Despite these challenges, which are explored in more detail below, cyber forces should be developed using similar processes that militaries have used in other domains, processes that include defining the mission, describing desired effects, defining operational tasks, developing doctrine, providing training programs, forming units and developing and upgrading tools.[7] One option for evaluating the maturity of military cyber capabilities is a force development framework known as DOTMLPF (Doctrine, Organization, Training, Materiel, Leadership and Education, Personnel and Facilities).

To understand where militaries will fight and how operations should be planned and executed, one must first develop a comprehensive cyber-doctrine. The doctrine guides actions and training at a fundamental level and influences the way that specific capabilities are employed and resourced.[8] For example, the doctrine should explain how the cyber domain is linked to other theatre operational venues such as the "area of responsibility," "area of operations," "area of interest" and "joint operations

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6   Brad Bigelow. "Mission Assurance: Shifting the Focus of Cyber Defence," *2017 9th International Conference on Cyber Confict Defending the Core* (Tallinn: NATO CCD COE Publications, 2017), 43–54.

7   Larry Welch. "Cyberspace – the Fifth Operational Domain," *IDA Research Notes*, 2011, https://www.ida.org/~/media/Corporate/Files/Publications/ResearchNotes/RN2011/2011%20 Cyberspace%20–%20The%20Fifth%20Operational%20Domain.pdf.

8   David Ormrod and Benjamin Turnbull. "The Cyber Conceptual Framework for Developing Military Doctrine," *Defence Studies* 16, no. 3 (2016), 272.

area."[9] The doctrine should also identify the cyberspace mission and operational tasks. Cyberspace missions begin with the identification of the necessary capabilities and include the construction of cyberspace, defensive cyberspace operations (both passive and active), offensive cyberspace operations (exploitation, preparation of the operational environment) and cyberattacks.[10] In practice, many cyber commands fulfil additional functions: ISR and situational awareness, acquisition and innovation, and defining education and training needs; some are also in charge of teaching basic cyber hygiene across military services.[11] In addition to military tasks, in some countries, for example in Germany and the US, cyber commands assist civilian authorities in defending national critical infrastructure against major cyberattacks.

Effectively integrating cyber aspects into the framework of military operations presupposes a cultural transition from information assurance (understood as the protection and defence of information and information systems' availability, integrity, authenticity, confidentiality and nonrepudiation), to a mission assurance approach that focuses on ensuring that a given mission can be carried out even if some systems fail.[12] In this respect, the concept is closely related to the notion of "resilience," which is commonly defined as the ability of a system or a network to provide continuous operation, including operating in a degraded mode if damaged, and to recover quickly if a failure occurs.

Mission assurance focuses on the success of the mission rather than on the

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9   *AJP-3(B) Allied Joint Doctrine for the Conduct of Operations* (UK: NATO, March 2011), https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/623172/ doctrine_nato_conduct_op_ajp_3.pdf.

10   Larry Welch. "Cyberspace – the Fifth Operational Domain," *IDA Research Notes*, 2011, https://www.ida.org/~/media/Corporate/Files/Publications/ResearchNotes/RN2011/2011%20 Cyberspace%20-%20The%20Fifth%20Operational%20Domain.pdf.

11   As an example, the US Army conducts the following cyberspace missions: security, defence, operational preparation of the environment, ISR, and cyberattacks. "FM 3-12 Cyberspace and Electronic Warfare Operations," *Department of the Army,* April 2017, https://fas. org/irp/doddir/army/fm3-12.pdf.

12   Brad Bigelow. "Mission Assurance: Shifting the Focus of Cyber Defence," *2017 9th International Conference on Cyber Confict Defending the Core* (Tallinn: NATO CCD COE Publications, 2017), 48.

security of its supporting systems. In the context of military operations, cyber mission assurance can be understood as commanders' confidence that command and control, ISR, situational awareness and other mission support systems are able to continue their essential functions, even when subjected to cyberattacks.[13] In addition, commanders must trust that dependencies on non-military critical infrastructure (such as electricity and energy supply, data communication, transport systems and infrastructure belonging to commercial or coalition partners) do not hamper the achievement of mission goals and objectives.

