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**LATVIA AND THE UNITED STATES:  
A NEW CHAPTER IN THE PARTNERSHIP**

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Editor Ivars Indāns

Centre for East European Policy Studies

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# TABLE OF CONTENTS

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## INTRODUCTION

Ivars Indāns . . . . .	7
Latvian Perspectives in Washington D.C. Introduction by Andrejs Pildegovičs, Ambassador of Latvia to the U.S.	11
American Perspectives in Latvia Introduction by Judith G. Garber, Ambassador of the USA to Latvia	14
<b>1. HISTORICAL OVERVIEW OF RELATIONS. . . . .</b>	<b>19</b>
The Development of Latvian – U.S. Relations, 1918–1991: Continuous Diplomatic Relations and Support for Latvia's State Continuity <i>Ainārs Lerhis</i>	19
Baltic Independence in 2011: is Twenty Years a Little or a Lot? <i>Paul Goble</i>	34
<b>2. CONTEMPORARY RELATIONS. . . . .</b>	<b>41</b>
The Vision of Latvia in the Context of Baltic-Nordic Security <i>Damon Wilson</i>	41
U.S. Policy Toward Central and East Europe Under the Obama Administration <i>Andris Sprūds</i>	45
American Views on U.S. - Latvian Relations and the Role of the Reset Policy with Russia <i>Heather A. Conley, A. Wess Mitchell, Damon Wilson, Joelle Attinger,     S. Frederic Starr</i>	60

<b>3. LATVIA AND THE U.S. – THE POLICY OF DEFENSE AND SECURITY . . . . .</b>	<b>71</b>
Twenty Years of Latvian – American Defense Cooperation: From a Cautious Beginning to a Strategic Partnership and Beyond <i>Airis Rikveilis</i>	71
 <b>4. THE AMERICAN CULTURAL PRESENCE IN LATVIA AND THE CHALLENGES OF SOFT POWER POLICY. . . . .</b>	 <b>93</b>
Latvia Between the Centers of Gravitation of Soft Power – the USA and Russia <i>Andis Kudors</i>	93
Russian Soft Power from the American Perspective <i>Heather A. Conley, A. Wess Mitchell, Damon Wilson, Joelle Attinger</i>	116
 <b>5. ECONOMIC COOPERATION IN THE AREA OF ENERGY ISSUES . . . . .</b>	 <b>121</b>
U.S. – Latvian Energy Cooperation <i>Reinis Āboltiņš</i>	123
 <b>6. U.S. AND LATVIAN COOPERATION IN THE AREA OF SCIENCE AND TECHNOLOGIES . . . . .</b>	 <b>133</b>
The University of Latvia and its Historical and Current Links with the U.S. <i>Laila Kundziņa-Zvejniece</i>	133
The Information and Communications Technologies Bridging Two Countries <i>Signe Bāliņa, Andris Melnūdris</i>	145
 <b>NOTES ON CONTRIBUTORS. . . . .</b>	 <b>155</b>

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## INTRODUCTION

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It is a matter of pride and honor for me to be offered the chance to edit this book on relations between Latvia and the United States. The U.S. has been a reliable friend and partner for Latvia during difficult times in history. As a nation which is based on the pillars of democracy and freedom, the U.S. offered shelter to refugee Latvians, served as a dream for those who remained trapped under oppressive regimes, and offered youngsters like me the belief that there are many opportunities for each individual who lives in this world.

My first experience with the United States was indeed when I was just a kid. Together with my father, I listened to the *Voice of America* radio station, which was forbidden in the Soviet Union. My parents, like many Latvians, were dreaming of the restoration of Latvia's independent statehood. Latvians remain grateful to the U.S. for its staunch refusal to recognize the Soviet occupation and for the generous help which America has given as the restoration of our country has proceeded. This required a lot of effort, because the state had to be built anew, and the ruins of the old regime had to be swept away. We had to become adults in a short period of time and change our way of thinking. We had to learn to be responsible for the decisions that we make, and we had to make friends with nations which believed that we were entitled to do that.

The U.S. means a lot to me personally in this context, because I was one of the first Rotary International Ambassadorial scholars from Latvia. This allowed me to study international relations at Lynn University in Florida. I sincerely appreciate the knowledge and experiences which were provided to me during my stay in the States. Ever since then, I have made use of opportunities to share my skills by working for the Foreign Service, in academia and in various research projects. This book is yet another opportunity to strengthen ties between the U.S. and Latvia. Many colleagues have helped with this endeavor. I had a chance to collaborate with outstanding researchers and analysts to deal with various aspects of the bilateral relationship which exists between the two countries.

This is a timely volume, because the 21<sup>st</sup> century has brought about new challenges for Latvia and the United States. We are strategic partners and sincere friends. To paraphrase a statement by John Kennedy, the question today is not about what the U.S. can do for us, but instead what we – Latvia and Europe – can do to make the world a better place for us all.

This partnership was described from an historical perspective by Daunis Auers in his "Latvia and the USA: From Captive Nation to Strategic Partner". The overall objective of this book is to expand consideration of the areas of cooperation between the two countries. The key message in Auers' book was that Latvia and the U.S. are close friends. The main idea behind this edition, in turn, is to describe and analyze all that we can do in terms of our partnership and friendship in areas such as defense, economics, energy, culture, science and technologies. This has been done both by Latvian and by American foreign policy experts. In 2012 Latvia and the United States celebrate



the 90th anniversary of the uninterrupted diplomatic relations, and this book is published on the eve of this remarkable event.

The first chapter of the book is devoted to the history of the relationship. Ainārs Lerhis has analyzed the development of U.S.–Latvian relations between 1918 and 1991. He describes ongoing diplomatic relations, as well as the United States' acceptance of the continuity of the Latvian state. From 1940 until 1991, the Latvian diplomatic service in the U.S. was the only legal representative of independent Latvia. In September 1991, the Latvian government and the continuity of the 1918 Republic of Latvia received international recognition. Thus Latvia could fully implement its foreign policy in line with international practices. For Latvia, it was vital that the United States and other Western countries did not recognize the legitimacy of the Soviet occupation and maintained ties with representatives of the prewar government.

The next author is Paul Goble, who contributed a paper on Baltic independence issues during the past 20 years. The author has named three challenges in terms of Latvian security – size, location and demographics. He has also focused attention on three major difficulties – national integration, remembering versus forgetting things, and meeting the challenges of globalization and international integration.

The second section of the book offers various looks at contemporary relations. In his paper, Damon Wilson writes about the evolution of the U.S. relationship with the region. The first stage was the restoration of statehood and the withdrawal of Russian troops. The second stage involved a partnership with the Nordic countries in relation to NATO and EU issues. Next Latvia joined a global partnership with the U.S., sending troops to Iraq and Afghanistan under the American agenda. Then the U.S. considered its commitments toward the region under a framework of strategic reassurance framework. The regional dimension in this regard is important given the EU's Eastern Partnership program and the Baltic–Nordic integration process.

U.S. policies toward Central and Eastern Europe under the Obama Administration are the topic of a paper by Andris Sprūds, who is the director of the Latvian Institute of International Affairs. The paper focuses on a general assessment of Obama's foreign policy priorities, the role of Europe in the context of these new foreign policy objectives, relations with Russia as one of the “key centers of influence”, as well as implications for U.S. relations with Central Eastern European countries. The author also offers a general assessment of major trends and issues in U.S.–Baltic interaction.

Next is a discussion among four American foreign policy experts – Heather A. Conley, A. Wess Mitchell, Damon Wilson and Joelle Attinger – on the subject of U.S.–Latvian relations and the role of America's reset policy with Russia therein. On the one hand, it is argued that the reset helped to develop Latvian–Russian relations in a better direction. At the same time, however, there have also been criticisms to say that the reset policy only works for Russia, particularly in terms of the influence which it has on neighboring countries.

The third chapter provides in-depth analysis of the evolution of U.S.–Latvian cooperation in terms of defense and security policies. The American military was among the first to provide structural assistance to the newly established Latvian defense sys-

tem and to advance the goals which were necessary in order to ensure successful re-integration into the Transatlantic security community. Enlargement of NATO was a logical continuation of the consolidation of European security – a process in which Latvia, Lithuania and Estonia played an important role. Author Airis Rikveilis has described the most important aspects of defense and security cooperation between Latvia and the United States. He has examined initial contacts between the two countries in terms of defense and security cooperation, as well as practical activities in this regard between 1992 and 1998. The author has also considered the period of time between the signing of the U.S.–Baltic Charter in 1998 and Latvia's accession to NATO in 2004, as well as the current state of the relationship, particularly in terms of joint military operations in Iraq and Afghanistan, as well as joint military exercises which enhance the visibility of the alliance in the Baltic States.

The fourth chapter of the book looks at America's cultural presence in Latvia. Andis Kudors discusses the current situation and its challenges in the future. The author agrees with Joseph Nye that the U.S. will not be able to achieve its global goals effectively if it does not cooperate with other countries. On the other hand, the willingness of other countries such as Latvia to cooperate with the U.S. depends not only on economic and security factors, but also on the attractiveness of the United States. The main issue here is the long-term effect of soft power on the general image of Russia at a time when American influence is decreasing and leading to a change in the existing balance. The four aforementioned foreign policy experts – Conley, Mitchell, Wilson and Attinger – analyze Russian soft power from the American perspective.

The next chapter focuses on potential economic cooperation between Latvia and the United States, particularly in terms of energy issues. The author, Reinis Āboltiņš, is a European policy researcher whose specialization is energy policy. He insists that in the context of Latvian security, the issue of energy independence plays a fundamental role. The U.S. is concerned about security in the Baltic region and, therefore, devotes a lot of attention to factors which are of importance in the overall regional security scheme. The U.S., EU and Baltic States all regard shale gas and the potential of renewable energy resources to be a part of the solution in response to the high level of dependency on Russian energy resources of the Baltic States.

The last chapter in the book discusses U.S.–Latvian academic cooperation, as well as potential joint projects under the framework of information technologies and science. Author Laila Kundziņa-Zvejniece points out that despite Latvia's occupation by the Soviet Union, the University of Latvia always remained a symbol of independent Latvia. Émigrés to the United States facilitated the development of the university via significant contributions. The University of Latvia has a proud history of collaboration with international institutions of higher education, including several in the U.S. Several factors have been equally relevant and instrumental in developing that collaboration – U.S.-funded support programs, similar programs funded by Latvian-American social organizations, as well as the personal commitment of academic staff at the University of Latvia, as developed in collaboration with colleagues at American universities.

Another significant contributor to this chapter is the Latvian Information and Communications Technology Association (LIKTA), which is the leading professional NGO in the ICT sector in Latvia. The president of the LIKTA, Signe Bāliņa, and the organization's managing director, Andris Melnūdris, discuss the potential for U.S.–Latvian cooperation in terms of specific ICT projects. Latvian ICT companies have good links with partners and clients in the U.S. The authors illustrate this cooperation by discussing the example of Microsoft and Exigen Services. According to IDC market research in 2010, each US dollar earned by Microsoft is generating USD 10.40 in profit for the company's partners in Latvia. In 2002, the U.S.-based Exigen Services company established one of its first subsidiaries in Latvia, and it became the main IT development center in Europe, delivering solutions for major private companies and public institutions. The authors also discuss a visit made to America by Latvian Prime Minister Valdis Dombrovskis to open an office for the Latvian American Business Association of California (LABACA) in the Silicon Valley.

The Center for East European Policy Studies (CEEPS) is proud to have undertaken the writing of this book, which was commissioned by the Latvian Foreign Ministry at the initiative of the Latvian ambassador to the United States, Andrejs Pildegovičs. CEEPS was established on April 30, 2004, in Rīga. Its goal was to promote the development of the civil society, democracy and social integration. In the summer of 2006, CEEPS updated these goals and added the study of political, economic and historical issues in Eastern Europe as a priority. One of the first studies focused on the influence of Russian foreign policy on the process of ethnic integration in Latvia (“Outside Influence on the Ethnic Integration Process in Latvia”, Rīga, 2007). In 2009, CEEPS worked with five other research centers from Estonia, Lithuania, Ukraine, Moldova and Georgia to conduct comparative analysis of the effect of Russia's soft power policies on social and political processes in neighboring countries. The result was the 352-page book “The ‘Humanitarian Dimension’ of Russian Foreign Policy Toward Georgia, Moldova, Ukraine, and the Baltic States”. The results of the research were presented at seminars supported by the National Endowment for Democracy in seven countries (including the U.S.) in the autumn of 2009.

On behalf of CEEPS, I would like to express my gratitude to all of this book's authors and contributors – American Latvian Association, Rietumu Charity Fund, Free Port of Riga, Ambassador of Latvia to the U.S. Andrejs Pildegovičs, Ambassador of the U.S. to Latvia Judith Garber, and former Deputy of Ambassador at the Latvian Embassy to the U.S. Juris Poikāns. They were all enthusiastic and responsive about the project, and they were professional in sharing their insights. Any errors or misrepresentations in the book are the sole responsibility of the editor.

*Editor, Ivars Indāns*

## **Latvian Perspectives in Washington Introduction by Andrejs Pildegovičs, Ambassador of Latvia to the U.S.**

As the official Latvian representative in Washington, D.C., for the last four years, I would like to express my profound gratitude to the authors of this timely and very much relevant publication. The arrival of this research paper coincides with the 20<sup>th</sup> anniversary of the full resumption of diplomatic relations between Latvia and the United States of America. For 50 years, the United States of America and the majority of Western nations refused to recognize the illegal occupation of the Baltic nations. This is an illustrious example of the United States' long-term commitment to the ideals of freedom, justice and rule of law in international relations.

This book can also be seen as a logical next chapter in the ongoing debate begun in 2008 by editor Daunis Auers of the University of Latvia in a collection of articles under the title "Latvia and the USA: From Captive Nation to Strategic Partner". The last four years could be described as anything but boring, so now it is quite an appropriate moment to evaluate the state of our relationship during the presidency of Barack Obama, as well as to assess future scenarios, given the increasing pace of transformative events around the globe.

The timing could not be better for another reason, as well. In May 2012, at the invitation of President Obama, leaders of the NATO alliance will gather in Chicago to reflect on pressing security challenges and to set a bold vision for the alliance in the 21<sup>st</sup> century. The selection of Chicago as the venue for the summit is no coincidence. This city is the hometown for the most populous Central and Eastern European community in the US. This factor adds special symbolism to this important event, which will take place a few months prior to the November 2012 U.S. presidential election.

I would also like to express my profound appreciation of the three institutions whose generous support made this book possible: the American Latvian Association (ALA), the Riga Freeport Authority, and the Rietumu Commercial Bank. The input of all three entities is highly significant and meaningful. These institutions are natural and dedicated stakeholders in building a strong and enduring partnership between Latvia and the United States. ALA represents an unbreakable human link of many generations which have built an invisible bridge between the Baltic nations and the North Atlantic shores. Since the 13<sup>th</sup> century, the Riga port has been a prominent conduit of trade and communication, one which has performed an increasing role in the opening of new business opportunities for international commerce in the Nordic/Baltic region, Russia and countries of Eurasia. Over the last two years, the Riga port has served as "the first mile" or "entry point" for the transportation of NATO non-military cargo through the Northern Distribution Network to Afghanistan. Banking is another "cash cow" for Latvia's economy. This industry has survived the turbulence of the recent few years and is again a visible actor contributing toward the development and prosperity of the entire region. Indeed, Latvia is proud to be a reliable international partner in the global fi-

nancial system. In this regard, successful implementation and completion by Latvia of the loan agreement with the European Commission, IMF, and World Bank in December of 2011 has been the most recent example of Latvia's prudent international standing.

Last, but not least, I would like to thank Juris Poikāns, my former deputy at the Embassy in Washington D.C., for his tireless efforts and instrumental role in facilitating the smooth navigation of this research project at every stage.

Since the late 19<sup>th</sup> century, a quite unique bond of friendship between the Baltic nations of Latvia, Estonia and Lithuania and the United States of America has evolved into a modern and multifaceted partnership. It is anchored on a solid foundation of shared history, common values, and a broad congruence of interests. In this dynamic age of realignment in global politics and economics, we clearly see how important trustworthy allies and friends are. However, while recognizing the value of these relationships one cannot afford the luxury of being idle, nostalgic, introspective or retrospective. This bond has to be cultivated and nurtured every day.

Despite the obvious disparities in size and geographical distance, this partnership matters a lot on both sides of the Atlantic. During the 20<sup>th</sup> century, Latvia and other Baltic States offered a unique perspective in terms of a transformation from a totalitarian system to vibrant European democracies. Latvia is a genuine success story to those who strive to complete the vision of a Europe whole and free and at peace. The most recent link is related to the lessons which have been learned from the global economic downturn. The Baltic States have accumulated unique experience in dealing with the consequences of the global economic crisis. Furthermore, the entire Nordic/Baltic region represents an exceptional incubator for sharing of resources, joint efforts in security, economics and development. Our countries are steadfast allies of the U.S. in NATO, as well as close partners in the EU, UN, IMF and other international institutions. For Latvia, the United States is still an essential European power, the central ally within NATO, and the leader of the democratic world. It would not be an exaggeration to claim that this link is still of vital importance for the secure and prosperous future of the Baltic region, and the Baltic States are privileged to enjoy strong bipartisan support in the U.S. Congress.

In my opinion, as regards to U.S.–Baltic cooperation, we have been working closely in addressing unexpected challenges and seizing some new opportunities. Let me mention just a few of the recent initiatives dealing with the pressing issues of security, economics and development. We have tried to address them at a policy level through the new strategic concept of NATO, enhanced EU–U.S. dialogue, including creation of the Energy Council, and regular and enhanced consultations between the U.S. and Nordic/Baltic countries (EPINE) on pressing international issues such as the Eastern Partnership initiative. Simultaneously, visible progress has been achieved on day-to-day, practical interaction between our businesspeople, research communities, NGOs and people-to-people exchanges. Three years ago, the last vestige of the Cold War – visa requirements for the Baltic peoples entering the U.S. – were removed.

However, the world has not become a safe place. Over the last few years, the pace of political, economic, technological and social change has been mind-boggling. The

worst global economic crisis in at least a generation has had a profound effect on our societies. Upheaval in the Middle East and North Africa presented a set of historic opportunities, as well as security challenges. To a certain extent, these events are reminiscent of the sweeping changes which occurred in Central and Eastern Europe twenty years ago. Recognizing that local conditions are unique in every place, the Baltic nations stand ready to share their experience with democratization, nation building and economic transformation.

The economy is clearly the dominant topic of today's discussions. Given the circumstances, Latvia's case deserves some attention. Following several years of double digit economic growth, Latvia experienced one of the sharpest recessions in modern history in 2008. The economy faced double shocks from accumulated internal imbalances, as well as an extremely volatile situation in global liquidity markets. The Latvian government bailed out the second largest commercial bank, which was unable to raise capital on the markets. Over the subsequent three years, the economy experienced a contraction of 23%. Unemployment peaked at the level of 20%. In this precarious situation Latvia relied on assistance provided by international donors – the European Commission, IMF and World Bank. To regain competitiveness, the Latvian government had to introduce drastic austerity measures by cutting government salaries and numerous state programs, as well as by streamlining public administration. After seven quarters of decline, the economy finally bounced back, and it has been growing again – at a rate of around 4,5% in 2011. This turnaround was achieved by the profound sacrifice of the Latvian people and a consistent pledge of solidarity by Latvia's closest partners in the Nordic/Baltic region, the EU and the IMF. In this respect, the United States also played an active role in supporting recovery in Latvia.

In my opinion, there is a certain silver lining to this painful experience. It has raised international awareness about Latvia and the Baltic States and attracted considerable attention among the political and economic community and academia. Having achieved a certain level of stability, we will now face the more difficult task of ensuring sustainable growth and prosperity. Latvian authorities have said that to restore the confidence of the markets, it is crucial to “frontload fiscal adjustment”. In other words, the reduction of the budget deficit took place in the most expedient way. When equilibrium was reached and the markets regained confidence, the economy finally resumed growth. The export-driven recovery of the Baltics after a double digit decline in GDP has proven that it is possible to reverse budget imbalances without currency devaluation. This policy in the Baltic States was called “internal devaluation”. We hope that other countries facing similarly challenging economic tasks can benefit from Latvia's recent experience.

During this very precarious economic situation, Latvia has continued to be a responsible member of the international community. Latvia has deployed 180 troops to Afghanistan, and they will stay there until the end of the ISAF operation. The Northern Distribution Network has become a magnet for business ties between Latvia and the United States. This network could emerge as a branch of the New Silk Route which will connect Europe, Russia, Central Asia, the Middle East, China and India. Latvia defi-

nately can serve as a springboard for doing business in the markets of tomorrow. The U.S.–Baltic economic potential should be explored and expanded to its fullest scope.

Energy security is considered to be one of the top priorities for the region's governments. A number of projects are being discussed in relation to nuclear energy, a liquefied natural gas terminal, as well as shale gas. In this respect, the Baltic States are very much interested in expanding cooperation with U.S.-based companies and research centers.

Education and science certainly offer great untapped potential. The Riga-based U.S. Baltic Freedom Foundation is the most recent organization which seeks to increase educational ties between the Baltics and the U.S. The University of Latvia, the Riga Technical University and the Riga School of Business have embarked on a number of promising collaborative projects with U.S. universities. We should invest more in the next generation of genuine atlanticists in Europe, as well as young Americans with deep knowledge and passion about North Eastern Europe. The need has become particularly palpable this year (2011), following the sudden loss of two great friends of Latvia who probably were the most distinguished American experts on the Baltic region – Dr. Ronald Asmus, the architect of the U.S.–Baltic Charter and NATO enlargement, as well as an exceptional American diplomat, Bruce Rogers, who had served two terms at the U.S. Embassy in Riga.

In conclusion, I would like to express my optimism about the future of this great alliance between the Baltic States and the United States of America. The foundations for this partnership have been tested many times by unexpected twists and turns in history. These ties are solid, diverse and growing. However, we should never take this partnership for granted. It will always require bold leadership, ambitious goals and the broadest possible participation of the business, research and NGO community as well as people-to-people contacts. To flourish in the future, they must be constantly and critically debated, revisited and reinforced. That is the ultimate goal of this book.

### **American perspectives in Latvia Introduction by Judith G. Garber, Ambassador of the USA to Latvia**

On August 23, 2009, my family and I boarded a flight for Riga, where I would assume my position as the new U.S. Ambassador to Latvia. This date was an important one for us, a personal and professional milestone. We were moving to a country that had long interested me – one whose twists of fortune I had followed during the hard years of Soviet occupation and the exhilarating days of renewed independence. The date was even more significant, however, for Latvians. Seventy years ago to the day, on August 23, 1939, the Molotov–Ribbentrop pact was signed between the Soviet Union and Nazi Germany, leading inexorably to the occupation of the Baltic States. Fifty years later, on August 23, 1989, two million Latvians, Estonians and Lithuanians defied an authoritative government, joining hands to form a human chain that stretched 600 kilometers

across the Baltics. The world was transfixed, and the movement for independence accelerated. When I arrived in Riga, I saw piles of flowers heaped on the Freedom Monument, commemorating this extraordinary feat – the Baltic Way – which took place twenty years before my arrival.

This year (2011) we mark the twentieth anniversary of the full restoration of diplomatic relations between Latvia and the U.S. We have celebrated with the U.S. Air Force's Thunderbirds flying over the Daugava, with the twentieth anniversary of the Fulbright program, and with the dedication of our new Embassy. Ordinary Americans, as well as U.S. officials at the highest levels of government, have paused to reflect on the momentous changes that have taken place since Latvia regained independence. We recall the landmark events, the mass movements such as the Baltic Way that led, seemingly unalterably, to the toppling of the Berlin Wall and the fall of the Soviet empire. But we must also honor the individual acts of courage behind each of these milestones, bearing in mind that there was nothing inevitable about the consequences. During my time here in Latvia, I have had the privilege of meeting many people who defied the odds in myriad, personal ways and took a stand for their homeland and for freedom. Some are well-known, such as the jazz musician Ivars Mazurs, who insisted on playing a distinctly American form of music, even when it was dangerous to do so.

Others are ordinary residents of Latvia – my colleagues, neighbors and friends. I believe that these people who risked and sacrificed were not only trying to overcome something bad – an unjust system of government – but were also determined to create something better. They sought to build a society based on democratic values, respect for human rights and civic participation. As U.S. Vice President Joseph Biden said, referring to those who strove for freedom in the former Soviet states, “Each and every one was struggling not only against something, but for something – for government, a government that responds to the needs of its people; for a more tolerant society, built on respect and dignity; for the freedom to think, to believe and pursue your dreams.”

For America, it was an honor to support Latvia during its years of struggle, and to have been a steadfast partner in the work of building a free, whole and united Europe. In her speech commemorating the fall of the Berlin Wall, U.S. Secretary of State Hillary Clinton remarked that in high school she was part of an organization that tried to speak for the freedom of the Baltic States, among other captive nations. She reminisced that they “would often host events at the school, or at our public library of those who had escaped, to hear their stories, to remind [themselves], to remind all Americans, what was at stake, and to put a personal face on what seemed to be a faceless and terrible oppression.” A few months ago, she said that for Latvian–U.S. relations, “the sky is the limit.”

Latvia has accomplished much that seemed barely possible twenty years ago, when so many joined hands in a bold, uncertain bid for freedom. Latvia has free and fair elections and a market economy. It has been welcomed into the European Union, and has become a stalwart, valued member of the NATO alliance. Among other post-Soviet nations, Latvia stands as a model for the peaceful consolidation of democracy and plays a key leadership role in the region, helping other states undertake political and social reforms.



Yet there is more to be done, and – for all of us – the work has not ended. Latvia, like the United States, faces real challenges, both domestic and global in scope. Both countries have been confronted with difficult choices as we emerge from a worldwide economic downturn. And as so many did during the Baltic Way, the United States stands shoulder to shoulder with Latvia, ready to meet common challenges and to realize common goals together.

### **Partners in Security**

Latvia fought hard to gain its freedom, and understands the importance of combating global threats, helping other achieve security and defending shared values. As NATO partners, we recognize that Latvia has consistently demonstrated its support for vital trans-Atlantic security missions through deployments in Kosovo, Iraq and Afghanistan.

My colleagues in the U.S. military have acknowledged the bravery and professionalism of the Latvian soldiers fighting side-by-side with American troops in Afghanistan. We are sincerely moved by the losses Latvia has sustained, and deeply honor each sacrifice.

About a year ago, Latvian and American soldiers found themselves caught in a fierce battle against the Taliban. Eight American soldiers died that day, but the casualties would have been greater without the bravery of two Latvian soldiers, Martins Dāboliņš and Jānis Laķis. In gratitude, the mother of one American soldier, Sgt. Eric Harder, raised the funds so that Dāboliņš, Laķis, and their captain, Agris Liepiņš, could visit the U.S. for a reunion. Sergeant Thomas Rasmussen, who had been in the firefight and attended the event in Minnesota said, “You build that camaraderie and that friendship and it’s just there. It doesn’t go away.”

The American–Latvian security partnership on shared security issues is strong, and our cooperation broad and dynamic. Latvia has opened its port for the shipment of non-lethal commercial goods to Afghanistan. So far, approximately 20,000 containers have passed through Latvia on their way to Afghanistan, with each container bringing about 500 Euros into the Latvian economy. The United States is grateful for this Northern Distribution Network, which is crucial in the effort to bring important supplies to the NATO mission in Afghanistan. Latvian companies have also won tenders to supply the troops in Afghanistan with essentials such as flour through this network.

We are also proud of the robust State Partnership Program between the Michigan National Guard and the Latvian National Defense Force. Under this program, members of the Michigan National Guard and Latvian troops have served together as part of a joint Operational Mentoring and Liaison Team in Afghanistan. In addition, they have held joint training exercises in Europe and the United States since 1994. This represents the first multi-national training group in Afghanistan’s Regional Command-East, and is testament to the close cooperation between Latvian and American soldiers and the sense of common purpose they share.

## **Trusted Allies**

The American–Latvian relationship has not remained static over the years; in many ways it has matured and deepened. As a strong democracy, NATO ally and regional leader, we view Latvia as a partner and close friend of the United States. Indeed, the high-level contacts between American and Latvian officials, both civilian and military, attest to the importance of this relationship. President Barack Obama, Vice President Joseph Biden, and U.S. Secretary of State Hillary Clinton have all met with Latvian President Valdis Zatlers, most recently when President Obama met with President Zatlers and other leaders from the “New Europe” in Warsaw. President Obama called Prime Minister Dombrovskis after national elections last year and Secretary Clinton has hosted both Prime Minister Dombrovskis and Minister of Foreign Affairs Ģirts Kristovskis at the State Department in Washington, DC. In addition, many senior-level U.S. officials have visited Latvia in the last year, including Ray Mabus, the Secretary of the Navy; Rose Gottemoeller, Assistant Secretary of State; Deputy Assistant Secretary of Defense James Townsend; Deputy Secretary of the Treasury Neal Wolin; Vice Admirals Alan Thompson and Richard Gallagher of the U.S. Navy; and Lieutenant General Mark P. Hertling, Commander of U.S. Army Europe and Seventh Army.

These high-level meetings, as well as the regular, day-to-day contacts between our embassy and the Latvian officials and citizens throughout the country, are just some of the examples of the significance the United States places on our relationship with Latvia. In the early days of Latvia’s regained independence America played a guiding, mentoring role to Latvia. But our relationship today is a partnership of equals. We share advice and counsel and seek solutions to mutual challenges together. In NATO, we sit at the same table in consultation on the most pressing security issues facing the world today.

## **Close Friends**

When Latvians joined hands to form the Baltic Way in August 1989, Americans followed news coverage of the event with fascination and concern. However, at that time direct contacts between residents of America and Latvia were severely limited. Today, by contrast, I am delighted at the flourishing cultural, educational and civic exchanges between our countries.

I am thrilled that Latvians can enjoy the ease of travel provided by our Visa Waiver program, which extends the privilege of visa-free short term tourist and business travel to Latvian citizens. Latvia’s participation in the Visa Waiver program has been extremely positive. This mutually beneficial program strengthens the ties and connections between both of our countries, and is another symbol of the strong U.S.–Latvian partnership.

In addition to facilitating tourism and business travel between the United States and Latvia, we are committed to deepening educational and cultural exchanges. Our

flagship Fulbright Fellowship Program allows talented Americans and Latvians to engage in educational and professional exchanges. Since 1992, the United States has offered Fulbright fellowships to 155 outstanding students and scholars from Latvia. Last year, the Baltic American Enterprise Fund, originally funded by U.S. taxpayers, created the Baltic American Freedom Foundation (BAFF), a fellowship program open to students, scholars, and mid-level professionals from Estonia, Latvia, and Lithuania. So far, seventeen applicants from Latvia have already been selected to participate. To my mind, these exchange program recipients represent the future of the U.S. – Latvian relationship – a future of close ties and deep friendship.

We have also opened a new Embassy, a state-of-the-art facility that cost \$115 million. It is a testament to the permanence of our relationship. I especially love the art by Latvians, Americans, and Latvian-Americans that hangs on its walls. Whether it is *Web Ladder* by Vija Celmiņš that I pass as I cross the lobby every day or the installation *Collecting Birch Sap* by Māra Skujeniece that I see as I eat lunch in the atrium, I am reminded of the rich ways that our two cultures speak to each other. We are close friends precisely because of our shared values.

## Conclusion

This has been a year of reflection, commemoration and anniversaries. But it has also provided a chance to look to the future. The example that Latvia set twenty years ago continues to inspire those who seek democracy and freedom – in Latvia, in America and in the world. Latvia faces challenges today, just as it always has. It must continue working to achieve economic reform, build civil society and increase the trust of all of its people in their government. Together with the United States, Latvia faces the common challenges of defeating violent extremists, halting the proliferation of weapons of mass destruction, addressing climate change, and increasing the world's energy security. Although these aims are weighty, I am confident that Latvia will succeed. Given the courage and tenacity of those who overcame the challenges of the past, there is much to be hopeful about.

As a mother, I cannot help but think of the younger generation. Youth in Latvia, like those in the United States, owe so much to those who came before them, who helped end the Cold War and transform the world. Our young people have been granted a vibrant future, filled with hope, but also the responsibility to fully realize that future, those ideals for which their parents and grandparents fought so vigilantly. As U.S. Secretary of State Hillary Clinton said, "Once again, we are called to take ownership of our future, and to affirm the principles and the sacrifice of the generations who helped us reach the milestones we commemorate."

The United States is committed to answering this call together with Latvia, our strategic partner, trusted ally and close friend.

## 1. HISTORICAL OVERVIEW OF RELATIONS

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### **The Development of Latvian – U.S. Relations, 1918–1991: Continuous Diplomatic Relations and Support for Latvia’s State Continuity**

*Ainārs Lerhis*

At the end of the World War I, the Latvian people primarily based their request for independence on U.S. President Woodrow Wilson’s declaration of 22 January 1917 that all people have a right of self-determination, on the Fourteen Points programme of 8 January 1918, and on the Four Principles declaration of 11 February 1918. Latvians were, however, unaware of the fact that these principles and declarations were aimed at destroying the German, Austro-Hungarian and Turkish empires, while Wilson was clearly unwilling to wreck the allied Russian Empire.<sup>1</sup>

On 8 January 1918, in Petrograd (now St. Petersburg), representatives of the Latvian Provisional National Council held their first meeting with the U.S. Ambassador to Russia, David Rowland Francis. The main focus for the Latvian delegation was to introduce the Latvian people to the American Ambassador and to learn about the U.S. position on matters that were of great significance for Latvians.<sup>2</sup>

The independent Republic of Latvia was proclaimed on 18 November 1918, in Rīga. On 10 December 1918, the Senate of the United States of America adopted Resolution No. 379, supporting the secession of the Lithuanian, Latvian and Estonian nations from Russia: “All these nations must be free and independent, since the Baltic Sea coast belongs to them and this makes their independence important for the future peace and freedom of the world”<sup>3</sup> However, in practice, the position of the U.S. government remained strongly reserved, and official interest about the three Baltic nations was expressed while still regarding them as a part of Russia.<sup>4</sup>

Beginning from January 1919 Kārlis Ulmanis, head of the Latvian Provisional government, along with other members of the government, met with U.S. diplomats in Copenhagen, Stockholm and Paris in order to ask for military and financial support.<sup>5</sup> The first Latvian Prime Minister, Dr. Kārlis Ulmanis, had spent several years at the University of Nebraska in Lincoln following Russia’s bloody revolution of 1905.<sup>6</sup> The Latvian and U.S. delegations engaged in particularly active contacts in April 1919, when the United States adopted a positive decision regarding deliveries of goods, medical products and some war materials.<sup>7</sup>

At the end of March 1919, an expert committee headed by U.S. Colonel Warwick Greene visited the Baltic States in order to assess their military and economic situation in relation to a possible loan. Colonel Greene prepared regular reports to the U.S. delegation at the Paris Peace Conference about the situation in Finland, Estonia, Latvia

and Lithuania.<sup>8</sup> Colonel Greene, similarly to John A. Gade, the next head of the U.S. Mission to the Baltic “Provinces of Russia” between August 1919 and April 1920, was rather sceptical about the independence of the Baltic States.<sup>9</sup>

Evans E. Young, who worked as the American Commissioner for the Baltic Provinces at Rīga from May 1920 until September 1922, supported the struggle of the Baltic States for their independence and tried to influence the U.S. Department of State in this regard. Active requests to recognize Baltic independence were voiced by Walter Marion Chandler, a lawyer who was also a member of the House of Representatives. The American National Latvian League, too, was actively involved in the struggle for Latvia’s *de iure* recognition. Baltic interests were also supported by the Senate Republican leader and chairman of the U.S. Senate Committee on Foreign Relations, Henry Cabot Lodge.<sup>10</sup>

Significant contributions toward the development of the new State of Latvia and toward overcoming post-war consequences in 1919–1922 were the American Red Cross, American Relief Administration (ARA), European Children’s Fund Baltic Mission in Latvia, and other American non-governmental organisations, along with Latvians who were residing in the United States.<sup>11</sup> The Baltic independence efforts were supported by the head of the American Relief Administration, future U.S. President (1929–1933), Herbert Hoover, and by American advisors at the Paris Peace Conference, Prof. Robert Lord and, particularly, by future Admiral Dr. Samuel Eliot Morison. A substantial contribution was ensured by Hoover’s assistance campaign, in which Dr. Thomas James Orbison played a significant role.<sup>12</sup>

On 26 January 1921, the Allied Supreme Council granted *de iure* recognition of the independence of Latvia.<sup>13</sup> In March 1921, Ludvigs Sēja was delegated as Latvia’s representative in the United States, and his main task was ensuring the *de iure* recognition of Latvia by that country, too.<sup>14</sup> After the arrival of Sēja in the United States on 30 April 1921, he became the unofficial envoy of Latvia (delegated by the Latvian Government) and started to actively advocate on behalf of recognition.<sup>15</sup>

On 31 May 1921, U.S. President Warren Gamaliel Harding and Secretary of State Charles Evans Hughes, Sr., held a reception for the Latvian, Estonian and Lithuanian delegations and promised support for their national aspirations and the *de iure* recognition of the Baltic States.<sup>16</sup> In July Sēja was received by Secretary of State Hughes individually.<sup>17</sup>

The idea of the recognition of the Baltic States gradually became popular in the United States. Recognition was supported by influential American newspapers. Outstanding American researchers, intellectuals and public figures signed petitions in support of the recognition of the Baltic republics.<sup>18</sup> The hesitation of the United States in this regard caused disappointment in the Baltics, particularly when, in September 1921, Latvia and Estonia joined the League of Nations.<sup>19</sup>

At last, in July 1922, the U.S. government decided to grant recognition to Latvia, Estonia and Lithuania. On July 28, the government published an official statement: “The Governments of Estonia, Latvia and Lithuania have been recognized either *de jure* or *de facto* by the principal Governments of Europe and have entered into treaty relations with their neighbours. In extending to them recognition on its part, the Government of the United States takes cognizance of the actual existence of these Govern-

ments during a considerable period of time and of the successful maintenance within their borders of political and economical stability.” The statement also included the note that the United States had consistently maintained that the problematic nature of Russian affairs could not be an occasion for the alienation of Russian territory and that this principle was not deemed to be impinged by the recognition of the governments of Estonia, Latvia and Lithuania.<sup>20</sup>

Both sides established diplomatic relations. On September 28, Sēja officially became Latvia’s *chargé d'affaires* in the United States. Consequently, in autumn 1922, a Latvian legation was opened in Washington. It was, however, closed in May 1923, and its functions were transferred to the Consulate in New York, which was managed by Artūrs Ļūļe.<sup>21</sup> In the following years, American diplomats acknowledged the development and growing welfare of the Baltic States. According to Edgars Andersons, an American historian of Latvian origin, the United States became the strongest supporter of the independence of the Baltic States and their people.<sup>22</sup> In 1925, the Latvian legation was re-established in Washington, but in 1927 it was once again closed down due to insufficient funding, and its duties were once again transferred to the Latvian Consulate-General in New York.<sup>23</sup> The Consulate of Latvia had already been established in New York on 1 January 1922; in February, financier Artūrs Ļūļe became its head. In 1925, he became the consul general and remained in the post till 1930. Between 1924 and 1936, a significant contribution toward the interests of Latvia was made by the “father” of the Latvian community in America, Jēkabs Zībergs (*alias* Sieberg). A network of honorary consuls was created throughout the United States by engaging prominent representatives of American society for this purpose.<sup>24</sup>

The U.S. legation in Latvia was opened in November 1922. The first U.S. envoy to the Baltic States was Frederick William Backus Coleman (1922–1931). Until 1940, the United States was diplomatically represented by envoys Robert Pet Skinner (1932–1933), John Van Antwerp MacMurray (1933–1936), Arthur Bliss Lane (1936–1937), Frederick A. Sterling (1937; took the oath of office but did not take the post), *Chargé d’Affaires* Earl L. Packer (1937–1938), and envoy John Cooper Wiley (1938–1940).

A square in Rīga near the U.S. legation in Latvia was named after the first President of the United States, George Washington. Latvia’s diplomatic representatives in the United States (1921–1991) were: Sēja (government delegate 1921–1922, *chargé d’affaires* 1922–1923, envoy 1925–1927), envoy Alfrēds Bilmanis (1935–1948), and then *chargés d’affaires* Jūlijs Feldmanis (1949–1953), Arnolds Spekke (1954–1970), and Anatols Dinbergs (1971–1991).

On 20 April 1928, the United States and Latvia signed a Treaty of Friendship, Commerce, and Consular Rights. This was an elaborate document. The Treaty of Arbitration between the United States of America and Latvia was signed on 14 January 1930.<sup>25</sup>

As the United States did not recognize the Soviet Union until the establishment of diplomatic relations in 1933, up to that time the Russian Section of the U.S. legation in Rīga became the main surveillance and interception centre for information about the USSR. Most of the American diplomats specialising in Russian (Soviet) issues were trained in Latvia (the so-called *Rīga School*), and they started their diplomatic careers

here at the end of 1920s and beginning of 1930s – Loy Wesley Henderson, George F. Kennan, and Charles Eustis Bohlen. Some of them represented one of the positions of the U.S. Department of State concerning relations of the United States with the USSR – the so-called *Rīga Axioms*. After World War II, both George F. Kennan (1951–1952) and Charles E. Bohlen (1953–1957) served as U.S. ambassadors to the USSR.<sup>26</sup>

Between 1934 and 1939, Latvia's imports from the United States amounted to 63.5 million Latvian lats, while exports to the United States amounted to 23.4 million Latvian lats. In 1938, in New York, the Latvian Trade Agency was opened along with a direct Latvia–U.S. shipping route (regular passage from Latvia to New York, Boston and Baltimore).<sup>27</sup> During the 1930s, Latvia gradually strengthened its cultural contacts with the United States. On 12 May 1935, the United Baltic League was established in New York. The number of American cruise ships and tourists visiting Latvia increased. Visitors included American researchers, student choirs and other groups of artists. Many activities were undertaken by Rotary International, which supported social and charity work, as well as mutual understanding at the international level. It also funded a great number of scientific scholarships.<sup>28</sup>

Latvia re-established its legation in Washington in September 1935. Latvia's envoy to the United States was the historian and journalist Alfrēds Bīlmanis, who for many years had directed the Press Division of the Latvian Ministry of Foreign Affairs and was also a former envoy to the Soviet Union. He very quickly found many friends among American scientists and journalists. Bīlmanis was a dynamic and vigorous person with a broad outlook. While working in the United States, he published many brochures in English about Latvia and the Baltics, and delivered many lectures and presentations.<sup>29</sup>

Latvia was visited by several prominent Americans in the late 1930s, former U.S. President Herbert Hoover (March 1938)<sup>30</sup> and, as a student, future U.S. President (1961–1963) John Fitzgerald Kennedy (August 1939) among them.<sup>31</sup>

On 17 June 1940, Soviet tanks crossed the Latvian border and, within two months after this act of aggression, the Latvian state was occupied, dismantled and incorporated into the USSR. On 21 July 1940, U.S. envoy John C. Wiley did not attend the sitting of the *People's Saeima* of Soviet-controlled Latvia when Latvia was declared a Soviet republic and the decision was taken to “ask for accession” to the USSR.<sup>32</sup> In September 1940, the American legation was closed down.

In the wake of the Baltic occupation, the so-called “Baltic issue” appeared on the agenda of international politics and diplomacy. Countries of the world had to take a distinct political position quickly in 1940, because many practical matters were dependent on this position: ownership of Baltic ships; Baltic capital deposited in foreign banks; the status of Baltic citizens; property-related issues, etc.<sup>33</sup>

Between 1940 and 1991, the Baltic foreign affairs services in the West were the only legal representatives of the Baltic States. Operation of the legations continued without interruption throughout the whole occupation period and until the restoration of independence of the Baltic States. They continued to represent, within great limitations, the interests of the Republic of Estonia, Republic of Latvia and Republic of Lithuania.<sup>34</sup> The Latvian envoys presented written protests against the Soviet occupa-

tion to those Western governments to which they were accredited. They tried to attain non-recognition of the legality of the Soviet occupation and the subsequent annexation and incorporation, namely, urging the Western countries to continue to recognize the *de iure* statehood of the Republic of Latvia. The Latvian diplomats continued to represent the Republic of Latvia as a *de iure* state and its last independent government. The Latvian diplomatic service abroad continued its limited operations without an independent government of Latvia and without the support of the Ministry of Foreign Affairs which both did not exist any more. During next 50 years, the head of the Latvian diplomatic service preserved the right and responsibility of representing the official position of the State of Latvia concerning any international political matters and events that were relevant to the interests of Latvia and its citizens.<sup>35</sup>

In the result of the diplomatic protests in the summer of 1940, the leading Western powers applied the principle of non-recognition to international territorial changes that were executed by force in the Baltic States, thus, starting the *de iure* non-recognition of the occupation and annexation of the Baltic States. On 15 July 1940, upon the initiative of Adolf Augustus Berle, U.S. Assistant Secretary of State, and political advisor James Clement Dunn, the U.S. government froze all assets and gold resources deposited in the American banks, and certain amounts were later allocated for the operation of the Baltic legations and consulates.<sup>36</sup> The United States froze the Baltic assets in conformity with the legal principles of the Stimson Doctrine (1932) of non-recognition of international territorial changes that were executed by force.<sup>37</sup>

The United States of America responded to the Soviet takeover with a statement of non-recognition set forth in a declaration signed on 23 July 1940 by Under Secretary of State Sumner Welles, then acting as Secretary of State.<sup>38</sup> The main contributor to the preparation of the declaration's text was Loy W. Henderson, former secretary of the US Legation in Riga, who had married a Latvian woman.<sup>39</sup>

This unprecedented declaration determined the position of the United States regarding the Baltic States until September 1991 and ensured the existence of the Baltic diplomatic representations in the United States throughout the whole period of the Soviet occupation. According to international law, the Republic of Latvia continued its existence, which was evidenced by the continuous operation of the Latvian diplomatic and consular services. During the Baltic occupation, most Western countries recognized the Latvian diplomats as representatives of the last government of the first period of Latvian independence (1918–1940).

The United States, however, was the first country to establish the non-recognition policy. The U.S. government undertook protection of all property owned by the State of Latvia (gold, ships, bank deposits) to prevent them from falling into Soviet hands. These resources were also used to finance the Latvian diplomatic representation in Washington. The United States never established official contacts with the government of the Latvian Soviet Socialist Republic. The Baltic diplomatic and consular representations in Washington always played a significant role in demonstrating the non-recognition policy. The diplomats were granted full diplomatic immunity and recognition which provided opportunities to remind the world continually of the ju-



ridical existence of Estonia, Latvia and Lithuania and to defend the interests of the Baltic States and their citizens.

The United States applied the Stimson Doctrine to the Baltic States and to territorial changes implemented by the USSR. Previously this doctrine was similarly applied to Japan, Germany and Italy.<sup>40</sup> This declaration was the basis for many other statements and declarations of the United States, as well as most other countries and international organizations (including the Parliamentary Assembly of the Council of Europe and the European Parliament) concerning the legality of the annexation of the Baltic States by the Soviet Union.<sup>41</sup> For several decades, this declaration determined U.S. policy regarding the Baltic States and thus ensured the further operation of the Baltic diplomatic missions in the United States.<sup>42</sup> After the adoption of this act, the United States implemented the policy of both *de iure* and *de facto* non-recognition of Baltic incorporation into the USSR.<sup>43</sup> This was a unique precedent in international relations.<sup>44</sup>

In the West, the opinion gradually developed that the Baltic States had apparently suffered a Soviet military occupation followed by annexation and incorporation. The Western countries declared that the Soviet Union had flatly violated international law and a number of bilateral or multilateral agreements. A majority of countries gave *de facto* recognition to the rule of the Soviet Union in the Baltics upon their annexation and subsequent incorporation into the USSR as the Baltic Soviet republics. However, this majority also continued the policy of *de iure* non-recognition of the Soviet annexation.<sup>45</sup> Between 1940 and 1991, many countries insisted that they did not recognize the annexation of the Baltic States, thus underlining the unchanged and continuous non-recognition policy.

According to international law, the incorporation in the Soviet Union was invalid, and the Baltic States continued to exist as *de iure* subjects of international law, recognized by more than 50 countries. The non-recognition of annexation was important for the Latvian, Estonian and Lithuanian people. First, for 50 years this formed the basis for the idea of the *de iure* continuity of Latvia, Lithuania and Estonia, as well as for the request of the representatives of these nations to restore independence of the three countries. Second, this was an essential reference for the future restoration of Latvia's independence, which finally came to pass in August 1991. The policy of non-recognition, which for many years seemed to be only of symbolic value, turned out to have a profound effect on Latvian history and played a fundamental role in the renewal of Latvia's independence and Latvia's international and domestic political position after the restoration.<sup>46</sup>

Along with the position taken by various countries, there were also court practices in terms of resolving concrete matters relating to Baltic citizens and their property. These rulings, whether directly or indirectly, confirmed the opinion of the respective government concerning the further existence of the Baltic States. In addition to this, institutions in several countries (for instance, the United States) continued to maintain *de iure* contractual relations with Estonia, Latvia and Lithuania.<sup>47</sup> Multilateral treaties signed by the Baltic States prior to 1940 were taken over from the League of Nations and deposited with the Secretary-General of the United Nations.<sup>48</sup> A number of bilateral agreements signed by Latvia and the United States prior to 1940 were suspended

between 1940 and 1991, but they remained in force in *de iure* terms. During World War II, the United States, the United Kingdom and other countries of the West did not support the formation of Baltic exile governments or similar organizations on their territory. The formation of such exile governments was only accepted in relation to those countries which fought against Nazi Germany and which were not previously occupied and annexed by the Soviet Union. The position of the West regarding exile governments remained unchanged when, on 22 June 1941, the war between Germany and the USSR began and the Baltic States were occupied by Germany.

In 1940 and 1941, Latvia's envoys in the United States and the United Kingdom organized written protests appealing to the relevant governments against the Soviet and German occupation in Latvia by characterizing both occupations as representing equally unlawful aggression against the State of Latvia and as a violation of international law.<sup>49</sup> During the German occupation of the Baltics, several court proceedings were underway in America concerning attempts by the Soviet Union to take Baltic ships into its possession. Both totalitarian powers – Germany and the USSR – presented their claims against the Baltics at the same time. During World War II, the complexity of the “Baltic issue” stemmed from the fact that the West and the Soviet Union were allies against Germany. In relation to the Baltic States, the United States and the United Kingdom were in a very complicated situation, indeed: they did not accept the annexation of the Baltic States, but as of 22 July 1941, the United Kingdom, and since 11 December 1941, the United States were allies with the Soviet Union in their war against Germany and Italy.

On 1 January 1942, the Declaration of the United Nations was signed in Washington. Just a few days later, Latvia expressed its willingness to join the United Nations and the union of Western democracies to fight against Germany, but Latvia was not invited to join because of possible objections from the Soviet side. On 4 January 1942, Latvia's envoy to the United States, Bilmanis, stated that Latvia was willing to join the Atlantic Charter and the Declaration of the United Nations, but he did not receive any invitation.<sup>50</sup> Western countries rejected the involvement of the Baltic envoys in wartime conferences and in the formation of the United Nations.<sup>51</sup> However, in view of the fact that during World War II, the biggest Western democracies – the United States and the United Kingdom – did not recognize either the Soviet or the Nazi occupation of the Baltics, their official representatives had grounds to believe that the Atlantic Charter also concerned them.<sup>52</sup>

During the war, the situation of the Baltic States was more complicated than in a number of other countries in Eastern Europe which were occupied by Nazi Germany (several changes of the occupying powers, struggles by the Baltic people on both sides of the front, etc.). The Baltic States, while occupied by Germany, could not become official allies of the Western superpowers, as alliance matters could only be decided by governments. But, significantly and in contrary to some other East European countries occupied by Germany, the Baltic States were not allowed to form their exile governments. Official representatives of the Baltic States did not succeed in attaining the official status of allies in the anti-Hitler coalition. However, they continuously reminded

Western countries that the Baltic States belonged to Western European civilisation, supported the principles of the Western democracies, and linked their future and the restoration of their independence to the victory of the Western superpowers in World War II. At that time, eight Latvian ships were in North America. Thanks to the efforts of Bilmanis, Latvian ships participated in U.S. Merchant Marine convoy operations under the Latvian flag. In the period from January to August 1942, six of these ships became victims of German and Italian submarine torpedoes.<sup>53</sup> The first victim was ship *Ciltvaira*; a street in U.S. East Coast city of Nags Head, NC, is named after this ship.

Seamen of the Baltic merchant ships were the only ones who participated in the war against Nazi Germany and its allies under the flags of Estonia, Latvia and Lithuania and represented their respective country. Though the Baltic States did not join the anti-Hitler coalition in *de iure* terms, this example shows that in *de facto* terms, Estonia, Latvia and Lithuania participated in the coalition. This was a military contribution which offered Latvia's support to the Western countries which were part of the anti-Hitler coalition.<sup>54</sup> The Baltic people denied Nazi Germany's plan to include Estonia, Latvia and Lithuania in the "Third Reich" and fought against the German forces by maintaining the *de facto* restoration of the independent and democratic Baltic States as their ultimate goal. The Baltic people believed that the United Nations would win the war under the leadership of the United States and the United Kingdom and that they would apply the principles of the Atlantic Charter to the Baltic States.

The Baltics experienced the phenomenon of so-called double occupation when two totalitarian foreign powers claimed the same land and people. During the war between them, the occupying regimes in the Baltic States replaced one other (1940–1941: Soviet occupation, 1941–1945: Nazi occupation, and 1945–1991: Soviet occupation once again). The Baltic people saw two occupations, and their situation was substantially different from the situation in Western Europe, which had to face one occupation – by Nazi Germany. At the end of the war, the United States and the United Kingdom did not give in to the pressure of the USSR, they did not recognize representatives of the Baltic peoples as Soviet citizens, and thus they decided not to extradite them to Soviet repatriation institutions against their will. On 12 May 1945, the Western allies decided not to permit the forcible extradition of Baltic nationals – refugees and displaced persons – to Soviet-controlled territories.<sup>55</sup> This way the Western countries saved the lives of many thousands of Estonians, Latvians and Lithuanians residing in the British, American or French occupation zones in Germany.<sup>56</sup> On 4 March 1945 and on 3 January 1946, the U.S. government declared that the United States had not recognized the incorporation of the Baltic States into the USSR in *de iure* or *de facto* terms.<sup>57</sup> The Cold War began soon after World War II, and it determined the international situation for the next four decades. For more than 40 years, a real resolution of the Baltic independence issue was not a primary agenda item for international politics and diplomacy. However, the Baltic issue was occasionally raised in international politics. The focus on the Baltic issue changed, depending on more relaxed or strained U.S.–Soviet relations. Significant support was also provided by Western public opinion. However, *Realpolitik* principles prevailed, and the Baltic issue remained unresolved.

After the war, via certain diplomatic channels, Baltic diplomats continued, within the context of limited relations with a very small number of countries, to advocate the preservation of the legal status and *de facto* restoration of independence of Latvia, Estonia and Lithuania; in later years, increasing political and public activity was demonstrated by Baltic exile communities in the Western countries. During Latvia's occupation period in 1940–1991, when there was no lawful government, Latvian foreign representations were not led by foreign affairs ministers but, instead, by heads of the Latvian diplomatic and consular service: Kārlis Zariņš (Charles Zarine, 1940–1963), Arnolds Spekke (1963–1970; the main office was moved from the legation in London to Washington), and Anatols Dinbergs (1971–1991). They defined foreign policy guidelines. Zariņš appointed the former envoys Jūlijs Feldmanis and Arnolds Spekke as heads of legation in Washington and *chargés d'affaires*, though personally they remained ministers plenipotentiary as appointed by the Latvian government before 1940.

In order to inform the official and public circles of Western Europe, the information work of the Latvian legations increased. Envoy Bilmanis was particularly actively engaged in anti-Soviet and anti-Nazi information processes in the West, and during the war he published several brochures about the situation in Latvia – its legal status and the policies of the German and Soviet regimes in the country.<sup>58</sup> During the post-war period, the Latvian legation in Washington remained quite important in terms of protecting Latvia's interests. Latvian envoy Bilmanis continued active information work in terms of sending letters to American periodicals and publishing a number of brochures and books about Latvia's history, current problems and international position.<sup>59</sup> These activities did not allow the name of Latvia to fall into oblivion. During the next decades, the Latvian legation in Washington continued to publish a quarterly *Latvian Information Bulletin* in English. The Latvian representations tried to cooperate with Latvian and Baltic exile organizations in the West, but in view of the specificity of diplomacy, these opportunities were limited. Cooperation was developed, however, with Estonian and Lithuanian diplomatic representatives and international organizations engaged in resistance and the liberation movements of suppressed nations.

In 1951, Bilmanis' successor, Feldmanis, was the first Baltic diplomatic representative who developed close cooperation with the Committee for a Free Europe and convinced it that Latvians needed their own committee among other emigrant committees.<sup>60</sup> Feldmanis initiated and actively supported the formation of the main Latvian exile organizations – the American Latvian Association, the Committee for a Free Latvia, as well as the Council of Central and East European Politicians, in 1951, and he helped to ensure their close cooperation with American political organizations.<sup>61</sup> On 3 June 1951, thanks to efforts of Feldmanis, the radio station *Voice of America* launched broadcasts in Latvian.

During the early 1950s, the U.S. government began to deliver public statements regarding the Baltic situation. On 14 June 1952, U.S. President Harry S. Truman, during a statement to Baltic people residing in the United States, confirmed support for the people of Estonia, Latvia and Lithuania and expressed his respect for the endeavors of the Baltic diplomatic and other representatives on behalf of their countries. The President also expressed the hope that the Baltic nations would restore their independ-

ence and freedom within the community of free nations.<sup>62</sup>

On 27 August 1953, the U.S. House of Representatives created the Select Committee on Communist Aggression, chaired by Charles Joseph Kersten, in order to investigate the incorporation of the Baltic States into the USSR. The committee remained in place during 1953 and 1954.<sup>63</sup> On 30 November 1953, John Foster Dulles appeared before the committee and mentioned several examples of Soviet despotism and terrorism in the Baltic States. He also confirmed that the United States would maintain the diplomatic recognition which was extended in 1922 to the three Baltic States and would further continue to deal with the Baltic diplomatic and consular representatives who served the last independent governments of these countries. Dulles noted that the Baltic countries were “captive nations”.<sup>64</sup> Vice President Hubert H. Humphrey proclaimed Baltic Freedom Day on 12 June 1966 with the declaration: “We have repeatedly reaffirmed the right of the Baltic peoples to restoration of sovereignty. So, too, we continue to recognize the diplomatic and consular representatives of pre-World War II Baltic Governments”.<sup>65</sup>

In 1969, *Apollo 11* astronauts took a carefully drafted message on behalf of the “Latvian nation” (written by Counsellor A. Dinbergs at the Latvian legation in the USA) to the Moon. The note expressed an optimistic hope that “their achievement [might] contribute to world peace and restoration of freedom of all nations”.<sup>66</sup> During the first half of the 1970s, by contrast, the Baltic legations in Washington were seen as a nuisance for the development of the policy of *détente* with the USSR, when international tensions between the two superpowers became less acute.<sup>67</sup>

On 25 July 1975, U.S. President Gerald R. Ford stated that the United States had never recognized the incorporation of the Baltic States into the Soviet Union and was not doing so by signing the Helsinki accords: “Our official policy of non-recognition is not affected by the results of the European Security Conference,” he announced. The House of Representatives and, later, the United States Senate (unanimously) passed resolutions emphasizing that the Helsinki accords did not mean a change in the American non-recognition policy.<sup>68</sup> During the latter half of 1970s, the issue of the future of the Baltic legations in the United States was raised once again. On 25 October 1980, in Chicago, U.S. President Jimmy Carter’s Special Assistant to the President for Ethnic Affairs, Stephen R. Aiello, announced that the U.S. administration would also accredit those members of the Baltic legations who had not been working in the diplomatic services of the independent Baltic governments. This decision ensured the further existence of the Baltic diplomatic legations.<sup>69</sup>

In September 1986, in Jūrmala, Latvia, a meeting of Soviet and American representatives was organized at the initiative of Chautauqua Institution (USA). At a public session during this meeting, Jack Foust Matlock, Jr., Special Assistant to the U.S. President, made a statement in Soviet-controlled Latvia that the United States did not recognize the forcible incorporation of the Baltic States into the Soviet Union. In 1989, cooperation between the Latvian legation in the United States and the U.S. Department of State became more active, and in 1990 the United States established unofficial contacts with the Latvian transition-period government. In January and August 1991, the legation in the United States informed foreign diplomats about events in Latvia and under-

took active diplomatic work at the U.S. House of Representatives, Senate and executive branch of government in order to keep the Baltic issue on the agenda of the West.