In contrast to information assurance, the focus on mission assurance shifts from preventing cyber threats to minimizing the effects of such threats when they occur, as well as keeping mission-critical capabilities and assets secure enough to reliably accomplish mission objectives. At the same time, achieving mission assurance does not, of course, guarantee mission success; instead, it requires that military commanders have a sufficient degree of confidence that mission-critical systems will perform as required.[14]

Mission assurance presupposes that commanders understand the consequences of cyberattacks on achieving mission objectives. In other words, commanders must understand how cyberattacks impact the mission and how the mission depends on cyber assets. For the latter, risks related to IT systems embedded in weapons as well as dependencies on critical infrastructure must be identified and managed. Scholars highlight multiple factors as to why the outcomes of cyberattacks and information warfare effects are uncertain and unpredictable.[15] A lack of understanding of the potential effects of cyberattacks makes it difficult to integrate

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13   Brad Bigelow. "Mission Assurance: Shifting the Focus of Cyber Defence," *2017 9th International Conference on Cyber Conflict Defending the Core* (Tallinn: NATO CCD COE Publications, 2017), 48.

14   Chris Peake, Al Underbrink and Andrew Potter. "Cyber Mission Resilience. Mission Assurance in the Cyber Ecosystem," *The Journal of Defense Software Engineering* 25 (2015), 29–34, http://static1.1.sqspcdn.com/static/f/702523/20212367/1347246327687/201209-0-Issue. pdf?token=rJMpwonfcfCBDnwvpcEKh0pGfPM%3D.

15   Martin Libicki. "The Convergence of Information Warfare," *Strategic Studies Quarterly,* Spring 2017, 55, http://www.airuniversity.af.mil/Portals/10/SSQ/documents/Volume-11_ Issue-1/Libicki.pdf.

cyber aspects into operational plans.

Cyberspace operations can create effects in the physical, logical or cognitive realms. An example of a physical effect would be the disruption of the operation of a system or its destruction; a logical effect would be the disruption of information storage or transit in the networks; and a cognitive effect would be the impact on the decision-making processes.[16]

Cyber capabilities enable the accomplishment of mission objectives, both allowing friendly forces to retain freedom of manoeuvre and denying it to adversaries.[17] The purpose of developing cyber capabilities is to support missions in the air, land, maritime and space domains, as well as execute cyberspace operations that either complement or replace kinetic operations. In order to execute these types of operations in the operational environment, commanders need to understand the consequences and effects of cyberattacks and how they can achieve their desired effects in and through cyberspace. For example, the US military uses the terms "deny," "degrade," "disrupt," "destroy" and "manipulate" to describe the effects of cyberspace actions.[18]

Conceptual Difficulties in Understanding Cyberspace as an Operational Domain

In order to integrate, synchronise, coordinate, de-conflict and prioritise cyber capabilities across all domains, it is necessary to understand both what constitutes the cyber domain and how it relates to other concepts such as the information environment. As discussed earlier, in high-tech modern conflicts, cyberattacks are accompanied by the use of other information warfare tools. Russia and China, for example, use cyberattacks as part of a broader information warfare approach that includes a cognitive dimension. Russian military scholars have suggested fusing their world-class electronic warfare forces with cyber operations, an approach

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16   Author is missing footnote no. 16.

17   "Joint Publication 3-12 (R) Cyberspace Operations," *Defense Technical Information Center*, February 5, 2013, http://www.dtic.mil/doctrine/new_pubs/jp3_12R.pdf.