During the spring of 1990, the Baltic States, by applying the provisions of Soviet legislation, elected new supreme councils in which a majority of members were supporters of independence. On 4 May 1990, the Latvian Supreme Council set a transition period toward the *de facto* restoration of independence by appointing a transition-period government aimed at gradually replacing Soviet institutions. Until August 1991, while the restoration of independence of Estonia, Latvia and Lithuania was still not internationally recognized, the West still recognized the representatives appointed by the heads of the Baltic foreign legations. These legations were still seen by the West as representatives of the last independent pre-1940 Baltic governments with *de iure* recognition.

A decisive step toward the full restoration of independence of Latvia was the adoption by the Latvian Supreme Council of the constitutional law “On the Statehood of the Republic of Latvia” on 21 August 1991, when the transition period begun in May 1990 toward the *de facto* restoration of Latvia’s statehood ended and independence was fully restored. In this law, Latvia requested its full-fledged return to the family of world countries, and a *de facto* independent country was restored as a continuation of the Republic Latvia which had been established in 1918.<sup>70</sup> In August and September 1991, the Latvian government and the continuity of the 1918 Republic of Latvia were internationally recognized. Thus, Latvia could fully implement its foreign policy in line with international practice. The Latvian legation in Washington congratulated the full restoration of Latvia’s independence. The legation in Washington and the Latvian diplomatic and consular services in other Western countries consequently joined the foreign affairs service of the Ministry of Foreign Affairs of the Republic of Latvia, which implements the foreign affairs policies of Latvia.<sup>71</sup>

By fully establishing diplomatic relations, the Latvian government, upon acceptance by the residence countries’ governments, opened new embassies and enhanced the former information bureaus and legations of the Ministry of Foreign Affairs, as well as the long-serving legations in Washington and London to the level of embassies. For many years, these legations, as institutions of the Latvian State, had been the symbols of the legal existence of independent Latvia and of the ultimate goal – restoration of independence. All three Baltic States had long-serving diplomats who had worked without any interruption; they witnessed the restoration of Baltic independence and became legends as they worked during both periods of independence. They also became the first ambassadors appointed after the restoration of independence. Anatols Dinbergs became the first permanent representative and ambassador extraordinary and plenipotentiary of Latvia to the United Nations in New York (September – December 1991), and later he was the first Latvian ambassador to the United States (1992).

President George H.W. Bush announced the U.S. recognition of Latvian independence on 2 September 1991 and both countries resumed full normal Latvian–U.S. relations. On 5 September 1991, a Memorandum of Understanding between the Government of the Republic of Latvia and the Government of the USA Concerning Diplomatic Relations was signed in Rīga. In this document, both governments indicated that they had entered into diplomatic relations and had decided to fully develop their dip-

lomatic relations by appointing their ambassadors<sup>72</sup> (during the period of 1940–1991, bilateral diplomatic relations were “incomplete” – as mentioned before, Latvia had a legation in the United States, but the USA did not have a legation in Latvia; the United States had its government, but Latvia did not). Since 1991, the U.S. government has also made several statements concerning the continuity of bilateral diplomatic relations since their establishment in 1922.<sup>73</sup> Sometimes, in order to differentiate between the period of 1940–1991 and the period following 5 September 1991, the specific date is said to mark “re-establishment of *active* diplomatic relations”<sup>74</sup>

On 11 September 1991, in the White House, U.S. President George H.W. Bush received a number of Baltic diplomatic representatives – Lithuanian Ambassador Stasys Lozoraitis, Jr., Estonian Consul-General Ernst Jaakson, and Latvian *Chargé d’Affaires* Anatols Dinbergs. This was the first high-ranking meeting since the United States had fully restored diplomatic relations with Estonia, Latvia and Lithuania. The reception was also attended by representatives of the leading Baltic organizations in the United States. On 18 September 1991, Anatolijs Gorbunovs, Chairman of the Supreme Council of the Republic of Latvia, issued authorisation to Dinbergs by which he was appointed as the Latvian Ambassador to the United States. On October 15, the Latvian Embassy was officially opened in Washington instead of the previous legation. On 11 March 1992, Dinbergs presented his credentials to President Bush. The American president highly praised Dinbergs as a long-serving diplomat. At the end of 1992 Dinbergs retired after 60 years with the Latvian diplomatic service. For half a century, Dinbergs had personally met with U.S. presidents from Franklin Delano Roosevelt to George Herbert Walker Bush.<sup>75</sup>

During the 20 years since the restoration of Latvia’s independence (1991–2011), several countries, including the United States, have repeatedly emphasised they never recognized the occupation, annexation and incorporation of the Baltic States and that this point of view regarding the events in 1940 has also not changed since 1991. Recognizing the 60th anniversary of the United States non-recognition policy of the Soviet takeover of Estonia, Latvia and Lithuania, on 20 July 2000, a resolution of the U.S. Congress reiterated and reinforced the 23 July 1940 statement once again. When commenting on the Welles Declaration’s 70th anniversary, U.S. Secretary of State Hillary Clinton in the Press statement of 22 July 2010 described the Declaration as “a tribute to each of our countries’ commitment to the ideals of freedom and democracy.” On 27 September 2011, a part of a street near the new U.S. Embassy building in Rīga was named after Sumner Welles.

In this context, the *de iure* continuity of Latvia and the other two Baltic States has largely been ensured by the strong support of the United States in terms of the fact of such continuity. The United States continues to view the present Republic of Latvia as a legal continuation of the interwar republic. Latvian diplomatic and consular representation in the United States, as well as Latvian – U.S. diplomatic relations as a whole, have been uninterrupted for almost 90 years. Since the restoration of independence of Latvia, the United States and Latvia have successfully and fully developed their bilateral relations in line with the practices of international relations.

## Notes

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## **Baltic Independence in 2011: Is Twenty Years a Little or a Lot?**

**Paul Goble**

*Remarks delivered for Joint Baltic American National Committee August 29, 2011*

Twenty years! It seems almost incredible that it has been 20 years since Estonia, Latvia and Lithuania achieved the recovery of their *de facto* independence. For those of us who lived through those exciting times half a lifetime ago, it seems both only yesterday and a world away.

But now in this “round” anniversary year, it is time to make an assessment of what has been achieved over that period, what has not been accomplished either because it is difficult or because it is impossible, and what remains to be done both by the peoples of those three countries and by their friends abroad. Such an assessment acquires a special urgency because this anniversary inevitably recalls another anniversary – the 20<sup>th</sup> anniversary of the first period of independence of the three Baltic countries during the last century, a period during which Estonia, Latvia and Lithuania achieved a great deal but nonetheless had their effective independence suppressed as a result of a criminal deal between Stalin and Hitler.

Obviously, I do not want to draw a direct parallel between 1940 and 2011. Too many things have changed both in the world for that. But remembering that even 20 years does not make anything “irreversible” is something that should come natural to citizens of the Baltic countries and to their friends and supporters abroad. At the very least, such reflections should help us overcome complacency and a sense that the future is assured. It is easy, especially at a time of anniversaries, to overlook or at least play down the problems, given how much has been achieved. And consequently, before considering the current and future challenges and what our responses should be, I do want to celebrate what in fact has been achieved. The best way to do that is to recall what the situation in Estonia, Latvia and Lithuania were 20 years ago and contrast that with the situation today.

Twenty years ago, Estonia, Latvia and Lithuania were under Soviet occupation, with hundreds of thousands of Soviet troops on their territories, Communists either in power or in powerful positions, and the USSR appeared to be reconstituting itself in a way that would allow Western governments to support its existence for a long time to come. Twenty years ago, the governments in place in the three Baltic countries were not recognized by any foreign state. The United States and some other Western countries did not recognize the Soviet occupation as legitimate, but they maintained ties with representatives of the pre-war governments rather than with the governments in place, a fundamental distinction that is often forgotten. And twenty years ago, Estonians, Latvians and Lithuanians lived under a decaying Soviet economic political system one that combined the worst forms of economic life with an arbitrary, authoritarian and often brutal political regime, one that openly celebrated the supremacy of the occupiers over the occupied.

What is the case today? The Soviet troops are gone along with the Soviet Union; the Communists are out of office, completely discredited even if their crimes have not yet been adequately judged; the three Baltic countries are members of the United Nations, recognized by the overwhelming majority of the world's countries, and full partners of both the European Union and NATO; and Estonians, Latvians and Lithuanians live under conditions of democracy and free markets, enjoying all the advantages of both. Not surprisingly, this remarkable, indeed unprecedented turnabout has led to a kind of "end of history" mentality in both the three Baltic countries and among their friends abroad. The leaders and the peoples of the Baltic States routinely and properly celebrate what they have achieved. And Western officials who deal with the Baltic countries often say "all's well that ends well", a comment that both excuses the West for not having done more earlier and that suggests there is little more that needs to be done.

But as the West learned to its dismay on September 11<sup>th</sup> and as everyone in the Baltic States should never forget given their own past, history does not end, culture and geography cannot be repealed, and the human condition is not transformed by external change. And because all this is true and at the risk of being the skunk at the garden party of celebrations of this anniversary, I would like to devote most of my remarks to these challenges, to what has not been accomplished either because it is difficult or because it is impossible.

I would like to address three "impossibilities" and three "difficulties" in order to begin our reflections at this conference. The three impossibilities, of course, are size, location, and demography; the three difficulties are national integration, memory and forgetting, and meeting the challenges of globalization and international integration.

Let us be blunt: Estonia, Latvia and Lithuania are small countries. They are smaller than most U.S. states, and they have populations smaller than many U.S. counties. That has three obvious consequences: First, they have little margin for error. Second, they are typically dependent on others. And third, they are often ignored or their interests sacrificed by other countries in the name of reaching agreement with larger and "more important" states.

When I was spending much of my time in the Baltic countries nearly 20 years ago, I often pointed out that however important the peoples of these countries were and felt themselves to be, they had to recognize that their size made living by their wits far more important. I often remarked to the Estonians (but the same thing could have been said to the Latvians and Lithuanians) that the fundamental difference between their country and the U.S. was this: when Estonia makes a mistake, I would say, Estonia suffers, but when the U.S. makes a mistake, Estonia suffers. (Tragically, the first half of this equation remains true, but the second has changed. Having run through our margin for error, it is now the case that when the U.S. makes a mistake, Estonia suffers but so does the U.S. – a pattern that is going to intensify as the relative power of the U.S. declines in the coming decades.)

Related to that is another observation that I and some others had occasions to make. Being small, these countries much resemble the 90 pound weakling on the beach. When the 250 pound lifeguard goes by, they have three options, two of them

good and one of them very bad: The good options are to dig in the sand and hope the lifeguard does not notice them or to take out a gun and shoot him through the head on the first shot. The bad option is to kick sand at him.

Unfortunately, Baltic leaders like many other leaders of small countries – Georgia's Mikheil Saakashvili spring to mind – are often professional sand kickers, seeing this as a way to get attention and even support. But in doing so, these leaders are operating on a mistaken assumption: they believe that attracting attention is the same as attracting support. That is not always the case: indeed, by trying to involve other countries in this way, they advertise their own weaknesses to their opponents.

The second permanent condition is geography. Late Estonian President Lennart Meri liked to say that he would rather have Canada for a neighbor. Indeed. But Estonia, Latvia and Lithuania do not have a choice about their neighbors, and to be blunt, they live in what is a notoriously bad neighborhood, one where their interests have been ignored or trampled on by others.

Unfortunately, there is little sign that the neighborhood is getting better despite all the hopes of 20 years ago. On the one hand, some of the Europeans in whom the Baltic leaders and peoples put so much confidence have proved to be indifferent or worse, sometimes publically telling the Balts and other East Europeans to keep their mouths shut and far more often pursuing their own traditional national interests at Baltic expense, especially when it comes to energy supplies from the Russian Federation.

And on the other, the situation in Russia is deteriorating and deteriorating rapidly. Not only do few in the Russian Federation accept the settlement of 1991 as legitimate and final, but many in that country are openly attracted by radical nationalism verging in some cases on fascism, especially as it becomes obvious that the Russian Federation is at risk of collapse and disintegration in the near future. Because that is so, the coming disintegration of that country is likely to be more violent and bloody than was the end of the USSR, a trend that will have a serious and frightening impact on the neighbors as well.

The Russian invasion of Georgia in August 2008 and the West's half-hearted opposition to that suggest to many in the Russian capital that "a good little war" is just what they need to generate domestic support and put off if not prevent disintegration. There is no guarantee that Moscow will not try this strategy again, especially if it is handed a plausible *casus belli* by neighboring states, even if it will ultimately be a disaster for Russia itself.

Let me be clear: Saakashvili behaved foolishly, but Russia's Vladimir Putin behaved criminally. That needs to be accepted. Unfortunately, in the eyes of many in the West, foolishness is the greater crime, especially if there is this kind of power imbalance. And that is something smaller powers need always to remember.

And the third such condition is demography. When people talk about demographic problems in the Baltic countries, they almost inevitably focus on only one of them: the difficulties of coping with the consequences of the Soviet occupation on the ethnic and linguistic make up of their populations. For Lithuania, these problems have been minimal, but for Estonia and Latvia, they have been extremely serious. Ensuring

that all the residents of these countries speak the national language and that those who came under the conditions of occupation pass through a process of integration both legal and psychological has been difficult, but the reality is that both Tallinn and Riga have achieved wonders, especially given the pressure they have been under from Russia and the West to ignore the fundamental and internationally recognized right of occupied countries not to offer citizenship to those moved in by the occupying authorities.

Being a citizen of Estonia or Latvia, countries whose economies have done relatively well at least in comparison to Russia's and whose citizenship now means citizenship within the European Union and all the benefits that entails means that ever more ethnic Russians are choosing to take Estonian and Latvian citizenship, if not yet to give up their own ethnic identities. That presents some serious challenges, to which I will return in a moment. But the reality is that today, 20 years after the recovery of Baltic independence, the ethnic composition of the population is NOT the most important demographic problem there.

There are now three more significant ones. First is the hollowing out of the countries. Rural areas are being depopulated and an ever greater share of the population lives in the capitals. Not only does that make the defense of these countries more difficult, but it changes the sources of identity in ways that do not sustain ethno-national identity but rather promote a more cosmopolitan set of values. Such a development is not necessarily bad in and of itself, but it means that the definition of what it means to be an Estonian or a Latvian or a Lithuanian is changing and doing so in ways many may be uncomfortable with.

Second is the departure of the young. Now that these countries are in the European Union and part of the West, an increasing share of young people is choosing to work and live abroad. Many of them will return, at least that is what they say, but many will not. That constitutes a serious brain drain and makes the prospects for the survival of these countries as countries more problematic. If they cannot hold onto the young, these countries face an uncertain and very likely unpleasant future.

And third is the problem I have called elsewhere "the revenge of the middle aged". As everyone in this room will remember, the Baltic revolutions were led by the very oldest and very youngest in each of the three countries, by those who could remember their countries as they were before the Soviets came in 1940 and by those who had come of age as the Soviet system wound down and who were thus least affected by it. In the early 1990s, this led to a situation in which Estonia had the oldest president and the youngest prime minister in Europe at one and the same time.

But in the intervening years, things have changed. Now, the oldest generation has left the scene, either because of the impact of the actuarial tables or because of a desire to take an often well-deserved rest, and the youngest, having experienced politics and often occupied senior positions earlier than would normally be the case, has left politics to pursue business interests which seem far more promising. As a result, politics in all three countries is now dominated by the middle aged, by precisely the group that was the most affected by Soviet occupation and often is most informed by Soviet values.

That does not mean that these people have a Soviet agenda, but it does mean that they often approach what are clearly anti-Soviet values in a Soviet fashion. In short, some of them at least might be described as “anti-Soviet Bolsheviks”. Their existence clearly disturbs many in these countries and that in turn helps to explain why all three have turned to the emigration for their presidencies in recent years. But that is clearly a pattern that cannot long continue, and a reckoning with this shadow of the past is obviously ahead.

These three “impossibilities” blend into the three enormous difficulties: national integration, memory and forgetting, and meeting the challenges of globalization. National integration is in some ways the hardest of the three. It is not enough to have everyone speak the same national language, carry the same passport, and do without dual citizenship. It is critically important to decide what the nation is and what it should be. That does not mean establishing a Procrustean bed of identity definers, but it does require a shared set of values and judgments about the past, the present, and the future within which the political system can operate.

If a large portion of the population does not understand and accept that 1940–1991 was a period of occupation and does not believe that 1991 was a final settlement, then politics becomes not so much impossible as poisoned. That can be seen from the experience of Europe after 1945. One of NATO’s greatest contributions was to take foreign policy off the table for European countries early on. That destroyed the basis of the communist appeal for large segments of the population in France and Italy and ultimately made possible the rise of the European Union.

Unfortunately, the new NATO about which we have heard so much does not seem to be playing the same role in the Baltic countries. Many in all three appear to think that 1991 was not the end of history but rather something that can and perhaps even should be reversed, an attitude that poisons social and political life and makes the further integration of the nation more difficult. And that is even more threatening because so many people now seem unwilling to recognize the truth about the occupation.

That reflection leads naturally to the second, the problem of memory and forgetting. It has long been a commonplace that “the unexamined life is not worth living” but that a constantly examined life cannot be lived. Extrapolating from that we can say that a nation that does not remember its history will soon cease to be a nation but a nation that lives in the past will soon lack a future. That in turn means that the issue of memory and forgetting is at the center of the life of all nations and especially of nations like Estonia, Latvia and Lithuania which have undergone so much trauma.

It is critically important that institutions like the Occupation Museum our host Professor Paulis Lazda has done so much to promote not be marginalized or transformed into a watered down version of its intention. Too many young people in the Baltic countries do not know their history, and the versions offered by Russian media outlets are anything but true. Moreover, it is absolutely necessary that judgment be rendered on that history and on those who made it, instead of saying as many in the West often do, one should look forward not backward.

All three Baltic countries need to ensure that the rising generation knows what the occupation was and why non-recognition policy was so important. The latter in

fact constitutes not only international recognition of the occupation but serves as a kind of birth certificate for the rebuilding of these states by offering them the legal basis for their citizenship and other legislation. Take that away and you reduce the Baltic countries to what the Russians like to claim they are – three more former Soviet republics.

(Allow me a personal aside here: One of my biggest efforts 20 years ago was to ensure that there was as much distance as possible in time between the recovery of Baltic independence and the disintegration of the Soviet Union. Had these two events happened at the same time, the West likely would have viewed the Balts as part of the larger process rather than as a distinctive development. The consequences of that would have been horrific.)

At the same time, however, this concern with maintaining knowledge of the past must not ossify into a “short course” of propositions that trivialize that past or that prevent people from evolving in ways of their own choosing. Maintaining that balance is going to be hard, but it is not impossible, as many other countries – including small ones – have shown.

And finally there is the problem of coping with the problems of globalization. I would like to focus on just two aspects of this. On the one hand, the Baltic countries because of their drive to rejoin Europe were asked and have agreed to yield sovereignty in many areas where they had not yet fully reestablished it after the occupation. That has led to a number of serious legal problems and even more to psychological uncertainties with which none of the three is dealing especially well. For example, how do you institutionalize democracy at a supra-national level before you have done so fully at the national level? When there are conflicts between the two, how do you prevent them from corroding support for democratic procedures in the other?

On the other, globalization, the notion that there should be the free flow of people as well as goods and capital, is inherently threatening to national identities and even the nation state. Nowhere are these threats greater than in the case of small countries like Estonia, Latvia and Lithuania.

The obvious analogy is this: If you put a drop of blue ink into a large bottle of water, the water may be slightly tinted but the blue itself will disappear entirely. In the enormous sea of the world, the smaller nations are thus at risk – and it is likely that at least some of their members will react badly to this development, all the more so because some larger countries, including their traditional enemies, have been all too willing to use these tectonic shifts to their own advantage.

All this means that Estonians, Latvians and Lithuanians have a great deal of work to do not only to ensure their national survival but to ensure that what survives will be recognizably their nations. And it means that people of Baltic heritage and other friends of the Baltic nations have a great deal of work to do, so much so that none of them should allow these celebrations to get in the way of an honest assessment of that fact.

Let me suggest three things that we must do now in order to ensure that those who come after us will be able to celebrate the 40<sup>th</sup> and the 60<sup>th</sup> anniversaries with as much pleasure as we are doing today. First, all of us need to recognize that history is



contingent, that it is not over, and that bad things can happen in the future just as often as good. The events of 1991 are no guarantee that the future will be otherwise. That should be obvious as the three Baltic countries mark the second 20<sup>th</sup> anniversary of their independence, but tragically it all too often is not.

Second, all of us also need to understand that trends in the Baltic neighborhood are anything but good: Russia is again moving in a terrible and frightening direction, and the West is complaisant, certain that somehow deals can be made and everything can work out, the very attitudes that led to the submersion of the Baltic countries 70 years ago. No one can do more to fight that than those of us who love the Balts but live in the West. We know, and we must testify.

And third, again all of us must recognize that the work ahead is harder than the work we have done already. This role may not be as glamorous, and the tasks may not appear as dramatic. But they are important. In 1991 on January 13<sup>th</sup> – which is by the way my birthday – my wife bought me a birthday card which I think has a message for all of us. The card read: “Anyone can survive a crisis; it is the day to day things that get us down.” Our work is now the day to day kind, and if we do it and do it well, we may be able to avoid disaster and thus be in a position to celebrate many more anniversaries of what was truly the Baltic miracle.

## 2. CONTEMPORARY RELATIONS

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### **The Vision of Latvia in the Context of Baltic–Nordic Security**

*Damon Wilson*

The concept of democracy as a national security strategy is at the heart of the point which I would like to make. The first two phases – restoration of independence and re-establishment of statehood, as well as the path toward NATO and EU membership – were the focus which created a partnership among the United States, Germany and the Nordic countries so as to help the Baltic States to succeed in re-establishing their statehood and in beginning their path toward NATO and the European Union.

During that time, the Baltic States really were at the top of the policy agenda in Washington. We established the Baltic Charter with the three countries so as to be able to cement our relationship as we began the path toward NATO. There was some skepticism about this at the beginning, but the incredible performance of the Baltic States themselves in transforming their societies led to a situation in which the wide degree of skepticism in Washington and Brussels regarding their place in Europe turned into a sense of inevitability. During a very rapid timeframe, we went from imagining scenarios such as Lithuania in NATO or, maybe, Estonia in the EU, to the understanding that we had to take off rapidly and together. Within this new partnership, the United States looked at the Baltic States as one more partner, one more actor standing together with us in relation to a set of global issues of importance for the United States.

Estonian, Latvian and Lithuanian troops found themselves in action in Iraq and Afghanistan, becoming involved in ways that were symbolically important, but also put a lot of strain on the countries themselves. As this was happening, relations with Russia were not getting better; they were getting worse. So, on the one side there was the partnership between the Baltic States and the United States, particularly in Iraq and Afghanistan, which was important to us in terms of strategic reassurance, but on the other hand, in view of the evolution of Russia towards a more authoritarian state with Vladimir Putin's strategy of achieving domestic legitimacy for a confrontation with the West, the neighborhood of the three Baltic States increasingly felt less secure rather than more secure. This was underscored by the cyber attack on Estonia and the war in Georgia. The situation was compounded by the sense of insecurity caused by the economic and financial collapse which hit the Baltic region, particularly Latvia, quite hard, as well as by the fact that Europe actually was divided in its dealing with Russia, particularly in relation to energy issues.

The response has been quite good. The opportunity for the alliance to begin the drafting of NATO's new Strategic Concept came at the right time to address many of

these concerns. So, despite the difficulties and differences within the alliance about Russia which had very much existed before, each debate during the development of NATO's new Strategic Concept, irrespective of the topic, inevitably came back to differences about the alliance's policy towards Russia. There was a sense of unity in terms of the idea that that collective defense is at the core of the alliance. Therefore, calls for strategic reassurance had merit, and it is the case that before the Strategic Concept was agreed, the alliance had already moved in the right direction, particularly in terms of the United States.

Both the Bush Administration and the Obama Administration strongly agreed on the need for contingency plans for the defense of the Baltic States, and we delivered on that. We need to ensure that the Strategic Concept emphasizes the fact that collective defense is at the core of NATO. So, despite some divisions on Russia, there has been political unity with regard to the concept. The Atlantic Council, together with the U.S. European Command, has more work to do in relation to the implications of U.S. military presence in Europe: how to achieve collective defense as a core strategic reassurance when, against the backdrop of an intellectual commitment toward strategic reassurance, the United States is increasingly withdrawing its forces from Europe and major defense cuts are taking place across Europe. Strategic reassurance as a policy cannot be taken for granted. It has strategic consequences, and it actually means real action within the NATO force planning structures, as well in U.S. military structures. This is premised on the idea that Russia is no longer a threat in the classical Cold War sense. We are not necessarily planning for a Russian invasion of the Baltic States, as this is not a very likely scenario, but we are concerned about more subtle pressure points and the potential for the situation to get worse over time, particularly in view of the position of the Russian government. In the absence of strategic reassurance efforts, Russia is likely to push the limits of what the alliance would accept. We have already seen diplomatic intimidation in terms of a cyber-attack. The policy of strategic reassurance has to check these tendencies. At the same time, we want to do that without polarizing Russia. After all, good relations with Moscow would be favorable for the Baltic States. Thus, the task is to pursue the policy with a degree of assertiveness, but also of restraint.

All of this is translated into a need for practical steps: enhancement of the self-defense of Central Europe and the Baltic States, reinforcement capabilities, and a limited NATO peacetime presence. In practice, it means increased training and exercises, rotational force deployment in Central Europe and in the Baltic States, as well as reinforcement planning – the ability of the relevant countries to accept military reinforcement from other NATO allies. Occasionally, that translates into base infrastructure enhancement along with continued and sustained security assistance to these countries. At the same, this process also requires the United States to be involved.

Due to the collapse of European defense spending, this is actually a very difficult argument in Washington. There is the opinion that we need to remain committed to our force presence in Europe and to decide on strategic reassurance for the Baltic States. But many skeptical policymakers, particularly in Congress, want to know why

this is our responsibility if Europe and the Baltic States themselves cannot sustain their defense spending. For instance, Estonia is struggling to meet its force planning goals with the alliance. Our efforts in Washington are strengthened if Europe does its work at home. Frankly, however, these efforts are not sufficient.

We can single out certain areas of activity in this regard: the conventional aspect, the nuclear aspect (Germany continues to ask for more radical reductions regarding NATO's nuclear policy, which is likely to have implications for Baltic security), as well as the build-up of our missile defense. Russia has clearly stated that missile defense will be a point of contention with the alliance, and this threshold has not been crossed yet, as we have been committed toward finding ways of cooperation with Russia in the area of missile defense, but we have not figured out how to respond to Russia's insistence that it sees our Phase-3 buildup as a source of confrontation and that it is not going to accept our current plans. A fourth area is the building up of cyber defenses, which is an area in which the alliance is failing to deliver on its promise. This is an area in which I would very much like to see progress during the NATO summit which the United States will host in 2012. This points me to the fifth issue which is on the current agenda. Two regional processes are relevant for the Baltic States: Nordic-Baltic integration and how the Baltics engage their neighbors to the East. The Nordic-Baltic integration process is a significant new issue. The Nordic countries and the Baltic States could form an impressive line-up and become one of the most powerful allies of the United States.

This does not mean replacing NATO. It does mean strengthening the regional dimension, as well as strengthening integration from the economic, political and defense and security perspective. Why is this dimension important? It provides an extra layer of strategic defense in the event that things deteriorate in the East and in Russia. It also provides some practical benefits. First, a joint maritime domain in terms of the processes in the Baltic States becomes a much easier task if the region is an integrated whole. The same applies to airspace. And, third, because of the collapse of defense spending, it is imperative that in order to maintain credible security cooperation and credible defense structures, we need multinational products to leverage the benefits of cooperation by ensuring common procurement, common logistics and common training. For instance, why should each country need a defense college to train its military officers? The Baltics are addressing this in the right way by working on a regional solution. And this is a model which is actually relevant and applicable across the alliance.