18   "FM 3-12 Cyberspace and Electronic Warfare Operations," *Department of the Army,* April 2017, https://fas.org/irp/doddir/army/fm3-12.pdf.

that was implemented in practice in Ukraine.[19] The German Cyber and Information Space Command performs, in addition to cyberspace operations, gathering geo-information, military intelligence and electronic warfare, and counters propaganda and disinformation.[20] It has been recommended that the US should also embed cyber operations into its broader information warfare activities.[21] According to its doctrine, the US Army fuses cyber and electronic warfare capabilities and coordinates their use across all domains. The doctrine warns about the repercussions of not doing so:

> *Conducting cyberspace operations and [Electronic Warfare] operations independently may detract from their efficient employment. If uncoordinated, these activities may result in conflicts and mutual interference internally with other entities that use the [Electromagnetic spectrum management]. Conflicts and interference may result in the inability to communicate, loss of intelligence, or the degradation of [Electronic Protection] systems capabilities.[22]*

While in practice, cyber operations are increasingly integrated with the use of electronic warfare tools and incorporated into broader information warfare campaigns, the understanding of cyberspace should be expanded to include the cognitive effects that can be achieved in and through cyberspace.

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19   "Russia Military Power: Building a Military to Support Great Power Aspirations," *Defence Intelligence Agency*, 2017, http://www.dia.mil/Portals/27/Documents/News/Military%20Power%20Publications/Russia%20Military%20Power%20Report%202017.pdf.

20   "Abschlussbericht Aufbaustab Cyber- und Informationsraum. Empfehlungen zur Neuorganisation von Verantwortlichkeiten, Kompetenzen und Aufgaben im Cyber- und Informationsraum sowie ergänzende Maßnahmen zur Umsetzung der Strategischen Leitlinie Cyber-Verteidigung," *Bundesministerium der Verteidigung*, April 2016, http://docs.dpaq.de/11361-abschlussbericht_aufbaustab_cir.pdf.

21   Martin Libicki. "The Convergence of Information Warfare," *Strategic Studies Quarterly,* Spring 2017, 55, http://www.airuniversity.af.mil/Portals/10/SSQ/documents/Volume-11_Issue-1/Libicki.pdf.

22   "FM 3-12 Cyberspace and Electronic Warfare Operations," *Department of the Army,* April 2017, https://fas.org/irp/doddir/army/fm3-12.pdf.

NATO's glossary AAP–6 does not have a common definition of cyberspace. The Tallinn Manual defines it as "the environment formed by physical and non-physical components to store, modify, and exchange data using computer networks."[23] This broad concept does not include human actors, however, and neither the concepts of the German[24] or US militaries encompass a cognitive dimension. For the latter, the cyber domain is viewed as a technical, bordered area within the unlimited information environment:

> [Cyberspace is] a global domain within the information environment consisting of interdependent networks of information technology infrastructures and resident data, including the Internet, telecommunications networks, computer systems, and embedded processors and controllers.[25]

In this concept, the boundaries of cyberspace are made up of hardware and software. In addition to physical and logical network layers, cyberspace has a cyber-persona layer that represents virtual identities (such as mobile phone numbers, email and social media accounts) rather than the ability of human actors to pursue their interests or exert influence and control.[26] At the same time, the US doctrine recognises that cyberspace operations have effects in the cognitive domain (that itself is part of the broader information environment), and the doctrine underlines

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23   Michael N. Schmitt and Liis Vihul, eds., *Tallinn Manual 2.0 on the International Law Applicable to Cyber Operations* (Cambridge University Press, February 2017).

24   The German Cyber Security strategy defines cyberspace as "the virtual space of all information technology systems that are networked or networked world-wide. As a publicly accessible network, cyberspace is based on the Internet, which can be extended by any other data network." In the area of military, this definition encompasses not only open networks but also separated classified military and intelligence networks that have data interfaces. "Cyber-Sicherheitsstrategie für Deutschland 2016," *Bundesministerium des Innern*, November 9, 2016, http://www.bmi.bund.de/DE/Themen/Sicherheit/IT-Cybersicherheit/Cyber-Sicherheitsstrategie/cyber-sicherheitsstrategie_node.html.

25   "Joint Publication 3-13 (R) Information Operations," *Defense Technical Information Center*, November 27, 2012, http://www.dtic.mil/doctrine/new_pubs/jp3_13.pdf.