Integration also helps to magnify the voice of the region and the voice of the Baltic States in the region, within the European Union and NATO, but *vis-à-vis* the United States, as well. The second dimension is the neighbors to the East, or the Eastern Partnership. The security of the Baltic States has been enhanced, but their neighborhood continues to change. I believe that the Baltic States have a key role to play in terms of working with Belarus, Ukraine, Moldova and Georgia. This should be their primary new policy agenda, as this is precisely where niche-form policy may have an impact through technical assistance and a sense of inspiration which they could offer to these countries by helping to create a framework to keep these issues at the forefront within the European Union and NATO, as well as in Washington.

Right now there is the issue of whether the European Union should form a European Endowment for Democracy, and the Baltic States are at forefront of that debate, helping to shape the outcome of the process. Policy priorities refer, for instance, to Belarus: how to provide oxygen to the civil society and the political opposition in Belarus so as to expand the space for challenging Lukashenka's regime over time; and in Ukraine: how to check authoritarian tendencies so as to maintain a European perspective as a viable option for that country.

Special focus this year (2011) is on Moldova – a country which is trying to move in the right direction. We need to provide wind for their sails. In this regard, the Baltic States can promote the relevant agenda within the European Union. This is a chance to demonstrate that the Baltic States are not an exception and that there are other post-Soviet countries which can show their ability and capability to join the West. Moldova should stay atop of the agenda. Here the Baltic countries have a responsibility, and they should work in that direction.

Finally, tasks related to Georgia include consolidation of its democracy, strengthening of relations, and maintaining the prospects for Georgia's joining the West. I really do not see new threats in classical military terms, but in terms of what other speakers have alluded to, there has been media manipulation, distortion of banking systems, financing of political parties, and corruption linked to Russian interests. The defense strategy against these threats refers to strengthening democratic institutions, democracy and transparency at home. An important aspect is social resilience: the more resilient these societies are, the better they can defend themselves against the new threats. In this regard, increased integration with the Nordic neighbors is a good contribution, and it is actually quite helpful.

To conclude, the security of the region and the security of the Baltic States ultimately depend on what Russia does. As long as Russia remains an authoritarian state, there are limits for any type of partnership that the West could forge with Moscow in the absence of shared values. We can cooperate with Russia on global security issues – Iran, non-proliferation, nuclear weapons reduction, etc. But Baltic security is inevitably tied to Russia's internal political situation. An authoritarian state offers a potential for threats. Democracy in Russia offers a prospect for a true and full partnership with not only the West, but also with the Baltic States. I come back to this as a conclusion, as this is where I see the voice which the Baltic States can have in U.S. policy, as well as in the EU and NATO. It is important to further underscore that support for democracy is not just a matter of the good will of the United States, because it is a national security strategy. The more we see democracy take roots, whether in the Middle East or in Europe's East, the more secure are the people of the United States, but particularly the people of Estonia, Latvia and Lithuania. Thank you!

## **U.S. Policy Toward Central and East Europe Under the Obama Administration**

*Andris Sprūds*

The election of Barack Obama as President of the United States was received with hopes and expectations around the world that his presidency would represent a new opening up of engagement and mutual trust among nations and joint solutions for global challenges. In response to his promises, commitments and policy declarations, as opposed to policy successes and achievements, Obama was granted a Nobel Peace Prize at the very beginning of his presidency in 2009. The respectable international award indicated the immense expectations which were entrusted in him. However, more cautious voices started to be heard in Central and East European countries at the same time. Leading regional political and intellectual representatives pointed to these emerging concerns in the well known Open Letter to the Obama Administration in July 2009: “Twenty years after the end of the Cold War, however, we see that Central and Eastern European countries are no longer at the heart of American foreign policy. As the new Obama Administration sets its foreign policy priorities, our region is one part of the world that Americans have largely stopped worrying about.”<sup>1</sup>

The clearly detectable thread of emotionality and apprehension notwithstanding, the letter raised relevant and analytically important questions as to whether Obama’s foreign policy priorities created a transformed international and regional setting for the new members of the European Union and NATO, also asking what the ensuing policy options must be. In order to address those issues, this paper focuses on a general assessment of Obama’s foreign policy priorities, the role of Europe in the context of the new foreign policy objectives, relations with Russia as one of the “key centers of influence”, as well as implications for U.S. relations with Central and Eastern European countries. The last section offers a general assessment of major trends and issues in U.S.–Baltic interaction. It is important to identify the character of the new dynamics in this process and to underscore the determining and shaping factors behind the changing international milieu and U.S. policies which are a result thereof.

### **U.S. global priorities and Europe**

The Obama Administration’s foreign policy priorities have largely derived from a re-evaluation of general trends in global dynamics and the respective scope of the maneuvering and role of the United States in this transforming world order. The administration has based its strategy on premises which Joseph Nye succinctly describes as a power transition from West to East, as well as power diffusion from state to non-state actors and from traditional to non-traditional concerns.<sup>2</sup> As a result, the global stage of players and issues has been increasingly crowded and difficult to manage. This has

been duly recognized in the U.S. National Security Strategy: “At the dawn of the 21<sup>st</sup> century, the United States of America face a broad and complex array of challenges to our national security”.<sup>3</sup>

In the emerging international environment, the U.S. administration is poised to deal with a number of considerable international challenges. First, these are geopolitical and security issues: U.S. involvement in two regional wars and a zone of instability from Iraq to Pakistan as a legacy of the George Bush presidency, compounded more recently with unexpected developments in the Arab world, as well as continuous terrorist and other asymmetric threats. Second, economic and resource-related aspects are increasingly important: the global financial and economic recession and its repercussions, as well as fluctuating energy prices in the context of a rising awareness of limited accessibility to resources and the necessity to address climate change. Third, there are institutional challenges which compound the previous two: imbalanced representation in bodies such as the UN Security Council, IMF, World Bank, and the difficulty of reinvigorating existing frameworks such as NATO and the G8, while also legitimizing new ones such as the G20.

Moreover, U.S. domestic politics clearly matter and contribute toward a reassessment of priorities and their application in the global setting. Obama inherited a number of burning challenges to deal with: a financial and economic crisis, unemployment, a huge budget deficit and speedily increasing public debt, an inefficient health care system, and rising energy prices. Obama appeared to be willing to take advantage of and to spend his initial political capital to address some of the more controversial issues and to push through significant legislative initiatives, such as ones related to public health care and green energy. Divided public opinion over those initiatives and, particularly, their costs resulted in the Democratic Party’s lost control over the House of Representatives in the midterm elections in November 2010. As recurrent standoffs over budgetary expenses and debt ceilings between the administration and Republican majority have demonstrated during the course of 2011, Barack Obama’s presidency, has effectively changed from an initial “imperial presidency” into an “imperiled presidency”.<sup>4</sup>

These domestic exigencies have only reinforced a paradigmatic re-evaluation of the declared foreign policy priorities. The Obama Administration continues to declare the nation’s global “indispensability” and responsibility to shape and lead the increasingly fluid, open and interdependent global system. On the other hand, it is recognized that “no one nation – no matter how powerful – can meet global challenges alone.”<sup>5</sup> It has been declared that the U.S. must strengthen international institutions, especially ones like the G20, and engage and establish efficient partnerships with other “key centers of influence”, such as China, India and Russia, and “increasingly influential nations”, such as Brazil, South Africa and Indonesia.<sup>6</sup> Obama’s multilateralism reverberates with former President Bill Clinton’s “assertive multilateralism”. As Bruce Jones has pointed out, the notion of interdependent security above all creates the basis for Obama’s foreign policy vision, agenda and box of tools.<sup>7</sup>

The renewed multilateral institutional framework and comprehensive engagement of other powers have been perceived as an imperative in the administration’s

pursuit of a number of global priorities so as to achieve the security of the United States: peace and stability in the greater Middle East, the fight against terrorism, nuclear non-proliferation, combating climate change, and ensuring an open global economy. Despite long standing expression of respect for values such as human rights and democracy, Obama's administration has been somewhat cautious to throw its weight behind the value agenda as directly and forcefully as the previous administration did: "The United States rejects the false choice between the narrow pursuit of our national interests and an endless campaign to impose our values... We are promoting universal values by living them at home, and will not seek to impose these values through force."<sup>8</sup>

Where do these stated U.S. priorities place Europe in general and the Central and East European region in particular? Barack Obama and his administration have reiterated frequently that "Europe is our cornerstone in engagement with the world." There is a strong realization that power must be measured not only in terms of "over others", but also "with others". Close links with the EU provide a considerable contribution toward joint military cooperation and endeavors, global security and economic prosperity. Moreover, there has been considerable convergence in terms of global priorities and means. As Alvaro de Vasconcelos has argued, Obama's foreign policy agenda essentially corresponds with the EU's vision and priorities, as defined in the 2003 European Security Strategy.<sup>9</sup>

This common vision notwithstanding, U.S. engagement with Europe has become much more complex and less globally formative. First, some internal redefinition is underway in both the U.S. and, particularly, the European Union. The EU aspires to be green, social and competitive. These are undoubtedly ambitious goals, but it is difficult to harmonize and achieve them, which means that the process of pursuing those goals within the European Union will be far from smooth. In the context of its financial and debt crisis, the EU appears to be more engaged in *ad hoc* crisis management than in creating medium-term "tool-box" or visionary strategies for domestic and external policies. Hence, the EU is far from being a homogenous player with a clear set of priorities. Domestic dynamics and economic challenges have also set some constraints on American activist policy around the world.

Second, although Europe retains a declared role as the cornerstone for U.S. foreign policy, Europe's once important role has considerably waned. The U.S. agenda has gradually become much more global in its reach and less centered on Europe. Arguably, it is not only that "Central and Eastern European countries are no longer at the heart of American foreign policy," but also that on the whole, Europe has lost its central appealing power in U.S. considerations. On the one hand, this encourages the European Union increasingly to become a player and partner in its own right. On the other hand, however, it deprives European countries of an external "integrator" and benefactor, the role that has been played by the United States since the days of the Marshall Plan.

Third, although there is a general convergence of worldviews, the U.S. global agenda does not always overlap with the EU's more regional priorities in terms of details. The U.S. priorities include Afghanistan, the fight against terrorism, non-pro-



liferation, China and the Middle East. The Middle East, the Balkans, Russia, energy security and climate change would top the list among the Europeans.<sup>10</sup> Cooperation in terms of diverging priorities once more is further complicated and limited by domestic financial and economic dilemmas, as well as somewhat increasingly inward-oriented agendas. Moreover, EU and U.S. policy toward various objectives may have diverging underlying driving forces. For instance, in the process of engaging Russia, the U.S. thinks about developments in Afghanistan and Iran, as well as about non-proliferation, while for the EU it may be largely about ensuring energy security and stability in the neighborhood.

Fourth, even when convergence of priorities and particular positions takes place, the partnership may be insufficient to solve global issues. The “rest” of the world has grown considerably in its influence over global developments and political decision-making. The global economic balance has been tilting toward the developing world, particularly in Asia. The agreement on global trade was largely affected by the developing countries, especially India, whereas China’s voice appeared critical in the negotiations over a climate change agreement. The solution of problems in the greater Middle East and, especially, the issue of non-proliferation increasingly appears to amplify Russia’s stakes in the process.

Fifth, in the process of global “division of responsibility and labor”, the EU’s capacity to take on important regional responsibilities and act alone, if necessary, has yet to be tested. Reaction to the Arab Spring in the Middle East, moreover, is only one important test in this regard. As Daniel Hamilton and Nikolas Foster have argued, the EU’s undertakings in Afghanistan and Pakistan, as well as in Iran, “will do much to determine Europe’s credibility in Washington’s eyes as a global security actor and its ability to deploy ‘soft power’ tools of aid, trade, and diplomacy to stabilize troubled nations.”<sup>11</sup> Some EU countries such as France have played an instrumental role in the transformation of the regime in Libya. However, further efforts toward stabilization and democratization in the region may pose considerable challenges to the solidarity and efficiency of the European common external policy. As Tomas Valasek succinctly sums it up: “the United States and Europe therefore find themselves in a paradoxical situation: the Europeans may be America’s best allies, but are not necessarily its most important allies.”<sup>12</sup>

These existing and emerging challenges notwithstanding, the transforming character of the global setting and of U.S. relations with traditional European partners may also open up new windows of opportunity. Although a less Europe-centered U.S. policy creates some political and psychological unease and international policy uncertainties, the implications of Obama’s policy for Europe largely depend on the EU itself. Obama’s approach actually leads to Europeanization of European politics and, especially, its external policy. In this case, somewhat paradoxically, the Atlanticist orientation of Central and East Europeans may have transformed its characteristics and now denotes their deeper integration into the EU and consolidation of its common policies so as to share global responsibilities with its closest ally. The previously adopted “special relationship” with the United States was sometimes interpreted as the “Trojan

horse” phenomenon among some Western Europeans, and this may strengthen intra-European dynamics and consolidation of the community’s common policies.

The U.S. ambition to strengthen global and regional multilateral institutions with more transparent and acceptable rules and the respective and comprehensive engagement of various “rising powers” may also have positive political implications. The engagement agenda would potentially force those powers to become more *status quo* oriented, both globally and regionally. For the European Union in general and Central and East European countries in particular, such developments might have direct implications on their relations with a neighboring “key center of influence”, above all Russia.

### **U.S.–Russia reset: from mutual distrust to strategic partnership?**

The *reset* with Russia demonstrates Obama’s foreign policy “engagement” thinking. The *reset* policy is among the most important variables affecting U.S. and CEE interaction. Russia has inevitably been an important factor in the foreign policy narratives of the CEE countries. The new members of the Euro-Atlantic community formerly were part of the “outer” and “inner” circles of the Russian empire and then the Soviet Union. The ensuing historical sensitivities between the nations which regained their sovereignty and the former imperial center have been complemented with existing power asymmetries, considerable dependence on Russia’s energy resources, as well as foreign policy assertiveness and domestic centralization and power consolidation in Russia. The U.S.’ substantial support for Central and East Europeans was instrumental for these nations to re-establish their development trajectory and integrate into the EU and, particularly, NATO. The “free, democratic and undivided” CEE region was part of a grand democratization agenda for former President George W. Bush. The Russian–Georgian conflict in 2008 and its aftermath, however, demonstrated clearly the ever-present and dormant tensions in the post-Soviet space, the difficulty of engaging Russia in conflict settlement in the region, as well as the diverging policy objectives of the U.S. and Russia.

The regional political context was transformed when U.S. Secretary of State Hillary Clinton presented Russian Foreign Minister Sergei Lavrov with a mock *reset* button during their first meeting in Geneva in March 2009. The meeting followed the resumption of NATO–Russia relations and demonstrated the US leadership’s intentions to launch a “fresh start” with Moscow. This clearly contributed to apprehension among the CEE nations. A few months later, in an open letter, CEE leaders welcomed the *reset* of US-Russian relations but, more powerfully, expressed the “nervousness in our capitals”; indicated that Russia is “a revisionist power pursuing a 19th-century agenda with 21st-century tactics and methods” and called on the United States “to ensure that too narrow an understanding of Western interests does not lead to the wrong concessions to Russia.”<sup>13</sup> The unfortunate selection of September 17<sup>th</sup>, 2009 – the date of Soviet invasion into Poland in 1939 – for announcing the decision to cancel

the Bush Administration's proposed antiballistic missile defense system demonstrated both a certain irrelevance of the CEE and a resulting insensitivity toward regional historical grievances. The *reset* policy was perceived to have resulted in downgrading active U.S. involvement in the CEE and its democracy promotion agenda, also focusing less on domestic developments within Russia itself.

In the meantime, Russia has assumed the role of an important partner for the United States in dealing with a number of urgent issues such as the Middle East (especially Iran) counterterrorism activities (above all in Afghanistan) and nuclear non-proliferation.<sup>14</sup> At this writing, cooperation in the military domain has been most visible, significant and successful. Already before the push of the symbolic *reset* button, the first shipment of U.S. non-military supplies went from the Latvian port of Riga through Russia, Kazakhstan and Uzbekistan, and on to the U.S. military in Afghanistan in February 2009. After the agreement was signed with Russia for the transit of troops and materiel across Russia, an estimated 1,000 flights or more, carrying more than 170,000 U.S. troops to Afghanistan, have taken place. In April 2011, U.S. Assistant Secretary of State for European and Eurasian Affairs Philip Gordon indicated during a hearing at the Senate Foreign Relations Subcommittee on European Affairs that “50 percent of U.S. sustainment cargo for Afghanistan goes through the Northern Distribution Network, and 60 percent of supplies transiting that network go through Russia. This is a significant benefit for the United States.”<sup>15</sup>

During the U.S.–Russia Summit in July 2009, the two countries also agreed to resume direct military-to-military activities which were suspended after the Russia–Georgia war. This would include a conduct of regular exchanges and operational events. In September 2009, the U.S. announced the cancellation of the deployment of missile defense systems previously agreed and signed with the Polish and Czech governments by the Bush Administration. This cancellation created new openings for further *reset* momentum in U.S.–Russia relations and an advancement of Obama's commitment toward “zero” nuclear weapons in the world. The new Strategic Arms Reduction Treaty was signed in April 2010 and later ratified by the legislative bodies of both countries. This was followed by a new military cooperation agreement in September 2010 to replace a 1993 agreement. The two countries issued a declaration of cooperation and decided to establish a defense cooperation working group to meet annually. Progress has also been, albeit slowly, achieved in relation to joint missile defense matters. Moreover, the U.S. continues to provide annual aid to Russia to prevent the proliferation of WMD.<sup>16</sup>

The cooperation has extended to political and economic matters, as well. The institutional framework – the Bilateral Presidential Commission with 18 working groups – has been established to coordinate a number of joint activities. In April 2010, Russia supported U.S. proposals for a new round of sanctions against Iran at the United Nations Security Council. Russia has reportedly been willing to cooperate with the U.S. on both the diplomatic and the pressure track despite significant trade losses as the result. The cooperative mode in the Middle East was once more demonstrated by Russia's abstention on the Libyan “no-fly zone” decision at the Security Council in

March 2011. In return, the U.S. has supported Russia's mediation role in conflict settlement in Libya.

The *reset* has created a favorable environment for closer economic cooperation, trade and mutual investments. Cooperation in the nuclear sector has led to the so-called 123 Treaty, which was signed in December 2010. It enables the U.S. and Russia to develop proliferation-resistant technology, allows the sale of nuclear materials and equipment by U.S. companies to Russia, and permits joint bids for tender in relation to civil nuclear projects in third countries.<sup>17</sup> Investment and trade volumes have increased. There were also expectations and commitments to finalize Russia's WTO membership by the end of 2011. This, however, was once seen as a "make or break" issue, also revealing the political and structural limits of cooperation between the U.S. and Russia.

The positive achievements of *reset* notwithstanding, "a breakthrough with" or "concessions to" Russia should not be overestimated. The diverging visions and disagreements with Russia remain considerable. As Andrew Kuchins puts it, "the root of the problem is Moscow's failure to accurately identify threats to Russian interests in a rapidly changing international environment". This obsolete view of threats was demonstrated indicatively by Russia's 2010 Military Doctrine, recalling that preservation of the strategic thinking of the 1970s would clearly hinder endeavors to establish a genuine bilateral and strategic partnership.<sup>18</sup>

Conflict solution in the neighborhood has remained among those contentious and complicated issues which allow the process to proceed. Joint demonstrations to deal with "frozen conflicts" have not yet produced any significant results. While the U.S. has largely adopted a "wait and see" approach with regard to Russia's interaction with former Soviet republics, it has also expressed continuous support for the integrity of Georgia, as well as for the diversification of European energy resources in cooperation with post-Soviet states other than Russia. With regard to the new CEE members of Euro-Atlantic organizations, the re-engagement with Russia has been complemented with unambiguous reassurance. This has found its expression in the new NATO Strategic Concept, contingency planning for Poland and the Baltic countries, joint military exercises and, perhaps in future, U.S. military bases in the region.

This also adds some caveats to the hitherto most successful direction of cooperation: arms control. Russians expect the withdrawal of U.S. tactical weapons from Europe as a precondition for further joint solutions. There is a clear difference of interpretation among the two sides, as Russians perceive the U.S. tactical weapons in Europe as being of strategic importance.<sup>19</sup> Although CEE countries supported the START II treaty at the end of 2010, tactical weapons are still perceived to be an important military balancing instrument in Europe. The tactical weapons issue has been linked with the CFE Treaty, negotiations about which have stalled for years. Moreover, momentum should be kept and some interim agreements should be achieved in an attempt to reach common stances on the proposed joint missile defense system. To date, the remaining windows of opportunities and present political will notwithstanding, progress has been rather limited.

Democratic administrations have also been traditionally susceptible to issues of democracy and human rights. Although the Obama Administration has said that it “will not seek to impose these [democratic] values through force”, ignoring them continuously in a mutual relationship would create a risk of undermining the administration’s credibility. This has led Barack Obama to make statements on various occasions along similar lines: “...Americans and Russians have a common interest in the development of rule of law, the strengthening of democracy, and the protection of human rights. ....These are not just American ideas; they are human rights.”<sup>20</sup> Michael McFaul, one of the *reset* architects and now the “reset ambassador” to Russia, has underlined the importance of democratic freedoms and human rights in a “dual track engagement” with Russia.<sup>21</sup> The presence of human rights in the relationship was confirmed by the State Department’s decision to place 64 Russian officials on a visa blacklist banning them from entering the U.S. Although this was regarded as a pre-emptive way to preclude the passage of the *Sergei Magnitsky Rule of Law Accountability Act* in the Senate, the vulnerability of *reset* was demonstrated and risks of its derailment increased, especially after Russia warned that it would “respond asymmetrically” and establish its own blacklists.<sup>22</sup>

The Obama Administration has received considerable and increasing criticism for its *reset* policy from Republicans and conservative think tanks. David J. Kramer, president of Freedom House and a former deputy assistant secretary of state for European and Eurasian affairs in the George W. Bush Administration, has argued that the “grand bargain” has led to a “Russia only” rather than a “Russia first” approach, “neglecting and even abandoning other countries in the region” and ceding spheres of influence to Moscow.<sup>23</sup> According to Ariel Cohen and Stephen Blank, this has wider implications for U.S. foreign policy: “The reset policy has hitherto conspicuously failed to address important U.S. interests in Eurasia, including preventing emergence of a hegemonic power in Eurasia, maintaining a level playing field in access to markets and natural resources, and developing democracy and free markets based on the rule of law.”<sup>24</sup> The issue of closer relations with Russia has increasingly moved up on the political agenda. While the new START agreement, albeit after prolonged discussions, was ratified by the U.S. Senate, it became more complicated to achieve the repeal of the Jackson–Vanik amendment, which was needed for Russia’s WTO accession and status of most favored nation in trade. The Senate has raised the issue of human rights in Russia and has been considering adopting the *Sergei Magnitsky Rule of Law Accountability Act*. In all likelihood, the near term presidential elections in Russia and, especially, in the U.S. may only intensify partisan politics and criticism over the administration’s *reset* policy. One of the Republican presidential frontrunners, Mitt Romney, has promised to reset Obama’s *reset* policy, which he has critically assessed as a “we give, Russia gets” policy.<sup>25</sup>

Paradoxically, while there has been considerable and growing skepticism and political criticism among U.S. policy makers and shapers, the CEE nations have adjusted to the new openings in relations with Russia. It is perceived that Russia’s domestic economic challenges, taken together with the U.S.–Russia *reset* process, as well as the

EU–Russia “modernization agenda,” have made Russia more responsible and susceptible to refraining from power politics. The initial insecurities have been alleviated by the considerable reassurance provided by NATO and the U.S. in particular. Political rapprochement has also created new openings for more intense regional economic exchanges and interaction. As the result of this, a number of countries in the region, most notably Poland, have embarked on their own *reset* and “modernization agenda” with Russia.<sup>26</sup>

Moreover, as Ivan Krastev has succinctly put it, “the biggest loser – and the biggest winner – of Obama’s reset policy is Central Europe. It lost its symbolic importance in America’s political imagination, but gained real influence in shaping EU’s Russia policy.”<sup>27</sup> The *reset* has motivated Europeans to “Europeanize” their own foreign policy and strategy with respect to Russia. As a result of this, CEE nations find themselves in a position to launch a more proactive rather than a simply bandwagon approach in general, as well as to de-securitize and de-victimize its relations with Russia in particular. Actually, the *reset* has motivated CEE nations to shape the EU and Transatlantic agenda more actively. Hence, initial concerns in the CEE region and future prospects of *reset* notwithstanding, the U.S.–Russia rapprochement already has produced positive policy implications for the CEE in terms of a more pro-active, initiative based and Europeanized security and foreign policy.

### **The Obama Administration and the Baltic countries**

The positive implications of evolutionary, rather than revolutionary changes in Obama’s foreign policy have been demonstrated under the framework of the relationship of the United States with the Baltic countries. Although Estonia, Latvia and Lithuania may differ in their foreign policy approaches and tactics, there has been a strong rationale to sustain previous political momentum and expand cooperation on a variety of issues with the United States. It is continuously perceived in the Baltic States that the United States were among the strongest advocates of the Baltic “captive nations” during the Cold War, as well as their most important strategic partner after regaining independence.<sup>28</sup> The strong reliance on strategic cooperation with the U.S. has made the Baltic countries, alongside Poland, arguably the most Atlanticist nations among the CEE countries. The traditionally prioritized spheres of cooperation have been security, energy, as well as education and culture.

The U.S. has been perceived as a vital and indispensable guarantor of Baltic independence and security. The role of NATO and, particularly, the United States only increased in the security considerations of the Baltic countries on the eve of the U.S. presidential election in 2008. The Russian–Georgian conflict in August 2008 re-invoked traditional insecurities among the Balts and created a certain post-Georgia syndrome of perceived vulnerability in the proximity of an assertive neighbor. The conflict demonstrated that traditional concerns and responses cannot be taken off the international agenda. Moreover, on a wider regional scale, after an initial wave of

Transatlantic optimism and a democratization agenda in the former Soviet Union, the neighborhood once more demonstrated its latent tensions and sources of instability. Frozen conflicts, violation of human rights and non-transparent governance undoubtedly created potential for a detrimental spillover effect to regional and international security settings. As a result, Georgian developments very much reinvigorated a search by the Baltic countries for further re-assurance of collective defense solidarity and regional security from NATO and the newly elected president's administration.

Alongside bilateral dialogue and continuous support for the U.S.-led NATO military operation in Afghanistan, "reassurance" was put high on the agenda by the Baltic representatives in various multilateral settings, such as the Enhanced Partnership in Northern Europe (EPINE) or the group of experts chaired by former U.S. Secretary of State Madeleine Albright to elaborate recommendations for the new NATO Strategic Concept in 2010. Eventually, the resulting Strategic Concept of the alliance was perceived as an important document to provide reassurance for the Baltic nations. NATO also produced military contingency planning for Poland and the Baltic countries. Moreover, reassurance was clearly demonstrated by a number of military exercises with the considerable participation of the U.S. military. Large military exercises such as "Baltic Host" took place in 2009, while "Saber Strike" followed in 2010. These undertakings were perceived as a demonstration of political and strategic support, along with continuous U.S. engagement in the region. The declaration of the interim operational capability of NATO's territorial missile defense system and the objective of proceeding with the deployment of key elements of this system in Poland and Romania are planned to be among the major goals for the forthcoming NATO Summit in Chicago in May 2012.<sup>29</sup> Although the approaching U.S. elections and almost simultaneous G8 summit may limit chances for the summit to become "transformational", the development of NATO's smart defense and missile defense agenda and its presence in the CEE region are expected to be agreed upon, even if faced with Russia's objections.<sup>30</sup> This would have positive implications for the security of the whole region, including the Baltic States.

The reassurance and the correspondingly alleviated insecurity concerns in the post-Georgian conflict environment facilitated the Baltic countries' support for the *reset* in general, and the START agreement in particular. Latvia and particularly the Riga port have benefited from the U.S.-Russian rapprochement and have become an important component in the transit of non-military cargos to Afghanistan through the Northern Distribution Network. *Reset* and "reassurance" have encouraged the Baltic countries, and particularly Latvia, to take more proactive regional stances in the confidence building process. This eventually contributed to Latvia's own *reset* or normalization of relations with Russia during the past several years, which was clearly demonstrated by the visit of President Valdis Zatlers to Moscow in December 2010.

The global economic recession, dilemmas of economic sustainability and continuous rivalry over access to energy resources have clearly been part of the U.S.-Baltic dialogue. The Bush Administration was instrumental in supporting the establishment of NATO's Cooperative Cyber Defense Centre of Excellence in Tallinn in May 2008

in order to enhance NATO's cyber defense capability. The Obama Administration has been supportive of the Energy Security Center in Vilnius, while the administration's energy envoy, Richard Morningstar, has engaged actively in shuttle diplomacy in this area, promoting diversification of transit and supply routes in Europe, including the CEE and Baltic region. Lithuanians have been frontrunners in engaging U.S. presence in the Baltic energy sector. The Lithuanian government has signed contracts with U.S. companies on the construction of a liquefied natural gas (LNG) terminal and the potential delivery of LNG from the United States.<sup>31</sup> In the meantime, Estonian investments in a Utah shale oil company have been driven not only by economic rationale, but also by the desire to strengthen strategic links. The joint exploration and prospective extraction of shale gas in Poland and the Baltic countries may become an important aspect in further strengthening these Transatlantic links.<sup>32</sup> Although the economic recession has reinforced national economic and energy preferences and certain competition among the Baltic nations, there is a shared vision of the importance of the strategic presence and initiative of the United States in regional energy configurations.

Lastly, cultural and educational links and "soft" diplomacy have remained a visible part of U.S.–Baltic interaction. The Bush Administration left behind the important and symbolic legacy of introducing a visa waiver program in November 2008, which enabled nationals of almost all new CEE members of the EU and NATO, including the Baltic countries, to travel to the United States for short visits without obtaining a visa. Two years later, in September 2010, the inauguration of the Baltic American Freedom Foundation took place so as to build on the legacy of the Baltic American Enterprise Fund and facilitate professional and educational exchange programs and, eventually, enrich ties between the citizens of the United States and the Baltic countries. The intensification of cultural and education exchanges has been suggestive of Baltic ambitions to sustain a previously established positive agenda across the entire spectrum of issues in terms of mutual interaction between Estonia, Latvia, Lithuania and the United States.

### **Conclusions: new challenges and opportunities in U.S.–CEE relations**

Obama has based his political platform on the premise and promise of change. U.S. foreign policy has not been an exception. The innovation in U.S. foreign policy thinking and implementation notwithstanding, the adopted global strategies and goals recall the language of the Clinton Administration: "assertive multilateralism", "engagement", and "strategic patience", especially with regard to "key centers of influence", such as China and Russia. At the same time, the Obama Administration's foreign policy has been undergoing adjustments due to continuous challenges in Afghanistan and an expanding area of instability in the Middle East, unpredicted and paramount societal transformation in the Arab world, the global economic recession, as well as rising domestic criticism within the United States. In this context, the ever-present dilemma of balancing a value-driven global democratization agenda with pragmatic and econo-



mized engagement with major U.S. economic partners and suppliers has become ever more acute and challenging.

The CEE nations have been apprehensive that the inauguration of the Obama Administration may have symbolized the inauguration of U.S. foreign policy transformation in the region, which allegedly has lost its “symbolic importance in America’s political imagination.” As the U.S. foreign policy objectives have further “gone global”, economic recessions and the reduced financial, political and military capacities of the CEE countries to contribute toward these global efforts may have reduced their relative weight and respective appeal in U.S. foreign policy thinking and implementation. The CEE countries have not been represented at the increasingly important G-20 global economic forum, and their role in efforts to resolve difficulties and stabilize the Euro zone has been secondary. The region itself is becoming increasingly diverse, with diverging interests and policy stances. Moreover, the voices and votes of CEE nations may arguably have become less decisive in the vote-tilting process in U.S. domestic political exigencies. Although the “CEE card” played a certain role in the U.S. domestic debate over ratification of the START treaty in 2010, the next presidential elections in 2012 may apparently be centered on attempts to mobilize the social and racial, rather than the ethnic electorate, as well as to invoke domestic economic challenges, rather than global and regional political agendas.

These challenges notwithstanding, Obama’s foreign policy has also contributed to a new quality and new windows of opportunities in terms of mutual interaction. The relations, albeit less emotional and political, remain intensive, constructive and mutually sympathetic. The favorable opinion of the United States under the Obama Administration among the CEE countries has followed a global pattern and increased considerably compared to the Bush presidency.<sup>33</sup> More important, however, is the fundamental shift in characteristics and expectations in the relationship between the CEE countries and the United States. The Obama Administration has further sought a gradual end to the period in which the CEE nations were largely security, stability and development takers, rather than providers. As Obama’s *reset* policy has motivated Europeans to Europeanize their external relations with Russia, Obama’s global agenda has motivated Europeans, and particularly the CEE nations, to take a more proactive role in regional and global developments. Obama’s policy has opened windows of opportunities for the CEE countries to increasingly think about ways of becoming security and stability providers, taking more responsibility, engaging in regional confidence building measures, and contributing toward the prospective shape of the Euro-Atlantic community and its direction.

A more responsible and proactive regional and global agenda will rest on the domestic strength of the CEE countries. Societal consolidation, political and economic transparency and sustainability, and the capacity to deal with economic, financial and social challenges will directly determine the efficiency of addressing strategic global and regional concerns of a traditional and non-traditional nature. Paradoxically, less attention by the United States to the CEE region may clearly imply the accomplishment of a successful political and economic transition process in the region. After 20

years of transformation, the CEE nations have become full-fledged members of Euro-Atlantic institutions. Although the economic recession has hit hard, the region has proved its vitality and even provided some lessons of economic recovery for the rest of the world.<sup>34</sup> Hence, being a “smart power” globally means implementing smart politics at home. The Obama Administration, whether intentionally or not, has contributed toward making CEE nations “smarter” and placing the U.S.–CEE strategic partnership on a qualitatively new and transformed, as well as increasingly equal and symmetric playing field.

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## Notes

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## **American Views on U.S. – Latvian Relations and the Role of the Reset Policy with Russia**

*The following opinions are based on experts interviews (May, 2011) to the editor.*

### **U.S. – Latvian Relations and Perspectives**

**Heather A. Conley, Director and Senior Fellow, European program, Center for Strategic and International Studies**

In the global context, U.S. relations with Europe are finding a balance for an American-European policy that has a very well-based global agenda, without losing the essence of understanding where each of us are going or not going. That's where the Administration has not focused its time and attention: on internal dynamics. There is an assumption that Europe is here to support U.S. objectives. The President remains an extremely popular figure in Europe. We have a long list of things to do which is in part meant to provide the context which says that the relationship is strong and that we should move on quickly. But we have the ability to know what is going on within Europe and also to understand what is going on in the United States which, quite frankly, are not very good political developments. For instance, politicians have to decide on our debt issues and on future investments, which will be decisive in terms of where the country is going to be in next ten or twenty years and how productive it will be. These are important conversations that you usually also have with your closest partners and allies. It is not always the right time to go to Afghanistan, Iran, Russia, North Korea or the Middle East, all of them incredibly important. Sometimes you have to say: I need to understand what is going on within my country, and how do we build the partnership and relationship – whether economically or culturally? That is recognition of a very different place than where we were. I think we are still stuck in the romanticism of the relationship. Its practical side does not seem as nice as the romantic side. And in this project, we are working with you, and for you we have to re-calibrate the relationship. Here think tanks can provide some space in view of the fact that everyone in the government is so busy.

To answer the question about U.S.–Latvian relations, I would look at it from the perspective of the by-products of our global agenda. For Latvia, certain opportunities and homework are assigned by the U.S. Northern Distribution Network. The challenge is building a modern 21<sup>st</sup>-century infrastructure that would help Latvia. Diversification is another issue, for instance, to temper the problems caused by Russia's "heavy hand". A good example is energy transmission lines from the Nordic countries. Therefore, infrastructure and energy should be the key focus. We should consider whether we can build on the economic and civilian implications of the present activities within the U.S. Northern Distribution Network at the Riga Port by involving local companies and using the EU and NATO architecture. Another area in which Latvia could work

together with Europe and the United States and provide its assistance is our initiative within the U.S.–Russian *reset* for increased transparency, modernization and productivity in Russia according to the international standards.

#### **A. Wess Mitchell, President, Center for European Policy Analysis**

I think U.S.–Latvian relations have matured considerably since the 1990s. Latvia stands up as a U.S. ally that has political closeness with the United States, the broad political and cultural affinity and closeness to our way of approaching the world that we also have with other countries in the region, but without the negative downturn in relations that we have seen between the United States and some other members of the Central European community. Though Latvia is a small nation, Latvia and its neighbors remain extremely popular in the U.S. Congress, with broad understanding both in Democratic and Republican circles of the special value that Latvia and its neighbors have as post-Soviet countries which managed to undertake a successful transition. In the 1990s, the focus was on security. There was a broad understanding in U.S. policy making communities that the enlargement of NATO was a desirable process for reasons of values, but also for strategic reasons. An interesting thing about U.S.–Latvian relations is that Latvians stand out as a case of a small regional power that successfully invested in the strategic diversification of agenda items in relations with the United States. Even before that, many countries in the region started to think about this. Latvia, at a very early point, understood the critical advantages of its geographical position for supporting U.S. troops in Central Asia. Now we see a transition in the relationship of the United States and countries of this broader region, which think how they can provide lessons from their own experience in the transition process from the Communist regime for states in Middle East and North Africa. Latvia is in the forefront of that list of examples.

The working relationship between two countries is excellent. There will always be some prospect of tensions just beneath the surface: those kinds of tensions which arise between friends or family members, like the *reset*. I think the *reset* policy in the United States raised a lot of eyebrows in the Central European region due to the geographic reason that these countries are a lot closer to the source of fortune and have historically shaped preferences that sometimes may not go in the direction supported by the U.S. administration. But broadly speaking, the United States and Latvia share common interests and values. In a longer term, similarly to the challenge a lot of other countries in Latvia's position will have in their relations with the United States in the years ahead, the challenge for Latvia in its relations with the United States will be remaining a small geopolitically exposed traditional ally of the United States. Now the U.S. is undergoing a period of budget austerity and dramatic changes in our internal politics which will be a more challenging process than that in the 1990s, when the United States was not really concerned about resources and was not discussing the future of its geopolitical footprint in the world.

Latvia is at the crossroads between two very important strategic conversations for the United States. It is an example of a country which is at a pivot point between the United States as a maritime power that is invested into the Baltic and other littoral regions and as a more cardinal power that is invested deep into the European integration heartland. Latvia is positioned between those two forces and tendencies of U.S. foreign policy.

Energy security will be a vital aspect of U.S.–Central European and U.S.–Latvian relations. In the years ahead Latvia, as a littoral power in the Baltics, has the potential of taking a very prominent position in the region, particularly if the early estimates regarding LNG, shale gas, etc., turn out to be true. It may take 5–10 years to really know the whole picture. Then there will be transit issues and the prospect of export. In this regard Latvia's position will be critical.

Investments help to cement a relationship that is already driven by many powerful engines. It is important in a sense that if you look at the Baltic region and the broader Central European economic landscape, Latvia has showed an unexpectedly quick recovery from its economic and financial crisis, which is combined with some generally positive trends in the region. Therefore, for the U.S. investment community, this creates one of the few regions in the world where there is still a considerable degree of post-global financial crisis confidence needed for U.S. investors and banks to be able to invest. The broader post-crisis trend is toward risk evasion in U.S. lending institutions, not just domestically but worldwide, which will be a gigantic global problem over next couple of decades in the sense that up to this point, one of the main engines of globalization has been the willingness of U.S. lending institutions to pump funding into different regions around the world. After the global crisis there is a considerable degree of hesitation on the part of U.S. businesses and banks to invest in many regions. The biggest exception is Central and Eastern Europe. And I think that a lot of confidence that the U.S. has in terms of investing in that region in general is driven by the sense that unlike a lot of other regions, this region maintains a certain degree of stability, and it shows a tendency of self-correction that we saw after the global financial crisis.

For Latvia there are several main challenges. One of them is maintaining that reputation for political stability, for self-correction and rapid adjustment following the crisis. Latvia has a very good track record on corruption. But in the years ahead there will be the necessity of resisting Russian efforts to influence the political system, and resisting the temptation to imitate some of the Western European turbulence at the social and political level that we have seen at times of crisis. But in this regard Latvia has been successful in the past, so I do not think that there is any reason to fail in the future.

The post-crisis situation is a sort of advantage for the Latvian economy. Many U.S. policy makers were surprised at how quickly and effectively Latvia responded to the crisis and recovered after the downturn, though the early predictions were that Latvia in particular would undergo a very long period of adjustment. Everyone, even many senior economic analysts in Washington, was surprised about the impressive

resilience of the Latvian economy through internal devaluation and a lot of adjustments at home.

### **Damon Wilson, Executive Vice President, Atlantic Council**

Latvia is a huge success story first and foremost because of what Latvians did and of decisions that were made by Latvia's leaders over the years in order to transform the society. Latvia was able to maximize that because you were able to fit into a conception and paradigm of building and completing Europe. In this process the United States was an equal and full partner to the European allies in opening up NATO and European institutions after an initial phase of resistance and skepticism. You both benefited from the process and also helped to provide engines of this vision of completing Europe. We are not done yet. The vision is not closed for the Balkans and Moldova, Georgia, eventually – Ukraine. As the focus of Washington has changed to some extent, countries like Latvia should promote the vision from which they themselves benefited. You should not let us walk away from that vision; hold us responsible for not completing our job in Europe and remind us the benefits of the vision. Latvia can help to shape the debate and say: look, Montenegro is a small country and it is not about Montenegro, but about finishing this project. Montenegro and Moldova are good examples because Latvia cannot change the future of Ukraine, Latvia cannot shape Egypt, and it cannot do a huge number of other things, but Latvia can have impact if it is focused, for example, on Montenegro or Moldova.

Nordic–Baltic cooperation should be fostered strongly, as countries acting as a united whole and as a partner to the U.S. have considerably more influence and weight in the international arena. Another aspect for U.S.–Latvian relations and for Latvia's contribution to the Eastern Partnership is its specific experience, which can be valuable for the initiative. To my mind, the countries to which Latvia could provide relevant expertise are Belarus, Georgia, and particularly Moldova. Latvia's external agenda should be an important focus.

Regarding American investments into Latvia, this is an increasing concern as America becomes a less and less strategic investor in partner countries. Strong investment and economic trade relationships can only help to strengthen the strategic partnership. Now, we do not really have that. Given the markets, given where we are in terms of geography, it is not hugely surprising. This is certainly not a driving factor. What we have been able to contribute is the vision, the strategic side to help your economy to flourish.

I would like to see America more present. I would like to see American-Latvian, Canadian-Latvian communities helping to drive these relationships, business and investments. Riga is a great city, a great platform for doing business. It is also a great gateway to the Russian markets. So, yes, I would like to see more American investment and a stronger American presence in this respect, but, I think, we should be modest in our expectations. I do not have a secret recipe to say: here is how we double investment or trade. Though, as I said, I would like to see this growing.



From the American perspective, the key problem for bilateral or multi-lateral relations was the collapse of the Latvian economy. You had such severe financial distress that has caused various impacts. So, how can Latvians have a world view, how can Latvians think about shaping a new policy or planning their agenda in relation to Belarus or Moldova when the scale of challenges faced domestically is so strong? Now Latvia is getting back on its feet and is dealing with all those complicated issues. The next phase of your putting your house in order is strengthening Latvia's domestic institutions, your checks and balances and transparency.

Regarding the national security perspective, I am concerned about precluding any manipulation of the society by Russian organized crime or, indirectly, by Russian intelligence or governmental services. These concerns are related to the operation of the Latvian banking system, structuring of the mass media and operation of political party financing. On the one hand there is the necessity to integrate the society, including its Russian speaking part. On the other hand, the process should not imply that Latvian policy making is being influenced in unacceptable ways.

### **Joelle Attinger, President, European Institute**

U.S.–Latvian relations are very good. Latvia is engaged on a range of issues, like the NATO matters in which Latvia is a significant contributor toward a variety of NATO efforts, including Latvia's involvement in Afghanistan and in the Northern Distribution Network. Latvia has done an extraordinary amount as a very important ally of the United States and the alliance. Now, in this time of austerity, when the United States is also struggling with its domestic issues, the question is whether further infrastructural investments will occur in Latvia through various cooperative initiatives so as to become a partner in the region's economic and energy partnership, as these are two essential pillars. In managing its issues, Latvia has learned its lessons and has become a certain model. When we come back to the *reset*, it should be noted that we can never take developments in Russia for granted. We need to study the priorities of the "old Russia" and the "new Russia" and how they all are balanced, as they certainly have direct consequences for Russia's neighbors, Latvia being a key example.

One of the points is ensuring that the definition of American regional interests is coherent with the national interests of Latvia. I am worried about the missile defense strategy, minority issues and energy security. Energy dependence is to a large extent determining policies regarding bordering countries, like Belarus, etc. I do not see much daylight there. Not just in Latvia, but in all U.S. allied countries, particularly in Europe, there is a sense or fear that America does not care. But we need to remember isolationism of the United States. Its foreign policy is a secondary issue which is a truly American perspective, reflected at various degrees by the activities of American political leaders.

In fact, there had to be some kind of a drop after the deliberation and the huge efforts and investments that were made not only by yourselves, but also by Europe and

the United States to facilitate the transition process. And maybe it is the price of success that now Latvia is not seen as a problem and, therefore, not necessarily viewed as a priority publicly. But at the level of policy makers, the region still remains a priority.

The most significant areas of cooperation include a range of issues. I am hopeful for the investment climate between the two sides. I am hopeful for the exchange of technological know-how and financial support for innovation. I am hopeful in terms of the work that can be done on energy diversification. We have experience with shale gas, which is of particular relevance for the United States. Europe has a huge potential in shale gas. But, as you know, it is not quite sure yet how to balance the environmental concerns with the exploitation of those reserves. Regarding energy diversification, I see a big potential in the EU–U.S. Energy Council. I also see potential in working together on a *re-reset* or re-definition of the neighborhood policy, where Latvia's perspective and input is very important for the evolution of this policy. I think we will experience some incremental shifts because of the changed geopolitical importance of the Northern dimension. This will bring up all kinds of additional strategic issues.

I find it very interesting that Latvia has been at the forefront of the NATO missions in a wide range of areas even during the economic crisis. So, in fact, my question is: as Latvia and the region grow, how much will you need the United States? The question is how you will see the role of the U.S. as the region gets stronger and the role of the U.S. as a partner among other partners is recalibrated. Today it is already much more a partnership of equals than it was ten years ago.

### **U.S. and Latvia: Modern Silk Road**

#### **S.Frederic Starr, Chairman of the Central Asia-Caucasus Institute**

There is one more important area to mention in the current military cooperation between the U.S. and Latvia and that is Northern Distribution Network. NATO states use Riga port to transport their non-lethal goods to Afghanistan and to and from Afghanistan. The U.S., for understandable reasons, is the heaviest user of this network and will continue to be at least through 2014.

However, the role of the port at Riga in continental transport should, with active and responsible leadership, become more rather than less central after that date. Riga, along with other ports on the Baltic, notably Klaipeda in Lithuania, is key hub of North–South transit across Eurasia. As such, it will connect with East–West routes connecting Europe and China via Kazakhstan, and also with important East–West corridors that will soon connect Europe/Middle East with India and Southeast Asia via Afghanistan.

This opens important prospects for Latvian producers in many fields, and also to Latvian freight forwarders, logistic experts, insurers, etc. The success of this transition will depend significantly on Latvia's exercising leadership among the other transit countries, including Uzbekistan, Kazakhstan, Afghanistan, and the Russian Federation. The challenge will be to discourage, through deft diplomacy and economic logic,

the exploitation of this transit route by any party or parties to gain unilateral advantage over other partner-participants, or to exploit this economic corridor for political purposes. The U.S. can support and back Latvia's efforts in this direction but in the end it will be Latvia's leadership that will be the ingredient most essential to long-term success.

### **The impact of the U.S.–Russian reset policy**

**Heather A. Conley**

In general, I see more positive things about it, but some are still missing. My positive view is that it was important to get this relationship back on track, as this creates space for Europe and the United States to move in a more favorable direction. My criticism was: it cannot be the only strategy we have towards Europe, though that is what it has basically been for the last two years. Frankly, it has been the most successful policy in this area to date. But as we have almost reached the limit of that success now, the challenge will be next developments in this relationship in view of the 2012 elections. Due to the fact that we have not worked on the internal agenda which does address influence in the region, we are going to be disadvantaged. We are dealing with Afghanistan or Iran which, of course, are our base issues, but we can put them aside for a moment.

However, the other positive part of the U.S.–Russian *reset* is that the administration made a strong attempt. In 2009 the relationship was in a difficult state after the missile defense decision. Central Europe was concerned that the *reset* was going to be the predominant force. I think the administration worked quite hard within NATO and bilaterally to increase the contingency planning, though the promise had been to do that by 2004. The message of reassurance – many NATO colleagues do not like the word “reassurance”, because it suggests that there was a question of the efficacy of Article 5 – was delivered; the alliance has stepped forward towards the East and recognized the need for infrastructure and for a consistent “footprint” across NATO. The missile defense is a perfect example of the current challenge: when you reassure one side, Central Europe, you rattle Moscow; if you reassure Moscow, you rattle Central Europe or Eastern Europe. We also see the gravitation of a pool of Central Europe towards Berlin, for instance, the meeting of foreign affairs ministers of Poland, Germany and Russia in Kaliningrad in May 2010. I believe in a new paradigm which would apply, generally, from trade relations to political relations and would contribute to putting Russia in a more positive *orbit*. This has a lot to do with internal EU politics, this has a lot to do with the 2014–2020 EU budget. But there is confidence that this will improve relations with Russia. If we look at the Energy Charter and Russian gas monopoly practices in Europe, they are now being tempered by the EU. And, again, there is confidence that Central and Eastern Europe will not be left totally alone. There are developments that need to be understood. We will have setbacks. I can imagine, as

we get closer to 2012, if Mr. Putin decides to step forward with a strongly nationalistic position, then he will need an enemy – that's NATO, that's the West. Although, unfortunately, the West is his market, providing the capital he needs to sustain his political capital. So, I think, he will have to temper that relationship to some extent.

Along with understanding that this is not a static area right now, we have seen very interesting developments. I think, the overwhelming success of the *reset* is due to its course of looking at the general landscape of issues. Quite frankly, we have to recognize that there are quite a lot of things that we could do with Russia. But we should not oversell this. President Medvedev is on very uneven ground, and we cannot put everything on him. Things he is saying which sound like music to our ears, in fact, have a very limited effect on the actual Russian policies. That's the reality: we hope for the best, but we are still ready for the worst. And until March next year, we are in for a bumpy ride with Russia in view of its nationalistic stance, which will have implications for the region.

There is a project which is focused on Estonia, but which could also be equally applied to Latvia regarding Russia's compatriot policy by looking at its influence and understanding its successes or failures. We conducted a survey of younger Estonians about what they think of Russia and Russians in order to see the effect of the historical background on the younger generation.

My observation in the Estonian context is that the compatriot policy has not been a huge success. It has become much more sophisticated; it has been improved by not trying to impose it so clumsily anymore. It has been implemented in more subtle ways: it's culture and it's language.

### **A. Wess Mitchell**

The *reset* and other Western openings toward Russia involving the United States, Poland, Latvia and other Central and East European countries reflect a broad-based and long-standing Western desire to engage Russia and to see Russia begin the process of cultural and economic integration with the West as far as it is possible. The problem is that this noble desire is colliding with some immutable and permanent geopolitical forces. Russia is fundamentally a revisionist power. We look for practical openings to link that revisionist power with the *status quo*. And, in this regard, we can expect constructive and worthwhile tactical progress. Given such a mismatch between revisionist power and the *status quo* or between authoritarian and democratic power, gains are usually only tactical, and any longer term prize is illusory. At the moment the problem in the practical sense is that the tactical progress we occasionally have on, for example, Iran, is great as a tactic, but in terms of a strategy, we do not yet have the underpinnings for a longer term opening. So we really have to transfer from tactics to strategy. The biggest issue you collide with is how to combine the *reset* and the reassurance. I think so far we have only had some fragmentary answers. Now the question is whether the reset will develop into a broader long-term pattern of geopolitical openings with a view toward economic or political integration of Russia towards the West.

### **Damon Wilson**

The previous problems on the American side were due to certain reasons. Now the Obama Administration says: let's work together and see what we can do. But Russians had their own perception of this: so Obama, like us, recognizes that all the problems were caused by the bad boys in the Bush Administration and particularly by their obsession with Ukraine, Moldova and Georgia. The United States has recognized its shortcomings and causality of the problems, but Russia itself has not done anything wrong. So Russia saw the *reset* as admission by the American administration of its guilt.

The reason we have problems with Russia is not because of the American policy. The reason for these problems is that Russia has become increasingly authoritarian, increasingly corrupt and increasingly aggressive towards its neighboring countries. Thus, this has a lot to do with Russia's domestic policy. As long as Russia maintains this trend of greater dictatorship and less political openness, there will be real constraints for the American–Russian partnership. We can cooperate on some strategic interests, but there will be strong limitations on how far such a partnership can go in the absence of greater shared world-views and values. But I am not very optimistic. I would like to see the U.S. administration using the Russian *reset* in order to engage in frank conversations.

If I were a Latvian policy maker, I would be quite concerned about the naivety of the American policy towards Russia. And I would focus on diplomatically helping to educate my American friends and helping them to shift the policy over time. It is important to help them to think differently and also to take your concerns seriously. But this must be done diplomatically. Otherwise it won't work. You should speak clearly and not hide your views. However, you should also use the opportunity opened up by the *reset*. You can use this window to work on your bilateral relations with Russia to address border issues and other bilateral disputes. And these efforts will be important for both scenarios: when relations become better or when they get worse. You should maximize Latvia's own interests. You will not become Russia's best friend or partner on these things, but you can certainly maximize efforts aimed at removing some of the issues from your bilateral agenda.

### **Joelle Attinger**

The *reset* on Latvia's part, on Europe's part, and on the U.S. part is a coherent effort, and further integration of Russia into the European–Atlantic relationship is really beneficial for all sides. It's kind of a proverbial question of the chicken or the egg.

Latvia's interests in the context of the *reset* are based on its historical background. The U.S. policy was unveiled with great fanfare, as you know, and it has pushed ahead very well for the first two or three years. Now the momentum has changed, but that also reflects the political reality of domestic politics in the United States, which is extremely quiet. A number of issues are being faced, and the dominance of the domestic

political agenda is beginning to take its toll. But I do not believe that the U.S. policy has abandoned or turned its back on Europe as a whole or on Eastern or Northern Europe in particular. Perhaps the policy is not as publicly managed as it should have been. I think that realization has come that we need to be upfront and work very hard to focus attention on the importance of this relationship. From my experience, both American and European policy makers increasingly understand that if the United States and Europe do not work together in this multi-polar world, others will be setting the agenda, not us. So there is certain evolution.

There is potential for the *reset* policy. One of the things which drives the policy is that it is both a public policy and a private sector policy. It is a coherence effort: whether it is on energy diversification, innovation or investment policy. Northern Europe is a hot spot. It happens to include Russia. The Northern Dimension has great potential, and its importance will certainly increase in the next decades. The question I ask myself is whether we will see a reformulation and whether you will become a regional power and strengthen your position in the world. Here Latvia also has a role to play.



### 3. LATVIA AND THE U.S. – THE POLICY OF DEFENSE AND SECURITY

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#### **Twenty Years of Latvian–American Defense Cooperation: From Cautious Beginning to Strategic Partnership and Beyond**

*Airis Rikveilis*

#### **Introduction**

Twenty years ago the world was different. From today's perspective it is difficult to understand why the existence of and need for NATO were discussed within academic circles and the political elite. It is also impossible to imagine current European and Transatlantic security without, for example, Poland and the Baltic States. Only a little more than twenty years ago, the former was not considered free to make its foreign policy choices, but the latter, including Latvia, were still occupied by the Soviet Union and experienced oppression of basic freedoms and human rights.

However, the situation changed rapidly and completely. The appearance of new countries on the map of Europe marked the end of the Cold War. Cooperation with states that freed themselves from the Soviet Union was an important part of the post-Cold War foreign policy of the United States. Before Latvia and the other Baltic States were recognized as independent countries, military-to-military contacts had already started with Hungary and Poland and even with the still existing Soviet Union.

For Latvia, the question of its strategic orientation and partnerships in the area of security did not present a difficult choice. Latvia returned to the European family, embracing along the way Western values and Transatlantic ties. The British and the American military were amongst the first to provide structural assistance to the newly established Latvian defense system and to advance the goals needed for a successful reintegration into the Transatlantic security community. Enlargement of NATO was, therefore, a logical continuation of the consolidation of European security, in which Latvia and the other Baltic States – Lithuania and Estonia – played an important role.

In order to describe the most important events involving defense and security cooperation between Latvia and the United States, this paper is organized in the following way: Following the first introductory chapter, the second chapter examines the beginning of mutual contacts in defense and security cooperation and practical activities between both states from 1992 to 1998. The third chapter looks at the period between the signing of the U.S.–Baltic Charter in 1998 and accession to NATO in 2004. The fourth chapter is devoted to the current state of our relations and concentrates particularly on common military operations in Iraq and Afghanistan, as well as joint



military exercises which provide visibility for the alliance in the Baltics. Some policy recommendations for enhancing and exploring new areas of future cooperation based on the experience of the last 20 years are offered in conclusion.

Even though there has been a large amount of information about Latvian and American defense cooperation in the media and within academic circles, published sources do not provide sufficient amount of information concerning relations between the USA and Latvia. Therefore, a series of interviews have been conducted so as to focus on specific areas of cooperation, as well as events that have taken place over the course of the last two decades.

This paper offers a brief overview of events that took place during the last 20 years in capital cities, as well as on the battlefield. It does not constitute a comprehensive analysis of Latvian and American defense and security cooperation. One reason for this is the large number of events and large amount of information that would need to be mentioned and analyzed in order to make accurate conclusions and policy decisions. Another reason is that the scope of this paper does not allow for such in-depth analysis. Nevertheless, this article at least fills a gap that exists in current literature concerning the regional cooperation of the United States defense and security establishment and looks at this cooperation from a Latvian perspective.

### **The National Guard as a cornerstone of cooperation**

The Communist world led by the Soviet Union broke apart in 1989, followed by the disintegration of the Soviet empire in August 1991. Responding to the geopolitical changes, the United States began seeking new strategies of cooperation with states in Central and Eastern Europe. Robert T. Cossaboom points out that in 1989, the Department of Defense of the United States created an Interagency Working group that initially included the Soviet Union, Poland, Hungary and Czechoslovakia.<sup>1</sup> Two years later, new countries appeared on the map of Europe. The United States recognized the *de iure* independence of Latvia on September 2, 1991.<sup>2</sup> Thereafter, the doors were opened for formal and informal contacts at all levels of cooperation between the two countries.