26   "Joint Publication 3-12 (R) Cyberspace Operations," *Defense Technical Information Center*, February 5, 2013, http://www.dtic.mil/doctrine/new_pubs/jp3_12R.pdf.

that cyberspace relates to the content that flows across and through its physical components.[27] However, the relationship of cyberspace with the information environment as a sphere of influence, interest and control is not explained.

On the other hand, the information sphere shares common key features with other military domains that support its treatment as an operational domain.[28] But in this understanding, the concept of "information sphere" includes the cognitive domain, depicted as "relationships" and "actors":

> *The space of relationships among actors, information, and information systems that form a sphere of interest and influence in or through which information-related activities, functions, and operations are undertaken to accomplish missions and exercise control over an opponent in order to achieve desired effects.*

This understanding of cyberspace as a domain of operations resembles the "information environment" rather than its sub-component of "cyberspace". In the US doctrine, the information environment consists of physical, information and cognitive layers,[29] and is defined as:

> *[T]he aggregate of individuals, organizations, and systems that collect, process, disseminate, or act on information.[30]*

According to another view, cyberspace is not an independent domain, but an environment that stores, interprets and mediates information across physical and virtual domains. It consists of interconnected technology that utilises software to provide communication, as well as

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27   "Joint Publication 3-12 (R) Cyberspace Operations," *Defense Technical Information Center*, February 5, 2013, http://www.dtic.mil/doctrine/new_pubs/jp3_12R.pdf.

28   These features are: cyber capabilities are required to operate there, cyberspace is not fully encompassed by any other domain, both friendly and adversary forces can be present, it is possible to control the domain, cyber capabilities can provide support to capabilities in other domains, cyber capabilities can provide asymmetric threats.

29   "Joint Publication 3-13 (R) Information Operations," *Defense Technical Information Center*, November 27, 2012, http://www.dtic.mil/doctrine/new_pubs/jp3_13.pdf.

30   "FM 3-12 Cyberspace and Electronic Warfare Operations," *Department of the Army,* April 2017, https://fas.org/irp/doddir/army/fm3-12.pdf.

hardware and people. It includes "the human, their interpretation of the message and the behavioural response".[31] The focus on the information domain in the military doctrine recognises the human decision-maker and captures the intersection of cyber and human more explicitly. The authors propose a cyber conceptual framework where the military domain consists of physical domains (air, land, maritime and space) and virtual domains: communication, information, cognitive and social domains. The communication domain transfers data between individuals, organisations and systems, also encompassing forms of communication outside of cyberspace such as analogue systems, pen and paper, and visible light that militaries utilise. The cognitive domain refers to decision-making, including decisions made by artificial intelligence systems, and the social domain refers to the effect of social norms and culture on the military.[32]

Concluding Remarks

This paper demonstrated that in order to integrate cyberspace operations across all military domains, militaries can apply traditional force development frameworks, but more importantly, commanders must have a clear understanding of basic concepts like cyberspace, the nature of cyberattacks and their effects, as well as the relationships between cyberspace, the information environment and other operational concepts.

The scope of this article highlighted that even though offensive cyber capabilities have been developed and used in the Baltic Sea region, there is a lack of a clear conceptual framework for militaries to guide their actions. The US has the most advanced doctrine for cyberspace operations, but the integration of cyberspace within the information environment, and the consequences of cyber threats are not well explained. Russia fuses cyber operations with electronic warfare and information warfare and has effectively deployed offensive cyber

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31   David Ormrod and Benjamin Turnbull. "The Cyber Conceptual Framework for Developing Military Doctrine," *Defence Studies* 16, no. 3 (2016), 272.

32   David Ormrod and Benjamin Turnbull. "The Cyber Conceptual Framework for Developing Military Doctrine," *Defence Studies* 16, no. 3 (2016), 272.

capabilities in Ukraine, Georgia, Estonia and elsewhere. Baltic states and Nordic countries should keep up with developments in this new military domain and develop comprehensive military cyber–doctrines. Ultimately, as demonstrated in this analysis, future research is needed in order to clarify the basic concepts.

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SECURITY IN THE BALTIC SEA REGION: REALITIES AND PROSPECTS

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