Defense and security were amongst the most prominent areas of interest. Renewal of independence did not solve Latvia's most immediate security problems. Security institutions were in their infancy, and the Soviet (Russian) army was still present on Latvian soil. The number of troops could be perceived as a serious threat to the security of the country. At the same time, by becoming a member of the United Nations on September 17, 1991, Latvia declared its allegiance to Western values and a willingness to participate in the Western security and economic system.

The military was no exception. The defense system of Latvia from very early on was based on principles of democratic civilian control over the military. Key military positions were subordinated to a civilian minister and the Ministry of Defense. Initially, National Guard (*Zemessardze*) and Armed Forces units formed two different

lines in the command chain, being primarily subordinated to the Speaker of Parliament, but then to the Minister of Defense. This was a civil-military relations shortfall that significantly hindered development of an effective defense system. One of reasons for this was lack of experience. During the Soviet occupation there had been no national military establishment in Latvia. Therefore, new military units consisted either of people who had served in the Soviet army or “citizens in uniforms” with no detailed knowledge about security and defense. International cooperation seemed to be the only way to learn about the principles of managing a modern defense system.

First to respond to these needs were a group of retired officers of Baltic origin living in the United States. As early as 1989 – two years before restored independence – Baltic Americans Andrejs Mežmalis, Jonas Kronkaitis, Aleksander Einseln and others established the Baltic Institute, a non-governmental organization comprised of retired military officers, defense and security professionals, as well as academics devoted to bolstering assistance to the Baltic States’ governmental organizations. According to Mežmalis, the Baltic American community recognized the need for assistance and sought to coordinate academic and practical efforts. Defense and security activities were particularly successful precisely because of the expertise in these areas that the U.S. Baltic community was able to provide.<sup>3</sup>

On October 29, 1991, about a dozen retired officers from the United States Armed Forces established an informal defense advisory group. According to one of its founders, Ilmārs Dambergs, this group aimed to support the Latvian Armed Forces by creating “direct (civilian) control over the military” [...] in full compliance with democratic standards.<sup>4</sup> According to another former U.S. officer, Navy Captain (ret.) Ilmārs Krasts, the tasks of the advisory group extended beyond mere consultations. The tasks included promoting the newly established defense system of Latvia as an interesting job with career prospects for young people, as well as for those from the exile community who had relevant experience and who would be prepared to return to Latvia.<sup>5</sup>

In fact Dambergs mentions a wide variety of measures that were proposed and implemented with assistance by the advisory group. Seminars and conferences were organized, and a number of analytical materials were prepared in order to enhance knowledge about security issues within Latvian society and the military.<sup>6</sup> Later this group worked closely together with retired officers from Canada, Great Britain and Australia in order to help Latvia to make professional choices and enhance its readiness to become a NATO member. Not surprisingly, some members of the advisory group later became advisers to the minister of defense, Ģirts Kristovskis.

It is also important to mention that since 1991, two out of the nine ministers of defense of Latvia, namely Valdis Pavlovskis and Jānis Arveds Trapāns, were exile Latvians who had lived in the United States. Another retired U.S. officer, Gundars Zaļkalns, became the first national security advisor to the President of Latvia, while ex-pilot and Air Force colonel (ret.) Kārlis Julijs Druva was elected to Parliament and became chairman of the Defense Committee.

In the fall of 1991, the United States European Command (USEUCOM) proposed broadening military-to-military contacts through an effort titled the “EUCOM

Coordination and Assistance Program.” It was supported by a similar proposal by the chairman of the Joint Chiefs of Staff, General Colin Powell, in December 1991. By April 1992, these ideas for cooperation frameworks were transformed into the Joint Contact Team Program (JCTP), which outlined five major guidelines for further cooperation between the U.S. and European military.<sup>7</sup> These included: the promotion of positive long term relations, encouraging the move to a civilian-controlled military, establishing contacts at the junior officer level, developing bilateral programs roughly in parallel with each other, and encouraging similar programs to be administered by our friends and allies.<sup>8</sup>

The United States National Guard (NG) proposed the next important steps. In 1992, many U.S. states were witnessing huge activities by their exile communities – particularly those from Eastern and Northern Europe – in terms of demanding closer cooperation with the countries that had regained their freedom. As Dambergs remembers, after initial contacts with the Baltic military, the U.S. military was working on drafting cooperation programs, and after one such meeting he was invited to consult the National Guard Bureau (NGB) on possible cooperation projects.<sup>9</sup>

Cossaboom mentions that in July 1992, during the visit of USEUCOM and NG officials to Latvia for a briefing on military support to civilian authorities, “the Latvians expressed an interest in learning more.”<sup>10</sup> After this meeting, the NGB was asked to develop specific plans for Latvia. Returning from Latvia, the NGB considered possibilities for cooperation, and they learned that the NG could be used as a solid platform for cooperation with all post-Communist countries. Since all three Baltic States agreed to use the cooperation framework with the NG, they were included in the Joint Staff Unified Command Plan. USEUCOM could, therefore, start cooperation with Latvia, Lithuania and Estonia by primarily focusing on the NG.

Ilmārs Krasts refers to this as a simple but brilliant idea. “Bearing in mind the sensitivities surrounding the ongoing presence of Russian troops and the process of their withdrawal, nothing could compare with this idea of involving the National Guard in defense cooperation. Due to its voluntary nature, a citizen in uniform represents both the military and civilian side of security and thus is usually acceptable to all those concerned,” he said during an interview. According to Krasts, the Baltic military leadership and their populations were fully satisfied with this type of cooperation, because the National Guard enjoyed considerable public support, and the idea of cooperating with regular military units seemed naturally premature.<sup>11</sup>

The leading role of the NG in the proposed partnership program was actively supported by the head of the NGB, John B. Conaway, and the deputy director of planning and policy for USEUCOM, Thomas J. Lennon, during their visit to the Baltic States in November 1992. Dambergs points out that after the Baltic tour, the NGB discussed potential partnership states, and he proposed Michigan to be paired with Latvia.<sup>12</sup> In a similar way, Lithuania was paired with Pennsylvania and Estonia with Maryland. According to Cossaboom, the NG arranged these partnerships after analyzing “native population centers within the states and geographic or economic factors that the state and European nation might have in common.”<sup>13</sup> Michigan was home

to several thousand American citizens of Latvian origin, many of whom had actively served in the NG. One of them, Chief Warrant Officer Verners Šulcs, was tasked to form the first office of cooperation in Riga in 1993. Another – Dace Mason – worked in the office of Major General Gordon E. Stump, Adjutant General of the Michigan NG. General Stump recalls that after an NGB in NGB, he had to think about which country he would like to cooperate with, and he was not given much choice: “I chose cooperation with Latvia because one of my best friends and my assistant were Latvians. Before that I only knew about Latvia from my friends’ stories.”<sup>14</sup> Mason said that after this decision, the NG began looking for people of Latvian origin in order to involve them in the planning of events that could be offered to Latvians.<sup>15</sup>

Thus JCTP was transformed into the State Partnership Program – a Department of Defense security cooperation program run by the NG.<sup>16</sup> Eventually, the first activities of the State Partnership Program were funded by Congress in 1993, and the first team of Michigan NG representatives arrived in Latvia on May 2, 1993. They were led by major John Birznieks. The team also included Verners Šulcs, Chief Warrant Officer Thomas Burleigh, and Sergeant Angela C. Grice. Colonel Owen W. Moon was appointed as the first head of the Military Liaison team. According to a former Commander of the Latvian National Guard, Colonel Juris Eihmanis, initial contacts with the Americans seemed very cautious. Contrary to the first impressions of 1992, Latvians were more willing to facilitate the military side of potential cooperation, but did not want to focus on NG assistance to the civil society.<sup>17</sup> His Michigan NG counterpart, Gordon Stump, points out that Americans initially were prohibited from getting involved in military training or any other military assistance. “We started our cooperation with familiarization tours by bringing in Latvians to observe our exercises, as well as explaining the aims and tasks of our organization,” General Stump said in an interview. Thus both sides had to adjust their expectations relating to this cooperation, a process that actually was anticipated with some doubts, but appeared to be much easier once mutual contacts were developed.

In the area of cooperation, the U.S. Department of Defense offered funding from the International Military Education and Training program (IMET) as early as in 1992. This assistance program was aimed at facilitating regional stability that from the American perspective was achieved “through effective, mutually beneficial military-to-military relations which culminate in increased understanding and defense cooperation between the United States and foreign countries.”<sup>18</sup> In 1992, the United States allocated approximately 46 thousand dollars for the training of the Latvian military. During the next few years this amount increased, and in 2002 it reached the level of one million dollars, at which it remains today. Between 1992 and 2011, Latvia received more than 15 million dollars through IMET, allowing more than one thousand military and defense officials to complete different levels of education in American military schools, colleges and universities.

By the middle of the 1990s, defense cooperation between both states was so intense that it had to be encompassed in a legal framework. Therefore, in spring of 1995, both states signed a Memorandum of Understanding on cooperation in defense and

military affairs. In a short and articulate manner, the document underlined the main principles of defense cooperation between the two countries, namely, widening of contacts between representatives from defense and military organizations, periodic and regular meetings between defense experts, as well as the implementation of bilateral programs “in order to assist Latvia as a member of the NATO *Partnership for Peace* (*PfP*) program to create forces that could better cooperate with NATO forces.”<sup>19</sup> This formulation does not mirror the internal debate that was held within the strategic elite of the United States. Ron Asmus mentions that *PfP* was viewed differently by various members of the military and political leadership. For example, the chairman of the Joint Chiefs of Staff, John Shalikashvili, maintained that *PfP* was an alternative to NATO for an interim period and that participation in this program did not aim at NATO membership.<sup>20</sup> At the same time, Vice President Al Gore, during a speech in Milwaukee, pointed out more directly that *PfP* was designed to assist countries in Central and Eastern Europe to integrate in the West and to create a situation in which they eventually would become NATO members.<sup>21</sup> In 1995, Latvia was still light-years away from joining NATO, but this bullet point in the Memorandum nevertheless was understood in Latvia as a signal that the U.S. supported Latvia’s entrance to the alliance and that this goal was realistic. Without many changes, this document could still be appropriate even today, although it must be said that some of the ideas are naturally outdated and the parties would need to consider signing a renewed version of the paper if they see value in further cooperation.

The signing of the Memorandum of Understanding paved the way for the United States to provide assistance by accessing funds in the Foreign Military Financing program, or FMF. In 1995, the first year that FMF was offered to Latvia, 700 thousand dollars were used to purchase equipment for English language training classes in the military and for contracts with English language teachers.<sup>22</sup> This was an important decision, because weak knowledge of English at that time hindered prospects for cooperation, military training and exercises. As Eihmanis emphasized, after the setting up of these classes, which resulted in an improvement in English language proficiency amongst National Guard personnel, the cooperation between it and the Michigan National Guard became more qualitative and intense.

Latvia used the FMF to purchase diverse equipment, but two items were particularly important, namely, the purchase of Chevrolet vehicles in 1996 and of M14 assault rifles in 1997. These were so called *excess defense* items and thus were not used by the U.S. military. The majority of this equipment was used for the heavily underfunded National Guard. By the standards of the end of the last century, the M14 was not the most modern assault rifle, but it was nevertheless the first infantry unified weapons system for the Latvian military.<sup>23</sup> Moreover, it used standard NATO ammunition, which was particularly important in light of the aspirations for NATO membership. The Chevrolet vehicles also significantly improved the capabilities of the Latvian military.

In parallel with enhancing bilateral relations, Latvia had to solve the problem of withdrawal of the Russian military. Negotiations lasted from February 1992 until

April 1994. One of the leaders of the Latvian delegation on the withdrawal of Russian troops, Jānis Baškers, explained in an interview that the Latvian and Russian delegations discussed practical issues of withdrawal, namely, timelines, financial issues, and the status of retired officers and their families in Latvia. Asked about whether he could specify whether there was Western support to speed up this process, he answered that because of their geopolitical interests, the Western countries were mostly interested in the elimination of Russia's strategic assets in Latvia. These assets included a Baltic fleet base in Liepāja, a radio-electronic space tracking radar near Ventspils and a long range air surveillance radar in Skrunda. According to Baškers, substantial American and Swedish diplomatic interest and activity went hand in hand with the closure of these bases. The political engagement of the U.S. and Swedish governments (the latter headed by Carl Bildt) was crucial in ensuring troop withdrawal.<sup>24</sup> At the same time, Latvia was forced to accept that retired Soviet military personnel and their family members (up to 80,000 people) were allowed to stay in Latvia after the withdrawal of active servicemen.

Shortly before the Russian army left Latvia, the governments of Latvia and the United States signed an agreement concerning *Technical assistance related to the elimination of conventional weapons systems and facilities formerly controlled by the Russian Federation Armed Forces stationed in the territory of the Republic of Latvia*.<sup>25</sup> The title of this agreement did not reveal its true intention – the destruction of the Soviet air surveillance radar site in Skrunda, a town some 150 kilometers from the Latvian capital of Riga. The task of destroying the 20-floor monster of concrete and iron was granted to the American company Controlled Demolition Inc (CDI). On the morning of the fifth anniversary of Latvia's renewed Independence Declaration, May 4, 1995, 360 kilograms of explosives were used to ensure the 12-second collapse of this infamously symbolic building. Even though the last active troops left Latvia on August 31, 1994, the Russians negotiated the status of the older radar site to be prolonged by three years, ending on the last day of 1998. Only seventeen years have passed since the occupying forces left Latvia's territory. This reminder of the vestiges of World War II is still remembered today by many people in Latvia, who feel that only then did the war finally come to an end.

The next step in cooperation was the military exercise *Baltic Challenge'96*, which took place in the main training area of Latvia's Armed Forces at Camp Ādaži on the outskirts of Riga. More than 300 American, 80 Latvian, and 70 Lithuanian and Estonian troops, as well as newly established Baltic Battalion units, took part, thus making this the biggest exercise in the Baltics since the collapse of the Soviet Union. The current commander of Latvia's National Armed Forces, Major General Raimonds Graube (chief of staff of the Latvian National Guard at the time) recalls that *Baltic Challenge* was the first exercise that was planned and executed according to procedures existing in NATO countries. It was the first time that alliance troops exercised on Latvian soil. According to Graube, the Latvian armed forces adopted similar planning procedures during this exercise, and this substantially minimized the challenge posed by planning issues in preparing for NATO membership.<sup>26</sup>

From a different standpoint, the co-commander of the exercise, Colonel (ret.) Juris Eihmanis, emphasized the scope of *Baltic Challenge*, which was the biggest military exercise in Latvia after regaining independence. The volume of logistics, transportation, procurements and supplies was unprecedented for the young Latvian military. “It was a good lesson in international cooperation, also testing the ability of Latvian government agencies to cooperate amongst themselves,” maintains Eihmanis.

Michigan NG Captain Ivars Sika, who is of Latvian origin, was ordered to active duty and assigned to the U.S. Embassy to facilitate this exercise. He remembers that during *Baltic Challenge*, the Americans discovered that the expertise of Latvian soldiers in specific areas of equipment and combat support procedures was worth studying more closely. For example, the Latvian Explosive Ordnance Disposal (EOD) teams had real life experience in working with and disposing of Soviet ammunition and explosives, while their American counterparts had only studied theoretical examples, some of which were incorrect. To Captain Sika, *Baltic Challenge* was particularly important, because he was sent to this exercise not only because of his military responsibilities, but also because he spoke Latvian. “When I was a child, my parents took me to Latvian Saturday schools, Latvian church on Sundays, and Latvian folk dancing lessons during the week in Kalamazoo, Michigan, to increase my exposure to Latvian language and culture. At that time there was little possibility to speak Latvian in the United States other than within the Latvian community. Therefore, I was more than happy to participate in this important event and at the same time to help my American and Latvian colleagues to communicate, using my knowledge of both languages,” said Sika.<sup>27</sup>

To sum up, the initial period of cooperation between Latvia and the United States was enthusiastically and widely supported by the military of both countries. It was true in many cases that while the political leadership was cautious to proceed, the military was largely enthusiastic to develop even broader cooperation. Where other areas of cooperation sometimes were lagging far behind, defense and security initiatives were advancing. Latvian and Michigan NG representatives were on many occasions actually put in the center of the cooperation agenda between the two countries. Latvia was still far away from NATO membership, but the cooperation between guardsmen from both states became synonymous for Latvian and American cooperation as such.

### **Toward NATO membership**

By the late 1990s, Latvia was considered to be amongst those countries least prepared for NATO membership. Indeed, Latvian military expenditures did not even reach half a percent of GDP. Its army consisted of conscripts who did not receive adequate training. A high proportion of public opinion did not consider that serving in the military was prestigious. Even though Latvia made gradual progress in avoiding unhealthy competition between the National Guard and regular Armed Forces and in enhancing military capabilities by participation in international operations and active participation in Baltic defense cooperation projects, these measures were apparently

insufficient to be considered successful. The political preconditions for an increase in defense expenditure did not exist.

Latvia formally applied for membership in NATO in 1995, and at the Madrid Summit in 1997, NATO leaders agreed to “continue to welcome new members in a position to further the principles of the Treaty and contribute to security in the Euro-Atlantic area. [...] At the same time, we recognize the progress achieved toward greater stability and cooperation by these states in the Baltic region which are also aspiring members.”<sup>28</sup> Later the same year, U.S. Assistant Secretary of State Marc Grossman outlined a Northeast Europe Initiative that was created to facilitate relations between countries of Northern and Northeast Europe, and particularly the Baltic States, in order “to promote stability in the increasingly vital Baltic Sea region, bolster U.S. trade and investment there, and strengthen key Western institutions and security structures.”<sup>29</sup>

On January 16, 1998, the three Baltic States and the United States signed the Baltic Charter, the most politically important document to be signed by both parties in advance of NATO enlargement in 2004. As mentioned by Žaneta Ozoliņa, “the Charter was an all-encompassing political document, defining a number of major areas of cooperation, but with the security sector front and center.”<sup>30</sup> The Charter clearly reveals that the United States considered the Baltic States to be future members of NATO and that it believed that Russia would not be allowed to have a veto in the potential enlargement of NATO after the Madrid Summit.

Political support amongst the members of the alliance for Baltic membership in NATO was slowly growing. Practical preparations needed to get started, as they were the only possible path to full membership. Ron Asmus mentions in his book about NATO enlargement that before the Madrid Summit, the Baltic elites fully understood that long and patient work was necessary in order to achieve NATO membership. Moreover, there was also the feeling that Baltic leaders understood that the United States are amongst their best friends and strongest supporters.<sup>31</sup> But with weaknesses and budget constraints existing at that time, Latvia could not be considered ready to attain NATO membership. This sentiment is strongly mirrored in a report by the Office of the Assistant Secretary of Defense for International Security Affairs and the United States European Command, the so called Kievenaar report.<sup>32</sup>

The report offered the first comprehensive assessment of Latvia’s defense system. Kievenaar and his experts persistently reiterated that the Latvian defense system lacked appropriate funding. As such, this report consists of two parts: the first is an assessment of Latvian defense capabilities, while the second part offers recommendations for enhancing Latvian defense capabilities and future planning of force development.

The report clearly outlined shortfalls of Latvian defense system. The authors maintained that “before any substantial improvement can be made to Latvia’s armed forces, a commitment must be made by the government to provide sufficient long-range funding to finance required reform and modernization efforts.”<sup>33</sup> The implementation of particular defense policies was also linked to the availability of funds. Other recommendations included the necessity of popular support for the military, the integration of reserve formations into local community life and strong attention to





*University of Latvia. Speech of the President of the USA George W. Bush to the participants of the Young Leaders Forum and of the Riga NATO Summit Conference, November 28, 2006.*

*Photo: Juris Krūmiņš, Office of the President of the Republic of Latvia.*



*President of Latvia Vaira Vīķe-Freiberga meets with the President of the USA George W. Bush at Riga Castle, November 28, 2006.*

*Photo: Juris Krūmiņš, Office of the President of the Republic of Latvia.*



*President of Latvia Vaira Vīķe-Freiberga meets with the President of the USA George W. Bush at Riga Castle, November 28, 2006.*

*Photo: Juris Krūmiņš, Office of the President of the Republic of Latvia.*



*Mrs. Obama welcomes Riga Dom Boys' Choir to White House, June 6, 2010.*

*Official White House Photo by Pete Souza.*



*Vice President Joe Biden and General James Jones meet with a Latvian delegation in General Jones' office, Washington, DC, June 15, 2010.  
Official White House Photo by David Lienemann.*



*U.S. President Barack Obama, Latvia's President Valdis Zatlers and Prime Minister of the United Kingdom David Cameron during the working dinner hosted by NATO Secretary General Anders Fogh Rasmussen for heads of states and governments at the NATO Summit in Lisbon, Portugal, November 19, 2010.  
Photo: Toms Kalniņš, Office of the President of the Republic of Latvia.*



*President of Latvia Valdis Zatlers and U.S. President Barack Obama, at the NATO Summit in Lisbon, Portugal. November 19, 2010.*

*Photo: White House, USA.*



*President Zatlers and President Obama in the opening session of a meeting devoted to Afghanistan at the NATO Summit in Lisbon, Portugal, November 20, 2010.*

*Photo: Toms Kalniņš, Office of the President of the Republic of Latvia.*



*Awarding of the Order of Viesturs, First Grade, to Major General Thomas Cutler, former commander of the Michigan National Guard, at the President Valdis Zatlers' working visit to the United States, March 29, 2011.  
Photo: Toms Kalniņš, Office of the President of the Republic of Latvia.*



*Awarding of the Order of Three Stars, Second Grade, to U.S. Vice President Joe Biden at the President Valdis Zatlers' working visit to the United States, Washington DC, April 1, 2011.  
Photo: Toms Kalniņš, Office of the President of the Republic of Latvia.*



*The Prime Minister the Republic of Latvia Valdis Dombrovskis meets with former U.S. Secretary of State Condoleezza Rice, July 16, 2011.*

*Photo: State Chancellery of the Republic of Latvia.*



*The Prime Minister the Republic of Latvia Valdis Dombrovskis at the New York's Stock Exchange (NYSE), July 21, 2011.*

*Photo: Ben Hider.*



*The Prime Minister the Republic of Latvia Valdis Dombrovskis at the NASDAQ Market Site in New York City's Times Square, July 22, 2011.*

*Photo: Zef Nikola.*



*The Prime Minister the Republic of Latvia Valdis Dombrovskis at the NASDAQ working day's closing bell ceremony, July 22, 2011.*

*Photo: [www.nasdaq.com](http://www.nasdaq.com)*



*President of Latvia Andris Bērziņš at a reception hosted by U.S. President Barack Obama in honor of the 66th Session of the General Assembly of the United Nations, September 21, 2011.*

*Photo: Toms Kalniņš, Office of the President of the Republic of Latvia.*



the establishment of adequate mobilization procedures.<sup>34</sup>

The Kievenaar report was an alarm bell for those who considered Latvia's entry into the world's strongest defensive and political alliance as something that was free of charge. Such a critical assessment mobilized pro-Atlantic politicians, and after elections in October 1998, the new government declared an increase in defense expenditures, as well as a promise to continue cooperation programs that would ensure Latvia's membership in NATO.<sup>35</sup> Based on Kievenaar's assessment, a National Security strategy was developed, followed by a defense concept and the introduction of defense planning and resource planning procedures.

These Latvian government activities attracted the attention of potential allies. Latvia was amongst those countries named as candidates for NATO membership at the Washington Summit of 1999. As a recipient of the Membership Action Plan (MAP), Latvia had to take on board commitments relating to adequate financing and effective resource planning. These commitments were amongst those most closely monitored by the alliance. The standard framework of the MAP consists of chapters on political, economic, defense and military, information security and legal issues. In terms of military preparations, Latvia, during its first cycle of the MAP, chose 22 goals for interoperability with NATO forces. By this time Latvian soldiers were actively participating in military exercises such as *Guardex* together with the Michigan NG. From 1999, Latvians started to include personnel from other Armed Forces branches in these exercises. The MAP also facilitated a more integrated American approach toward cooperation with Latvia. More coordination was introduced between the Michigan NG and USEUCOM, as well as between the Office of Defense Cooperation and Military Liaison Team concerning the most appropriate assistance projects. More effectiveness was achieved, avoiding duplication and overlap. Thus MAP provided positive results not only for the Latvians, but also for the United States forces' approach toward cooperation with potential allies.

As is often asserted in the security literature, the events of September 11, 2001, speeded up NATO enlargement. It must be noted however, that the political signal about the new Bush Administration's intentions were already given before 9/11, namely, during a speech in Warsaw in June 2001, in which Bush recalled his father's words about "a Europe whole and free"<sup>36</sup> George Bush, Jr., said: "All of Europe's new democracies, from the Baltic to the Black Sea and all that lie between, should have the same chance for security and freedom... I believe in NATO membership for all of Europe's democracies that seek it and are ready to share the responsibilities that NATO brings."<sup>37</sup>

This new geopolitical posture did not change much in Latvian and U.S. military cooperation, but the political dynamics actually facilitated military-to-military contacts and bolstered new exchange programs. The speed of events outpaced most predictions and analysis concerning NATO enlargement. One of them, released by the RAND Corporation, claimed that Latvia and the Baltic States, alongside five other nations, "conceivably might become NATO members in the next 10 to 15 years."<sup>38</sup> These conclusions were based on a fundamental analysis of the nations' military capabilities. The focus was on all branches of the military, as well as variables such as dynam-

ics of GDP, links between the readiness of NATO and the EU, and even an analysis of such vague terms as “the attractiveness of NATO” among all MAP member states at the time. Using data available in 2000, this research was published in the second half of 2001. After the events of 9/11, the view that “Estonia, Lithuania and Latvia are mid-term (or longer) candidates” and that “their advanced stage in meeting NATO’s criteria is offset by the strategic ramifications of their accession”<sup>39</sup> was no longer understandable. The political dynamic worked independently of military and analytical logic, so that in the autumn of 2002, all three Baltic States were invited to join the alliance at the Prague Summit. Mirroring this sentiment, the U.S. ambassador to NATO, Nicholas Burns, stated shortly after the Prague summit before the U.S. Senate Armed Forces Committee that “Latvia, Lithuania and Estonia are well prepared to take up the responsibilities of NATO membership. Though small, they have worked hard for a decade to develop niche military capabilities to fill alliance shortfalls.”<sup>40</sup>

The Secretary General of NATO, Lord George Robertson, addressing the North Atlantic Council on November 21, 2002, said: “This is a crucially important decision where consensus among allies has emerged gradually over the last few months. I believe that consensus has now been reached.”<sup>41</sup> Seven countries, including Latvia, were invited to join NATO. At that moment, a sense of euphoria prevailed amongst many of those involved concerning these achievements. Latvia’s ambassador to NATO, Imants Lieģis, recalls that accession to NATO was amongst the most challenging achievements attained by Latvia during its independence. For him, the views of the political leadership of the U.S. concerning the question of further enlargement were the tipping point concerning Latvia’s accession to NATO.

However, not everything proceeded smoothly during this last phase of accession to NATO. At the beginning of 2002, some of the potential allies, using diplomatic channels, questioned the ability of Latvia, Bulgaria and Slovenia to maintain sufficiently high standards for the protection of classified information. Even though Latvia signed a range of treaties with future allies on the mutual protection of classified information,<sup>42</sup> Latvia’s leadership was given warning signals that some Latvian officials might jeopardize the requirements concerning classified information received from the allies. The risk was considered very serious and included the possibility that Latvia’s accession process could be suspended. To prevent this, Latvia’s political leaders effected serious changes to the leadership of the security services by introducing necessary rules governing access to classified national and NATO information for the officials concerned. As Lieģis said in an interview, this issue remained on the agenda up to and beyond the Prague Summit. It was resolved after strong diplomatic pressure was exerted at the highest levels to ensure that Latvia would be a reliable partner by the time of accession.<sup>43</sup>

The decision at Prague appeared to be just the start of much more complicated political developments between European and North American allies. Just a couple of months after this historic decision, the United States and its European allies were involved in debate over policy related to Iraq. Latvia, alongside another nine countries, clearly took a position in support of the United States, and this support was most ex-

explicitly expressed in a letter from leaders of the so-called Vilnius Ten countries.<sup>44</sup> In this letter, the leaders of NATO aspirant countries that former U.S. Defense Secretary Donald Rumsfeld had called “the new Europe” strongly supported the American position by saying that “our countries understand the dangers posed by tyranny and the special responsibility of democracies to defend our shared values. The Transatlantic community, of which we are a part, must stand together to face the threat posed by the nexus of terrorism and dictators with weapons of mass destruction.”<sup>45</sup>

Tensions were also present in the debate that was held in Latvia’s parliament (the Saeima). One of the longest ever sessions of the Saeima was specially called to decide upon the mandate of Latvian troops to participate in international operation for disarming of Iraq, as well as the need to support the position of the United States. These tensions were utilized by many pro-Atlantic MPs. Both Prime Minister Einārs Repše and Defense Minister Ģirts Kristovskis pointed out that America had always stood by the principle of non-recognition of Latvia’s occupation and that principles of morality and not mercantile geopolitical interests played the major role in deciding upon the destiny of the Baltic States. Repše said: “Nonetheless, the United States of America at that time did act according to its principles of morale and ethics and did not recognize the incorporation of the Baltic States into the USSR. And today we stand thankful for that. Latvia is free largely because of these principles.”<sup>46</sup> Defense Minister Kristovskis made it even more explicit. He emphasized the need to avoid passivity in deciding about Latvia’s position on Iraq, warning that such a scenario would inevitably lead toward losing an ally “which consistently stood for Latvian independence and facilitated its recovery – i.e., we can lose the support of the United States – the guarantee of Latvian security and development.”<sup>47</sup>

The central part of debate in the Latvian parliament rotated around the issue of support or condemnation of the United States attack on Iraq. After more than nine hours of debate, 73 MPs out of 100 supported the decision, but 24 were against. As a result of that, Latvia’s first platoon arrived at an airport in the town of Kirkuk in Iraq in June 2003. A Latvian EOD unit worked on demolition of old Iraqi explosive ordnance, while logistics specialists worked on the loading and unloading of coalition aircraft. Later, Latvians joined with a Polish division to take over responsibilities in the south-central part of Iraq, thus supporting reconstruction efforts by the coalition and trying to stabilize the country after challenging regime change.

A comprehensive analysis of the decision of the Latvian parliament on March 19, 2003, is yet to be conducted, but it is important to recall that this crucial political decision was taken before Latvia acceded to NATO, but after it received an invitation to join up. NATO technically was yet to be reached, and the Latvian elite were reluctant to jeopardize the prospects of accession by taking a seemingly wrong decision on Iraq.

Thus Latvians have read the geopolitical situation correctly. This cannot be said, however, about the one episode in regard to U.S. government policy toward “new European” allies in the summer of 2003. While Latvian soldiers were already performing their duties shoulder to shoulder with Americans in Kirkuk, the Embassy of the United States in Riga informed the Ministry of Defense that due to the position of

some European countries (including Latvia) in relation to the International Criminal Court (ICC), the U.S. government would suspend military assistance programs, namely FMF and IMET.<sup>48</sup> In Latvia's case, this decision related to 2.75 million dollars. Even though the Ministry of Defense did soften its position as much as possible, for many who supported the U.S. actions in Iraq this decision was an annoying surprise. Initially it seemed that Latvia would avoid criticism of this decision, leaving a solution to the problem up to diplomats and military attaches. But then attention was drawn to a passage in the decision of the Bush Administration that exempt from the law were NATO member states and nine designated major non-NATO allies. Such negligence created a wave of frustration among the Latvian media and the public at large. The Ministry of Defense publicly promised to ask for clarification of the position. It was sent, however, to both entities – the local public and the U.S. Embassy in Riga – with two different underlying purposes. On the one hand, it was not an option to remain silent, but at the same time, it was not a reason to undermine relations with the United States on an issue that apparently was not understood in Washington, D.C. Official statements were calm, while beneath the surface diplomats and defense officials tried to solve this problem without major damage to bilateral relations. This was important due to the fact that the first group of Latvian soldiers arrived in Afghanistan in February of 2003 to make a contribution to the International Security Assistance Force (ISAF). To neglect this policy of Latvia and to bind separate aspects of the ICC with strategic attitudes towards the actual ally was clearly a mistake of United States foreign policy makers, and it was never explained to a sufficient degree.

Even though it may seem that the change of position of the U.S. government would be possible only after Latvia and other “punished” states joined NATO, eventually the U.S. government changed its position and announced renewal of military assistance at the end of November 2003.<sup>49</sup> It must be said, however, that cooperation between the Michigan NG and Latvia was not influenced by these decisions.

Latvia was the first country to complete NATO accession talks on February 3, 2004. By that time the country was better prepared for the common tasks of a member of the alliance. With actual participation in four international missions – Iraq, Afghanistan, Kosovo and Bosnia – Latvia became a member of NATO on March 28, 2004. The doors that were closed just over three years ago were now opened for new forms of cooperation.

### **Together in combat**

It has been mentioned earlier in this paper that the initial phase of cooperation between the Michigan NG and the Latvian NG did not include many operational activities or combat training. In terms of geopolitical sensitivities, the allies could develop new cooperation frameworks and re-shape existing ones. The Adjutant General of the Michigan NG from 2003–2011, Major General Thomas Cutler, said in an interview that his job was to facilitate these new forms of cooperation, adding that Latvia's NATO

membership could finally place an emphasis on the military part of the cooperation.<sup>50</sup>

In 2007, Latvia proposed the establishment of a joint unit with the Michigan NG to take part in the ISAF operation in Afghanistan. Cutler points out that this was an ambitious proposal, which was initially discussed during a visit by a delegation from the Latvian Armed Forces. The NG agreed, and according to Cutler, this idea received almost unanimous support at all levels of the U.S. military command and political leadership. It was also received positively in political circles of Latvia. With such support, the training of the joint unit, which was designed to be an Operational Mentoring and Liaison Team (OMLT) – i.e., to be a training unit for the Afghanistan security forces – was launched in January of 2008. Latvia had positive operational experience with other Baltic and Nordic states, establishing common units in the Balkans, and the opportunity to establish a combat unit with the Michigan NG was considered a huge success. Eventually it was agreed in the summer of 2008 that Latvia and Michigan would form two rotations of OMLT, each to last for nine months. Later, one more rotation was added, and the training of the Afghan troops ended in December 2010.

Cutler says that during the assessment of the military capabilities of the unit, it became clear that Latvians lack some important parts therein, and one was the ability to coordinate close air and artillery support. According to him, Michigan proposed to develop Joint Terminal Attack Controller (JTAC) capability in order to bring this OMLT to a single level of technical and communications capabilities. By October 2008, when the first OMLT had to depart for certification in Germany, the unit received the first two trained Latvian JTACs, and Latvia expressed an interest in developing it further as part of its own defense capability.<sup>51</sup> In late November 2008, the first joint Latvian–U.S. unit arrived in Kunar Province in the East of Afghanistan and started training of the 6<sup>th</sup> battalion of the Afghanistan National Army (ANA). Lieutenant Colonel Andrew Roberts, who was commander of the Grayling Air Gunnery Range in 2008, said in an interview that Michigan took the lead in the development of this training program because the U.S. Army could not do it at that time. “Latvia was the first nation to join the JTAC training program with literally non existing Air Force capability,” said Roberts. According to him, the earlier interpretation of the Joint Close Air Support Memorandum of Understanding did not describe such situations. Thus there were discussions about the possibility of Latvia joining this program at different levels of the U.S. military. Eventually a positive decision was taken, and regulations were changed after Latvia joined the program. After that, other allies without substantial air power could also join one of the most complicated training programs of modern warfare. In 2010, the U.S. Joint Force Command certified the Latvian JTAC program, and Latvia became only the seventh nation in the world to complete the full circle of JTAC training (the others being the U.S., Canada, Australia, Great Britain, Belgium and the Netherlands).<sup>52</sup>

The early morning of May 1<sup>st</sup>, 2009, became one of the most tragic days for Latvian and American soldiers. At the Combat Outpost (COP) *Bari Alai*, one of the most peripheral outposts of the ISAF forces in the Kunar province, a severe battle cost the lives of two Latvian and three American soldiers.<sup>53</sup> In short, more than 100 insurgents

carried out the surprise attack on *Bari Alai* during the dawn of that day. Caught by overwhelming force, the defenders of the COP, comprised of Latvians, Americans and freshly trained ANA forces, demonstrated fierce resistance. According to later reports from the Latvian and American military, all possible fire support, including air and artillery, was put to use to help the bleeding defenders of the COP. Eventually, the COP was overrun for a brief period of time by insurgent forces, leaving five ISAF casualties, five wounded, and a dozen ANA military troops taken as captives or, possibly, having deserted their posts.<sup>54</sup> The success of the insurgents was short, and within minutes after their seemingly victorious achievement, they were kicked out of COP boundaries. Later the same year, on October 3, 2009, two Latvian soldiers from the second rotation of the joint Latvian–American OMLT, Corporal Mārtiņš Dāboliņš and Sergeant 1st Class Jānis Laķis, joined with soldiers from the Bravo Company of the U.S. 361<sup>st</sup> Cavalry, in one of the longest battles known during the ISAF mandate. They defended FOB Keating in the Nuristan province. More than 350 insurgents were attacking this COP, and during the battle, which lasted for almost 13 hours, the joint unit of Americans and Latvians kept their positions and prevented insurgents from success. More than 100 attackers died, leaving eight American soldiers dead. Sergeant Eric Harder said after the battle that if the Latvian soldier Jānis Laķis had not helped him, he would not have survived. “He basically saved my life,” he told *The Gazette* of Colorado Springs.<sup>55</sup>

As the deputy commander of the first OMLT, Major Druvis Kleins, remembers, by the spring of 2009, FOB Keating was considered too remote to be supplied adequately in case of an attack. “FOB Keating stood geographically at the place that is hardly defensible. It should be removed and placed somewhere else. Unfortunately it was not done until this battle happened,” he said in an interview. Such accidents did not take place later, and by the end of 2010, the Latvian and American unit had finished its training duties and departed from Eastern Afghanistan.

After Russia’s military aggression in Georgia in August 2008, the U.S. focus on the Baltic region received an additional impetus. Visits of high-level military personnel took place, and outstanding questions relating to defense planning were resolved. 2010 was particularly important, because there were three major exercises on Latvian soil, and all of them involved the United States Armed Forces. First, in May, there was *BAL-TIC HOST*, in which all three Baltic States exercised host nation support procedures. Then, at *BALTOPS* in June, Latvians together with American forces were practicing the practical offload of military equipment on the shoreline of the Baltic Sea. There were also preparations for the ISAF mission during the *Sabre Strike* field exercise in October. Some months later, as agreed between Minister of Defense Imants Lieģis and ISAF Commander General David Petraeus in August 2010, Latvian troops in Afghanistan received new Mine Resistant Armored Protected vehicles (MRAPs), in order to facilitate interoperability with the U.S. forces serving in Northern Afghanistan.

All of these exercises demonstrated that the U.S. and other allies have militarily and politically integrated the Baltic States into defense planning and the visible presence of the alliance and thereby, in fact, have concluded the return of the region into “a Europe whole and free”. At the same time, the U.S. government should carefully con-

sider its plans to reshape the military posture of its forces around the globe. Some experts still consider the famous quote of the first NATO Secretary General Lord Ismay about the essence of NATO being to “keep the Americans in, Germans down and the Russians out” still viable at least in the regard to the first and the latter. As mentioned by Lieģis, “time has not eradicated the poignancy and quatability of these words.”<sup>56</sup> The U.S. should make a serious assessment of whether the considerations of costs always coincide with the spirit of Transatlantic relations. No doubt the same questions must be answered by the European allies, including Latvia. As early as in 1997, the Latvian defense system seemed to be greatly masterful, but it was simply not adequately funded. The importance of finding new ways of sharing costs and resources in international arena that is called by current NATO leadership a smart defense has been many times rightly emphasized. From this perspective the new initiative by Michigan NG to assist the reform of the Liberian defense and security sector together with Latvian experts that is also supported by the Minister of Defense of Latvia is absolutely timely in order to develop alternative forms of cooperation and to enhance security in regions outside transatlantic security community.<sup>57</sup> There is one more important area to mention in current military cooperation between the U.S. and Latvia, and that is the Northern Distribution Network. NATO states use the Riga port to transport non-lethal goods to Afghanistan to supply soldiers. Most of this network is used by U.S. forces. The large-scale needs of the U.S. forces are of importance not only for Latvian transit enterprises, but also for entrepreneurs producing food, water, timber, etc. Both states have emerging prospects to transform defense cooperation into broader business interests. This direction of cooperation is also supported by Thomas Cutler, who currently works on the involvement of businesses of both states in developing mutual contacts.

Current cooperation between the U.S. and Latvian military is most active and most intense. It does, of course, consist to some extent of U.S. military assistance programs, but at the same time, there are areas in which Latvia’s military experience is as valuable for American soldiers as it is for Latvians. The unpredictable nature of modern security risks demands a higher degree of readiness and integration of coalition forces if they aim to be victorious on the battlefield. There is still no other way to meet these goals, as routine training of units and international frameworks seems to be the most appropriate process.

### **Conclusion**

Twenty years of defense and security cooperation between Latvia and the United States is by any means a success story. General Stump admits that in 1993, during his first visit to Riga, he would never have thought that 20 years later, Latvian and U.S. soldiers would stand shoulder to shoulder in fighting against a common adversary in Afghanistan. This cooperation has been so intense that it is hardly possible to outline all events which have occurred between Latvia and the United States. Putting it in

perspective, though, we see that 20 years ago, this cooperation started in terms of advanced political consultations and military-to-military cooperation and was probably not aimed initially at the goal of common combat operations. “The peace dividend” after the breakup of the Soviet Union, in the context of which many questioned the purpose of NATO in general and Baltic membership in the alliance in particular, did not endure, and the security situation around the globe changed dramatically. Nowadays, well trained and equipped Latvian Armed Forces units fight shoulder to shoulder with American troops and, as we have seen, have also suffered casualties on the battlefield. Politically, defense cooperation has been widely supported by the strategic elites and societies of both countries. It does not seem that it will be challenged in the foreseeable future. In practical terms, Latvia has received different assistance packages totaling 100 million dollars, allowing its military and civilian personnel to attend military schools and colleges in the United States while also acquiring technical and training assistance. Even though this is a true success, guaranteed by so many great guardsmen and their commanders, some future recommendations for governments of both countries seem to be helpful for developing further cooperation programs.

First, the level and intensity of mutual political and military contacts must be preserved. It is important that not only the generation that experienced the breakup of the Soviet Union values this cooperation, but also the generation that currently enters the ranks of military, defense and diplomatic service. The cooperation that has been started by guardsmen in Latvia and in America should be broadened by cooperation among business circles, other government agencies and local communities.

Second, the restructuring of American forces around the globe should once again emphasize the importance of American links to European security. While considering a decrease in forces in some parts of Europe, the U.S. must continue to maintain strong relations with Central and Eastern European countries as much as with traditionally pro-Atlanticist Northern European and Scandinavian states. In this context, the most important issues for the Baltic States remains a strong reliance on NATO security guarantees that must not be replaced by any other regional frameworks. This also includes the visible presence of NATO allies in the region in terms of military exercises and the continuing of the air patrolling mission. In addition to that, strong military and political links must be replenished with more active economic policies.

Third, Latvia should clearly reiterate its adherence to Transatlantic values and stay committed to its promise to keep its defense expenditures around 2% of GDP. Even though the Latvian defense budget is too tiny to compare it with those of a majority of other NATO nations, it is necessary for Latvia first and foremost. The prestige of modern military equipment and infrastructure will not be possible to maintain and improve without appropriate funding in the years to come. Thus the future success of bilateral cooperation with the U.S. largely depends upon Latvia’s ability to fund adequately its share of mutual costs and benefits.

Fourth, both the Latvian and the Michigan NG should consider the development of other spheres of cooperation that can be based on the great example of cooperation between the two units. It can be, for example, cooperation between police forces or cri-



sis prevention institutions. In general, at this moment, there is no single public administration or business area that could be exempt from prospects of cooperation. At the end of 2014, the international community will have to decide upon further involvement in Afghanistan, and possible investment in training missions should be considered as one option for further enhancing cooperation between Latvia and Michigan.

Further cooperation between Latvia and the U.S. military and defense system is crucial for regional stability and the strengthening of Transatlantic links. It is no surprise that in policy documents, bilateral relations between the two countries are called a “strategic partnership” throughout the entire spectrum of the relationship, particularly emphasizing the need for deeper defense and security cooperation.<sup>58</sup> All possible opportunities for cooperation should be explored and used for maintaining ties between soldiers and civilians in both countries. What started as exchange tours of military commanders has outgrown even the bravest expectations. Indeed, this is successful and still very promising cooperation which can teach a lesson to other nations and societies – an example that should not be wasted.

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## Notes

- 1 Robert T. Cossaboom, *The Joint Contact Team Program: Contacts With Former Soviet Republics and Warsaw Pact Nations: 1992–1994*. Joint History Office, Office of the Chairman of the Joint Chiefs of Staff, Washington, DC, 1997, 10.
- 2 The United States never recognized the occupation of the three Baltic States, and in *de iure* terms, therefore, these countries never ceased to exist between 1940 and 1991. Sometimes it is, however, sarcastically remarked that the United States was only the 34<sup>th</sup> nation of the world that recognized the restored independence of the Baltic States, the first having been Iceland, Lithuania, Estonia, Hungary and Russia.
- 3 An interview with Andrejs Mežmalis on October 31, 2011.
- 4 Ilmārs H. Dambergs, *Latvijas aizsardzības darba grupas 20 gadi (The 20 years of Latvian defense advisory working group)*, Tēvijas Sargs No. 10, October, 2011. Available on English at [http://www.mod.gov.lv/Aktualitates/Preses\\_pazinojumi/2011/11/DG\\_20gadi.aspx](http://www.mod.gov.lv/Aktualitates/Preses_pazinojumi/2011/11/DG_20gadi.aspx), last accessed on October 31, 2011.
- 5 Conversations with Ilmārs Krasts, October 22–28, 2011.
- 6 The most complete list of participants is mentioned in Ilmārs H. Dambergs, *The 20 years of Latvian defense advisory working group*, available on English at [88](http://www.mod.gov.lv/Aktu-</a></li></ol></div><div data-bbox=)

- alitates/Preses\_pazinojumi/ 2011/11/DG\_20gadi.aspx, last accessed on November 3, 2011.
- 7 Robert T. Cossaboom, *The Joint Contact Team Program: Contacts With Former Soviet Republics and Warsaw Pact Nations: 1992–1994*. Joint History Office, Office of the Chairman of the Joint Chiefs of Staff, Washington, DC, 1997, 8.
- 8 *Ibid.*, 10.
- 9 Conversation with Ilmārs Dambergs on November 4, 2011.
- 10 Robert T. Cossaboom, *The Joint Contact Team Program: Contacts With Former Soviet Republics and Warsaw Pact Nations: 1992–1994*. Joint History Office, Office of the Chairman of the Joint Chiefs of Staff, Washington, DC, 1997, 16.
- 11 Interview with Ilmārs Krasts on October 30, 2011.
- 12 Conversation with Ilmārs Dambergs on November 4, 2011.
- 13 Robert T. Cossaboom, *The Joint Contact Team Program: Contacts With Former Soviet Republics and Warsaw Pact Nations: 1992–1994*. Joint History Office, Office of the Chairman of the Joint Chiefs of Staff, Washington, DC, 1997, 19.
- 14 Conversation with Major General (ret.) Gordon E. Stump on November 3, 2011.
- 15 Conversation with Dace Mason on November 3, 2011.
- 16 Lawrence Kapp, Non M. Serafino, *The National Guard State Partnership Program: Background, Issues and Options for Congress*, Report for Congress, Congressional Research service, August 15, 2011.
- 17 Conversation with Colonel (ret.) Juris Eihmanis, November 3, 2011.
- 18 See the web page of Defense Security Coordination Agency of the United States Department of Defense, at [http://www.dsca.mil/home/international\\_military\\_education\\_training.htm](http://www.dsca.mil/home/international_military_education_training.htm) last accessed on October 30, 2011.
- 19 Translation of Latvian version of the document.
- 20 Ron Asmus, *Opening NATO's doors: How the Alliance Remade Itself For a New Era*, Columbia University Press, New York, 2002, 62.
- 21 *Ibid.*, 97.
- 22 Data of the Ministry of Defense of Latvia. FMF numbers may differ from different Latvian and American sources due to differences in fiscal year. In Latvia it starts on January, in the United States – in October.
- 23 The United States delivered these assault rifles to Latvian Zemessardze in summer of 1997.
- 24 This should not however underestimate the role of OSCE in the process of withdrawal of the Russian forces from Latvia.
- 25 Signed by the Prime Minister of Latvia Valdis Birkavs and Ambassador of the United States of America in Latvia Ints Siliņš on August 12, 1994. Latvian version – *Latvijas Republikas valdības un Amerikas Savienoto Valstu valdības līgums par tehnisko palīdzību Krievijas Federācijas Bruņoto spēku LR teritorijā izvietoto un agrāk kontrolēto parasto ieroču sistēmu un militāro objektu iznīcināšanā*.
- 26 Conversation with Major General Raimonds Graube on October 31, 2011.
- 27 Conversation with Lieutenant Colonel Ivars Sika on October 31, 2011.
- 28 Madrid Declaration on Euro-Atlantic Security and Cooperation, available online at <http://www.nato.int/docu/pr/1997/p97-081e.htm>, last accessed on October 27, 2011.
- 29 Northeast Europe Initiative, permanent electronic archive of the Department of State, of the

- U.S., available at <http://www.state.gov/www/regions/eur/nei/index.html>, last accessed on October 27, 2011.
- 30 Žaneta Ozoliņa, *The United States and Latvia: Standing Shoulder to Shoulder in International Organizations* in Daunis Auers (ed.), *Latvia and the USA: From Captive Nation to Strategic Partner*, Academic Press of the University of Latvia, Riga, 2008, 84.
- 31 Ron Asmus, *Opening NATO's doors: How the Alliance Remade Itself For a New Era*, Columbia University Press, 2002, 238.
- 32 Report is named after Major General Henry Albert Kievenaar, Principal Director for European and NATO Policy, International Security Affairs, the United States Department of Defense.
- 33 Kievenaar report, 1998, 33.
- 34 Ibid.
- 35 Available at <http://www.politika.lv/temas/7328/>, last accessed on November 4, 2011.
- 36 See the transcript of the Remarks to the citizens in Mainz, *A Europe Whole and Free*, President George Bush. Rheingoldhalle. Mainz, Federal Republic of Germany May 31, 1989. Available at <http://usa.usembassy.de/etexts/ga6-890531.htm>, last accessed on November 7, 2011.
- 37 See the transcript of the Remarks by the President George Bush addressing the Faculty and Students of Warsaw, University, June 15, 2001, available at <http://georgewbush-whitehouse.archives.gov/news/releases/2001/06/print/20010615-1.html>, last accessed on November 7, 2011.
- 38 Thomas Szayna, *NATO Enlargement, 2000–2015: Determinants and Implications for Defense Planning and Shaping*, Santa Monica, CA: RAND Corporation, 2001, 34.
- 39 Ibid., 103.
- 40 Nicholas Burns testimony before the Senate Armed Services Committee, 10 April, 2003, Federal Document Clearing House, Inc., pp. 16–17.
- 41 Speech by Lord George Robertson at North Atlantic Council meeting, November 21, 2002. Available at <http://www.nato.int/docu/speech/2002/s021121c.htm>, last accessed on November 4, 2011.
- 42 For example, in January 15, 1998, Latvia and the United States signed *Agreement between the government of the Republic of Latvia and the government of the United States of America concerning security measures for the protection of classified military information*. The Latvian version of the agreement: *Latvijas Republikas valdības un Amerikas Savienoto Valstu valdības līgums par drošības pasākumiem klasificētās militārās informācijas aizsardzībai*.
- 43 Conversation with Imants Lieģis on October 31, 2011.
- 44 Vilnius 10 Group were comprised by Albania, Bulgaria, Croatia, Estonia, Latvia, Lithuania, Macedonia, Romania, Slovakia and Slovenia.
- 45 See the text of the letter at the web page of the Ministry of Foreign Affairs of Latvia at <http://www.am.gov.lv/en/news/press-releases/2003/feb/2868/>, last accessed on November 7, 2011.
- 46 Translation of the speech by the Prime Minister Einārs Repše, delivered at the Parliament (Saeima) of the Republic of Latvia, March 19, 2003, available online on Latvian at [http://www.saeima.lv/steno/2002\\_8/st\\_030319/st1903.htm](http://www.saeima.lv/steno/2002_8/st_030319/st1903.htm), last accessed on October 31, 2011.
- 47 Translation of the speech by the Minister of Defense Ģirts Kristovskis, delivered at the Parliament (Saeima) of the Republic of Latvia, March 19, 2003, available online on Latvian at [http://www.saeima.lv/steno/2002\\_8/st\\_030319/st1903.htm](http://www.saeima.lv/steno/2002_8/st_030319/st1903.htm), last accessed on October 31, 2011.
- 48 Objections touched upon the status of the United States citizens if they would commit alleged

offences against international community. The U.S. government expressed concerns for unjustified accusations of the U.S. military for committing war crimes or genocide. On the other hand, those NATO candidates, who were at the same time joining the European Union (Estonia, Latvia, Lithuania, Slovakia and Slovenia) at different stages agreed to subscribe under unified EU position towards ICC, which became part of their entrance terms.

- 49 Sanita Jemberga, *ASV atjauno militāro palīdzību Latvijai par 4,6, miljoniem ASV dolāru (The US to resume military assistance for 4,6 million dollars)*, *Diena*, November 29, 2003.
- 50 Conversation with Major General (ret.) Thomas Cutleron on November 4, 2011.
- 51 This was particularly articulated during the visit of Defense Minister Imants Lieģis in Michigan in October 2009.
- 52 JTAC training program is still continuing being one of the modern cornerstones of Latvian and Michigan NG cooperation.
- 53 Fallen at *Bari Alai* are Latvian Armed Forces Sergeant Voldemārs Anševics and private first class Andrejs Merkuševs, alongside the U.S. forces Staff Sergeant William D. Ville, Sergeant James D. Pirtle and specialist Ryan C. King.
- 54 The version of surrender to attacking insurgents is maintained by both Latvians and Americans. See interview with private first class Aleksandrs Pisarevs in Dan Rather report, September 16, 2011, available online at <http://www.hd.net/blogs/what-happened-at-bari-alai-september-13-2011/>. The US forces also doubted that ANA actually fought at all, after captives from Bari Alai were returned, because according to one American officer they were in good condition. “Too good, actually,” he concluded. See in detail, *U.S. Probes Whether Afghan Forces Colluded With Taliban in Deadly Attack* available at <http://www.foxnews.com/story/0,2933,520182,00.html>, last accessed on November 5, 2011.
- 55 Lance Benzel, *Mom works to help Carson soldiers honor battle bonds*, *The Gazette*, available online at <http://www.gazette.com/articles/mom-92106-battle-soldiers.html>, last accessed on November 6, 2011.
- 56 Imants Lieģis, *Don't Forget Europe II*, *The Baltic Times*, January 19, 2012.
- 57 Statement of the Minister of Defense of Latvia Artis Pabriks at news agency LETA, January 19, 2012.
- 58 Report on State Foreign Policy and Matters of the European Union, The Ministry of Foreign Affairs of Latvia, January 14, 2011, see <http://www.mfa.gov.lv/data/file/Arpolitika/zinojums.pdf>.



## 4. THE AMERICAN CULTURAL PRESENCE IN LATVIA AND THE CHALLENGES OF SOFT POWER POLICY

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### Latvia Between the Centers of Gravitation of Soft Power – the USA and Russia

*Andis Kudors*

„Conventional wisdom holds that the state with the largest army prevails, but in the information age, the state (or the non-state actor) with the best story may sometimes win.”

/Joseph S. Nye, Jr./

The importance of soft power in international politics has particularly increased since the end of the 20<sup>th</sup> century, when many political, economical and technological changes occurred in the world. The fall of the Berlin Wall, the collapse of the Soviet Union, as well as the enlargement of the European Union – all of these factors have increased the exchange of information, as well as economic ties among the countries of Europe and Central Asia. Satellite and cable TV, mobile phones, the Internet, the development of tourism, growth of transnational corporations and international NGOs – these all characterize the era of global information. Joseph Nye, one of the most recognized theoreticians on soft power, argues that information is power, and in present times a large part of mankind has this power.<sup>1</sup> Nowadays it is not enough to take any particular economic, political or military decision. It is also necessary to create an appropriate portrayal of these actions in order to ensure support or a particular reaction from other international actors.

Since 1991, Latvia, as a democratic and open country, has tried to ensure freedom of press in its territory, not only for domestic, but also for foreign media representatives. Between 2004 and 2009 Reporters Without Borders ranked Latvia between the 7<sup>th</sup> and the 16<sup>th</sup> position in the organization's annual Press Freedom Index.<sup>2</sup> In 2010, Latvia experienced a fall to the 30<sup>th</sup> position in the index; however, this is still regarded as a respectable position. The high level of freedom of the press has also significantly contributed to the consolidation of democracy. It has secured fair competition between different political forces and interest groups in the competition over influence on political decisions. Mikhail Gorbachev's *glasnost* policy before 1991 already allowed for the introduction of free market and democracy ideas in Latvia. Access to Western European and American media, in turn, significantly influenced Latvian views about the possible future development of an independent Latvia.

However, since the election of Vladimir Putin as President of the Russian Fed-

eration, the Russian media have more and more actively reached for the local Latvian audience. The views expressed by the Russian media on democracy, Transatlantic relations and human rights do not always conform to Latvia's political route. In many ways Russia and the USA cannot be compared by their global power indicators. However, in the context of soft power, Russian influence in Latvia is very significant due to the proximity of both countries, as well as to the significant minority of ethnic Russians in Latvia. In Latvia's conceptual foreign policy documents, the United States of America is described as a "strategic partner", linking it with security guarantees under the framework of NATO.<sup>3</sup> By comparison, Russia is mentioned as a "neighboring state" with which Latvia has to sustain good neighborly relations.<sup>4</sup> Both countries are important for Latvian foreign policy, but one must take into consideration the different historical experience which Latvia has had in terms of its relations with these two states. Furthermore, Latvia is in a united and collective security alliance with the USA. Although the past few years have passed in the light of the USA–Russia *reset* policy, Russia's negative attitude toward NATO and its proximity to Latvia's borders have not faded. From time to time the Russian media express the opinion that Latvia merely executes a role given to it by the USA in order to raise tensions. However, history proves that it is Latvia which has promoted its interests in Washington and lobbied American involvement in the political processes of the Baltic States as a counterbalance to Russian influence. This has regained importance, as over the past several years Russia has activated soft power initiatives in its neighboring countries, including Latvia.

In 2009, the Center for East European Policy Studies, in cooperation with five other research centers, conducted a research project called "The 'Humanitarian Dimension' of Russian Foreign Policy toward Georgia, Moldova, Ukraine, and the Baltic States". This study concluded that Russia has increased its soft power policy initiatives ever since 2006.<sup>5</sup> The researchers also looked at possible solutions in terms of how to decrease negative Russian influence on social processes in Latvia. Given that Latvia will not reject the freedom of the press that is imperative for democracy, then similarly to the need for investment diversification in any investment portfolio, the external sources of information and culture must also be diversified. Issues related to Russian soft power in Latvia have been researched in "Manufacturing Enemy Images? Russian Media Portrayal of Latvia" (2008), edited by Nils Muižnieks, as well as in the monograph "Latvian – Russian Relations: Dynamics Since Latvia's Accession to the EU and NATO" (2011).<sup>6</sup> Although much research has focused on American soft power all around the world, there has been none in relation to America's soft power influence in Latvia. Nils Muižnieks and Pēteris Vinķelis, in a section of the book "Latvia and the USA: From Captive Nation to Strategic Partner", have analyzed anti-Americanism in Latvia, giving an insight about the main tool of soft power – attractiveness. The researchers indicate that since the restoration of Latvia's independence in 1991, the political elite has traditionally been pro-American, and the same applies to the majority of ethnic Latvians.<sup>7</sup> However, if the United States is interested in future support from Latvia for its global foreign policies, then it is important to comprehend the attitudes of Latvian citizens toward the USA and Russia and the factors that form these attitudes.

The goal of this article is to analyze the soft power initiatives of Russia and USA and their consequences and opportunities for Latvia. Although this book is dedicated to U.S.–Latvian relations, the fact is that the context of soft power U.S. positions is influenced by the Russian media and the presence of Russian popular culture in Latvia. This paper is not meant to analyze all aspects of the implementation of soft power, but it does provide an insight into the main dimensions and examples of U.S. and Russia soft power implementation. This provides an opportunity to predict consequences and future tendencies. The first part of this article is dedicated to theoretical aspects of soft power, allowing for a more detailed analysis of soft power implementation. The following section analyzes the sources, instruments and results in Latvia of American and Russian soft power.

### **Some theoretical aspects of soft power**

Joseph Nye, a theoretician about soft power, points out that power is the ability to influence one's actions in order to achieve necessary results. There are three ways to do it: "coercion (sticks), payments (carrots), and attraction (soft power)".<sup>8</sup> A state can achieve its desired results in the international arena by influencing other states which use its values, examples of behavior, or levels of welfare. As in marriage, attraction between countries in international politics can be an important stimulus for one's actions.<sup>9</sup> Nye points out that soft power makes others wish for what you wish – it means to co-opt someone rather than forcing him to act.<sup>10</sup>

The concept of soft power has received a significant amount of criticism because of a lack of conceptual elaboration. In 2006, in an article at the Internet version of *Foreign Policy*, Nye disproved some statements about soft power. One, for example, is the assertion by Jim Hoagland, an analyst at *The Washington Post*, that hard power can be measured, but it is not possible to measure soft power. Nye explains that the root of the misunderstanding lies in the garble between resources of power and actions. He argues that it is possible to identify the amount of communication and diplomatic resources that can "produce" soft-power.<sup>11</sup> Nye suggests use of opinion polls as a method of measurement to show the change in attractiveness of particular countries during different time periods. This depends on the skillful use of all available resources if soft power changes the actions or opinions of a particular country or a part of society.<sup>12</sup> If it is not possible to use soft power against the entire society of a particular country, at least it can be directed toward a part of the society or an exact social group. This aspect is also important when analyzing Russian foreign policy initiatives in Latvia.

It is sometimes argued that economic means are frequently added to the tools of soft power. Nye argues, though, that in a direct way, "economic power is not a soft power".<sup>13</sup> Economic resources are among hard power instruments, because they offer physical (material) rewards or punishments to other actors in international politics. Despite this, however, economic power can not only guarantee the options of sanctions or support, but also act as a source of attractiveness. The implementation



of soft power can demand support for media, cultural events, or opening of cultural centers abroad. Thus, economically powerful countries have greater advantages in the implementation of soft power. Hans-Georg Knopp, in his analysis of the ways in which European and Asian countries can use culture as a political tool, writes: “Anywhere where there is money, cultural life also prospers.” Particularly the rise of energy prices after 2003 provided Russia with possibilities to launch several soft power initiatives in 2006–2007. Meanwhile, due to the economic crisis, the United States can lose its current opportunities and, thus, some of its attractiveness, as well.

Soft power is not always easy to control. Governments can control and change their foreign policy, and they can invest greater finances in public diplomacy, commercials and exchange programs. In these ways one can stimulate, but not entirely control popular or mass culture. Nye indicates that one of the key sources of soft power is rather independent from government control.<sup>14</sup> Regardless of all of the flaws and unanswered questions in this concept, it can still be concluded that soft power is power. One can agree with Nye that if soft power is used as an instrument by the “wrong hands”, then it can cause bad consequences. He argues that soft power is not ethically limited, and so it is possible to build attraction without disclosing its purpose. For many of their followers, dictators such as Hitler, Stalin and Mao seemed acceptable at some point in history.<sup>15</sup> The world develops, however, and instead of military means, countries are using more sophisticated means of influence today. Still, as Nye puts it, when you have lost your money, it is not important how they took it from you – by threat or by deception...

### **Another “American Century” or a “post-American world”?**

Over the past two decades, Latvia has linked its security to membership in NATO, as well as to a strategic partnership with the USA. The United States of America has played a significant role both in the withdrawal of Russian army troops in 1993, as well as in the process of Latvia’s accession to NATO. For Latvia as a country that neighbors Russia, the role which the USA is playing in the global arena is of importance. In the autumn of 2011, Republican presidential candidate Mitt Romney called for a new “American Century” with a muscular foreign policy.<sup>16</sup> If by that he means a similar policy to the one conducted by George W. Bush, Jr., then the attractiveness of the USA would decrease rather than increase in the eyes of many citizens from different countries. Of course the question remains – can a global player like the USA ever be liked by everyone? Taking into consideration the interests of different international players, is it possible to act effectively and still be liked by everyone?

During the end of the 1990s and the beginning of the 21<sup>st</sup> century, the USA reached its peak of soft power.<sup>17</sup> The country was the leader in innovations and achievements in the fields of modern technology and IT. American pop music and movies traveled all around the globe. Democratic changes in Central and Eastern Europe inspired American politicians to refer to the USA as a flagship for a democratic

and free world. Legal and illegal immigrants rushed to the “land of opportunities” – the USA. Relying on the assumption that the same situation would remain in place in the future, the Clinton Administration decreased funding for the public diplomacy programs of the State Department. At the end of the 1990s, the State Department had only half the number of employees that it had in 1960.<sup>18</sup> The number of students and researchers who received state-funded scholarships decreased from 45,000 in 1995 to 29,000 in 2001.<sup>19</sup> However, the most important factor in the decline of U.S. attractiveness was the implementation of its foreign policy. Hesitation to join the Kyoto Protocol and the International Criminal Court, questionable reasons for the initiation of war in Iraq, a surprising attitude toward prisoners in Guantanamo Bay and Abu Ghraib – these are just some of many areas in which the USA has received plenty of criticism.

The USA entered the 21<sup>st</sup> century as the most powerful country in the world in economic and military terms. Popular culture and higher education were still viewed as powerful tools for soft power. If military power and the reputation of higher education have not decreased over the past decade, then the global financial crisis, as well as specific foreign policy initiatives, have damaged the attractiveness of America, thus decreasing its ability to use soft power. The loss of attractiveness by the USA was the focus for many researchers between 2004 and 2006. During that time, many of the foreign policy initiatives of George W. Bush received criticism from different countries. For example, Joshua Kurlantzick points out a change in public opinion in a long standing supporter of USA foreign policy – Australia. According to a poll conducted in 2005, 57% of Australians saw the foreign policy of USA as a potential threat.<sup>20</sup> That is just as many Australians as were worried about an increase in Islamic fundamentalism. For such a large global player like the USA, the loss of attractiveness can lead to practical consequences – a decrease in the flow of talented immigrants to the USA, restraint from American companies abroad, easier recruitment of terrorists to fight against the U.S. army presence in the world’s hotspots, etc.<sup>21</sup>

Looking at America’s problems with authority during the 21<sup>st</sup> century, Joseph Nye points out that the most powerful countries cannot achieve what they want without the help of others. He concludes that, “an increasing number of challenges will require the United States to exercise power with others as much as power over others. This, in turn, will require a deeper understanding of power, how it is changing, and how to construct ‘smart power’ strategies that combine hard and soft power resources in an information age.”<sup>22</sup> It can be observed that the administration of Barack Obama wishes to put the aforementioned into practice. Hillary Clinton, during a speech in the U.S. Senate before her appointment as Secretary of State, claimed that ‘smart power diplomacy’ would be the priority for U.S. foreign policy under the Obama Administration.<sup>23</sup> Obama himself has confirmed several times that he wishes to use “soft instruments” in the implementation of U.S. foreign policy. Sometimes it is more difficult to rebuild the resource of soft power – attractiveness – than it is to rebuild the resources of hard power. However, the loss of attractiveness is not an irreversible process. The USA managed to achieve this after the Vietnam War, when domestic protests and foreign criticism had seriously damaged the image of the country. Most likely, the 21<sup>st</sup>

century will not be the American Century, as Mitt Romney has put it, but it also cannot be said that during the next few decades there will be any realistic talk of a post-American world in which the U.S. plays a marginal role.

### **The spreading of American culture and values**

Joseph Nye mentions three major sources of soft power – culture, values, and the legitimacy of foreign policy. Culture can be source of soft power only in places where it seems attractive. “Higher” culture – literature, art, education and science – usually have an impression on the elite (intellectuals) of the society. Mass culture concentrates on entertainment for the masses.<sup>24</sup> It depends on the situation and context if the attractiveness of a particular culture can act as a soft power.

Latvia’s current citizenry already became acquainted with American culture during the years of the Soviet occupation. One of the sources was Soviet propaganda stories and documentaries about the USA as the source of all evil. The other source was the radio station *Voice of America*, but few people had access to it. During the Cold War, the dissemination of a positive image of the USA was a fundamental task in the U.S. rivalry with the USSR. In this rivalry, the USA conquered the Western world as the flagship of freedom. The welfare of the USA after WWII was promoted all around the world with the help of the media, Hollywood movies, and popular music. The ideas of democracy, human rights, the rule of law and individual freedoms all acted as instruments of soft power along with the popularity of music, lifestyle and fashion. A French philosopher, Régis Debray, has described this period that by arguing that there was „more power in blue jeans and rock’n’roll than the entire Red Army.”<sup>25</sup> Right after the fall of the Iron Curtain, MTV reached more people than the CIA could ever access. Furthermore, CNN and the English-dominated Internet strengthened the dominance of the USA in the global information world.<sup>26</sup>

Of course, Hollywood and MTV might paint a one-sided picture of the USA. The America in which 42% of citizens regularly attend church is left in the background.<sup>27</sup> If U.S. society represents a hybrid of the secular and the religious, then the globally promoted popular culture of America puts more emphasis on the values of individual rights and secularism, as well as post-modernist values such as skepticism, relativism, pluralism and tolerance. The influence of American popular culture on the implementation of its foreign policy in different countries can be at the same time contributing and obstructive. For example, Hollywood movies can cause fierce condemnation from the religious leaders of Iran while still receiving support from less religious young people. Sometimes there is the opinion that popular culture is “bad” and only high culture is “real culture”. Although Europe is traditionally seen as the leader of high culture, the USA can frequently achieve much more with its mass culture. It is especially this mass culture that is effective in the context of soft power, because it reaches the masses. “Avatar” and “Lord of the Rings” can be enjoyed the people from different cultures and countries, for instance. After conducting five years of research into American influ-

ence in 30 countries, the French journalist Frederic Martel came to the conclusion that the USA produces “culture that everyone likes.”<sup>28</sup>

American popular culture reaches Latvia through cable TV, American musicians who appear in Riga, DVDs and CDs, as well as via the Internet. The largest cable TV providers in Latvia include Fox Life, Fox Crime, Universal Channel, Disney, Cartoon Network/TCM and other channels that are dominated by production from Hollywood in their offerings. Cable TV also offers channels such as VH1, MTV, E!, and other entertainment channels on which American pop stars and actors are seen daily. Also, sports channels which show games from the USA (NBA TV, ESPN America, etc.) are available to Latvian viewers. Since the recovery of Latvia’s independence in 1991, many popular rock, jazz, and pop musicians have visited the country.

Analysis of the six most popular TV channels in September 2011 shows that U.S. and Russian movies, TV series and shows are shown more frequently than European Union (EU) television products.

**Table No 1. Movies, TV series, and TV shows on Latvia’s most popular TV channels in September 2011<sup>29</sup>**

<b>TV Channel</b>	<b>Share %<sup>30</sup></b>	<b>USA</b>	<b>Russia</b>	<b>EU</b>
<b>LNT (Latvia)</b>	13.7	175	73	83
<b>TV3 (Latvia)</b>	13.6	309	88	78
<b>LTV1 (Latvia)</b>	9.2	9	0	147
<b>First Baltic Channel (Russia/Latvia)</b>	11.3	2	168	1
<b>NTV MIR (Russia)</b>	5.3	36	80	0
<b>RTR Planeta (Russia)</b>	5.2	0	288	0
<b>Total</b>		531	697	309

Table No. 1 shows that U.S. films and television programs are more likely to be shown on commercial channels which broadcast in Latvian. U.S. entertainment shows and films are shown more often than programming from EU member states and Russia. Russian films and shows, however, dominate clearly on the most popular television channels from Russia. Unlike on television, Hollywood films have no real competition at the country’s largest cinema complex, “Forum Cinemas”. In September 2011, audiences at the complex could choose from amongst 23 American, two EU, and no Russian-produced films.<sup>31</sup>

Apart from culture in a broader sense, Nye also highlights values and foreign policy legitimacy as other sources of soft power. He states that a foreign policy which portrays particular values will be viewed as legitimate only in those places where they are already popular. The USA enjoyed much influence in post-WWII Europe not only

because of the economic stimulus that was offered by the Marshall Plan, but also because European and American values partly conformed. Federalism, democracy and the free market were some of the values that the USA “exported” to post-war Europe.<sup>32</sup> Latvia did not receive any benefits from the Marshall Plan because the country was occupied by the USSR. Thus, after 1991, common values were identified through memories from the interwar democratic period in Latvia between WWI and WWII. Repatriates who returned from the USA also brought along American perceptions about democracy and the rule of law.

### **U.S. public diplomacy in Latvia**

The methods and approaches via which a foreign country popularizes its culture, introduces people to its values and explains its foreign policy can also be the instruments of soft power. One of the ways in which soft power is implemented is through the use of public diplomacy. According to one definition, “public diplomacy is a government’s communications process with a foreign audience with a goal to explain the ideals, ideas, institutions, culture, national interests and politics of the country it represents.”<sup>33</sup> In comparison to official diplomacy, public diplomacy is targeted directly to the society of a foreign country without intermediaries. The aforementioned ensures its effectiveness.<sup>34</sup> Joseph Nye identifies three dimensions of public diplomacy: daily communication, strategic communication, and work with opinion leaders.<sup>35</sup>

Daily communication includes regular commentaries on domestic or foreign policy decisions. In modern democracies, politicians devote a significant share of time to finding ways in which to explain decisions to the public after they have been made.<sup>36</sup> In the case of Latvia, it is difficult for the USA to compete in everyday communication with Russia, given the presence of Russian TV channels in Latvia. The strength of everyday communication lies in the possibility to rapidly react to and comment upon ongoing processes. The modern flow of information demands explanations from experts, because otherwise it is difficult for ordinary citizens to understand the essence of these processes. The everyday comments of American politicians and journalists reach Latvia in an “edited” format when Latvian or Russian media use it to explain processes in the USA. CNN is available in the packages of cable TV providers but it has no popularity amongst Latvian viewers. Meanwhile the comments of American diplomats in Latvia are more likely to be categorized as strategic communication, as they are not a matter of daily routine.

Relatively simple but central issues are covered in the framework of strategic communication. It resembles an election campaign in which symbolic events and communication take place throughout the year to portray the desired characteristics and image.<sup>37</sup> One of the examples of strategic communication of the USA in Latvia is the Annual Report on Religious Freedom in Latvia. In this way, the USA is trying to build an image of America as a land of religious freedom. Another example are the comments of U.S. diplomats regarding the provision of support for the rule of law in

Latvia. This way an image is created of the USA as a country with strong rule of law.

The third dimension of public diplomacy is the development of close relations over the course of the years with opinion leaders through the use of scholarships, exchange programs, seminars and training sessions, conferences and contacts through the media. This approach is based on the assumption that graduates will return to their home countries, where at least part of them in due time will take over leading positions in business and politics. More than 200 current and former prime ministers and presidents in the world are graduates of American scholarship programs. Amongst them are Mikheil Saakashvili, Victor Yushchenko, Margaret Thatcher, Tony Blair, etc.<sup>38</sup> 14 out of 20 of the most prestigious universities in the World University Rankings 2011–2012 are universities in the USA.<sup>39</sup> During the post-war period, approximately 700,000 people have visited America through different programs of cultural or academic exchange.<sup>40</sup> One of these is the Fulbright Program which, since its creation in 1946, has supported more than 189,000 foreign students, researchers and professors.<sup>41</sup>

Since 1991, 163 students and professors from Latvia have received the Fulbright Scholarship for studies and research in American universities and research centers.<sup>42</sup> The most popular fields of studies have been political science, economics, public administration, business administration and law. The most popular universities amongst Latvian students have been the State University of New York, Columbia University, the University of Wisconsin, and Harvard University.<sup>43</sup> The most famous Fulbright scholarship holders from Latvia, well known both domestically and abroad, are: Artis Pabriks, minister of defense and former minister of foreign affairs (1997/1998 – New School for Social Research, NY); Ina Druviete, parliamentarian and former minister of education and science (1996/1997 – University of Pittsburgh), Aivis Ronis, former minister of foreign affairs and former Latvian ambassador to the USA (1999/2000 – Columbia University), and others. Apart from Fulbright scholarships, the USA also offers programs such as the Muskie Fellowship, which in the period between 1994 and 2002 was granted to 39 persons from Latvia. One of the well-known participants is Ainars Latkovskis, parliamentarian and former minister of social integration (1993–1995, George Washington University).

One of the organizations which offer their support to students and researchers from all three Baltic States is The Baltic-American Freedom Foundation (BAFF). In comparison to the Fulbright program, BAFF does not have quotas for each country, which means that all Baltic students and researchers compete amongst each other. BAFF offers university students and recent graduates a chance to serve as interns at U.S. companies via the foundation's Professional Internship Program. For post-graduate students, BAFF offers an opportunity to attend U.S. universities on the Graduate Scholarship Program. BAFF also offers scholarships for professors and academic researchers to conduct research projects in the U.S. via the Research Scholarship Program. As a third option, BAFF offers itself as an internship placement service for interns who work in an unpaid capacity.<sup>44</sup> Since 2010, when BAFF initiated its scholarship program in the Baltic States, 17 representatives from Latvia have received scholarships for studies or research in the USA. This process is mutually advantageous – the

scholarship programs promote a friendlier attitude toward U.S., while students can boost their career development in Latvia.

### **The specific approach of Russian soft power**

A second gravitation center of soft power which has a significant effect on Latvia is neighboring Russia. It is difficult to perceive Russia as an attractive country on a global scale; however, attitudes toward it differ in its neighboring countries if compared to Western Europe and to more distant countries. Some former Soviet states tried to “run away” from Russia after 1991 by integrating into Western institutions. However, the Russian-speaking part of the society in different countries remained focused on Russia through daily Russian media. They perceive it as the former fatherland and current center of Russian culture.

Russia put more emphasis on its soft power initiatives after the wave of color revolutions in its neighboring countries. In 2004, Konstantin Kosachev, chairman of the Russian State Duma’s Committee on Foreign Affairs, expressed his discontent about the fact that the neighboring countries were receiving economic advantages from Russia while also striving for integration into European institutions. Kosachev blamed the incapability of explaining the purpose of Russia’s presence in other CIS countries as the main reason for this. According to him Russian, politics suffered from a lack of ideology, while Europe offered the ideas of democracy.<sup>45</sup> Vladislav Surkov, first deputy chief of staff to the Russian president, offered the idea of “sovereign democracy”, but that idea did not become a global soft power instrument. Researcher Ivan Krastev claims that the goal of the Kremlin to develop “sovereign democracy” as a national ideology was only partially successful. It only acts as a delay of Western influence in Russia, but it has no global attractiveness.<sup>46</sup> Two other directions of ideology that were created and continue to develop in Russia are “Russia as the center of Orthodox civilization” and “Russia as a mighty state that defeated fascism during the Great Fatherland War”. Russia as the carrier of Orthodox civilization and its values was also defined in the 2008 Russian Foreign Policy Concept.<sup>47</sup> Although these ideas will not seem very attractive to Western Europe, they might find significant support in neighboring countries with a large minority of so called Russian-speakers.

### **Sources of Russian soft power – culture, values, foreign policy**

Soft power as a term in Russian foreign policy appeared in the 2007 Russian Federation Foreign Policy Review. Soft power is cited as a tool to influence the behavior of foreign countries through the use of the attractiveness of Russian culture and civilization, foreign policy and other factors, as well as through the use of the country’s public diplomacy network.<sup>48</sup> The section “Culture” of the Russian Federation’s National Security Strategy until 2020 (approved in 2009) includes this statement: “The

efforts to reconsider Russia's views about history issues [...] intensify the negative influence of national security in the field of culture."<sup>49</sup> If a risk or a threat is defined in a state security document, then it must be followed by actions aimed at preventing this threat. The aforementioned strategy defines the main instrument of prevention – “the development of unified humanitarian and informative telecommunications in the territory of CIS countries and neighboring regions.”<sup>50</sup> It is not difficult to deduct that “neighboring regions” also include Latvia. It must be concluded that the specific interpretation of historical events with the help of Russian media and “compatriot” organizations is not a coincidence, but a part of Russian foreign policy. The *securitization* of culture completely changes the assessment of Russian soft power. In this context it is important to remember that the Latvian-Russian border is also the NATO-Russia border – respected by Russia's military, but not respected in terms of manipulation with information.

Victor Yasman argues that Putin's *siloviki* were able to effectively cement their power in Russia mainly due to the successful use of soft power.<sup>51</sup> He indicates that in effect, the *siloviki* carried out a “quiet cultural counterrevolution”. They purposely worked to devalue and compromise liberal values, standards, and institutions.<sup>52</sup> According to Yasman, amongst the main instruments of this “counterrevolution” were state-controlled TV channels, the Russian Orthodox Church, pro-Kremlin intellectuals, and pseudo independent organizations.<sup>53</sup> If such methods work within the country, they can also be used beyond the country's borders. However, the same messages are not appropriate for everyone. A researcher from Moscow, Andrei Pronin, claims that Russia currently does not have a form of culture which has the potential of being exported to Western countries with the goal of influencing their policies. He believes that classical Russian culture – Tolstoy, Chekhov, Dostoyevsky, ballet – are not the fundamentals on which to build the development of Russian civilization.<sup>54</sup> Given that Russian pop culture is not popular in Western Europe, Pronin's assessment of Russian soft power capacity in Europe only adds to pessimistic forecasts about its success. Another picture appears when one looks at the potential of Russian soft power in the neighboring countries in which many citizens have a good knowledge of the Russian language.

Coordinated cultural relations between Russia and Latvia were established in 2007 after the resolution of border issues between the two countries.<sup>55</sup> Although the slightly improved political relations provided a chance for Latvia to present its theatrical and choir singing culture in Russia, the mutual presence of each other's culture in both countries remains asymmetric. Apart from cultural exchange initiated by governmental institutions, Russian popular culture – concerts, humor shows, film festivals – is also regularly seen in Latvia. The market for Russian popular culture in Latvia works through several channels – movie screenings in cinemas, cable and analogue TV broadcasts, music broadcasts on radio, and performances by Russian artists.<sup>56</sup> All of the major providers of cable television offer channels with Russian productions. These channels provide programs for various audiences. They represent Russian culture starting from nostalgia for “Soviet times” and ending with modern Russian popu-



lar culture. There are Russian evenings on Thursdays on the Latvian commercial TV channel LNT, when Russian movies and TV series are aired from 4:00 to 6:00 PM and again from 8:00 PM to 2:00 AM. The presence of Russian programs is even more common on TV3, where Russian TV films and shows are aired every working day.<sup>57</sup> The Russian music market in Latvia is directed primarily at Russian-speaking audiences. There are several commercial radio stations which broadcast Russian music daily, thus sustaining its permanent presence in Latvia. These include “Mix FM”, “Hiti Rossiji”, “Jumor FM”, “Radio PIK”, and “Novoe Radio”.<sup>58</sup>

The Latvian Orthodox Church is also one of the assets of Russian culture in Latvia. This is mainly because of its semi-autonomous position as the Eastern Orthodox Church, which is under the jurisdiction of the Patriarchate of Moscow. Orthodoxy is the 3<sup>rd</sup> largest faith in Latvia, with approximately 370,000 members and 121 parishes.<sup>59</sup> One of the most important events of the previous years was the exhibition of the Tikhvin icon of the Saintly Mother of God in Riga in June 2004. Another important event was the visit of Patriarch Alexei to Latvia in May 2006. So far the Latvian Orthodox Church has not been involved in political issues. However, the activities of Moscow’s Patriarchate in Ukraine indicate that such involvement in favor of Russia cannot be excluded in the future.

The third source of soft power defined by Joseph Nye is the legitimacy of a state’s foreign policy. In the context of soft power, for example, a fight on behalf of human rights can increase the legitimacy of a country’s foreign policy in the eyes of those countries which see compliance with human rights as compulsory. However, systematic violations of human rights within Russia have not helped to improve the attractiveness of Russian foreign policy abroad. Different reactions to this have been observed in the direct target group of Russia’s compatriot policy – Russians and Russian-speakers abroad. Some Russians who live in the Baltic States approve of Russia’s activities in the area of protecting Russian compatriots.

Two thoughts from the minister of foreign affairs of the Russian Federation, Sergey Lavrov, best describe Russia’s policy toward Russian compatriots living abroad. The first is Lavrov’s comment in the newspaper *Rossiyskaya Gazeta* in October 2008, stating that Russia would form its relationships with compatriots living abroad based on the principles of soft power.<sup>60</sup> The second comment was made in an interview with an online newspaper, “Pomni Rossiyu” (“Remember Russia”). Answering a question about how the Russian diaspora abroad can help Russia, amongst other things he replied that “the diaspora – it is our mighty resource, and it must be employed to full capacity.”<sup>61</sup> Thus there are two goals related to the foreign policy of Russia toward its compatriots abroad – 1) acquire loyalty to Russia among compatriots living abroad with the help of soft power; 2) use these consolidated diaspora groups as a means to achieve Russia’s foreign policy goals.

One of Russia’s soft power initiatives has been the creation of the foundation “Russkiy Mir” (Russian World) in 2007. The head of this foundation is Vyacheslav Nikonov, a political scientist closely linked to the Kremlin. One of the main goals for the foundation is to increase the popularity of Russian culture and language abroad.

There are already two Russian centers opened by “Russkiy Mir” in Latvia – one at the Baltic International Academy, and the other at the University of Daugavpils.<sup>62</sup>

### **Russia’s daily and strategic communication in Latvia**

Shortly after Vladimir Putin assumed the office of President of Russian Federation, he began rapid changes in the field of media. He increased state control over the flow of information in the country and prohibited the largest mass media outlets from criticizing the president.<sup>63</sup> Control over major TV stations in Russia allowed Putin to address both the audience in Russia and the one in neighboring countries.

The presence of the Russian media in Latvia provides Russia with good opportunities to implement both daily and strategic communication. The most viewed channel in Latvia in September 2011 was LNT – the audience spent 13.7% of total viewing time watching this channel. The second most viewed channel was TV3, with a share of 13.6%. Third was PBK (First Baltic Channel), with 11.3%. LTV1 – 9.2%, NTV Mir Latvia – 5.3%, and RTR Planeta Baltija – 5.2% of total viewing time.<sup>64</sup> It must be noted that the third most popular channel, PBK, although registered in Latvia, devotes 80% of its airtime to re-broadcasts of productions from Russian Channel 1. The fifth and sixth most viewed channels – NTV Mir Latvia and RTR Planeta Baltija – broadcast directly from Russia and are subject to government control. Thus, in fact, three out of the six most viewed channels in Latvia have content produced in Russia. Furthermore, Latvia’s commercial channels (LNT and TV3) frequently broadcast productions of Russian popular culture, as well – humor shows, concerts and movies (see Table No 1). In expanded cable television packages, other Russian channels are also popular, including Our Cinema (*Nashe Kino*, which shows Soviet films in Russian), as well as the Russian versions of Eurosport and Muz TV.<sup>65</sup>

A survey conducted by the SKDS market and public opinion study center in the summer of 2007 about the most popular television channels in Latvia unambiguously demonstrated the fact that those residents who speak Russian in family communications<sup>66</sup> prefer Russia’s television channels. For the aforementioned audience, the most popular TV channels included PBK, RTR Planeta and NTV Mir.<sup>67</sup> This survey, which was conducted under the framework of the research project “Outside Influence on the Ethnic Integration Process in Latvia” (Centre for East European Policy Studies), also included this question: “Which of the television channels do you trust and consider their information to be objective?” 36.1% of the respondents speaking Russian at home pointed to the First Baltic Channel (PBK), 14.6% – to RTR Planeta, and 8.9% – to LTV (Latvian public television).<sup>68</sup> The results of this survey show that Russian television channels are not only popular, but the ideas disseminated via their news and analytical broadcasts are trusted by most Russian-speakers in Latvia.<sup>69</sup>

The specific work of Russian journalists must be taken into consideration when analyzing the influence of Russian TV channels. A significant characteristic for many, in contrast to Western journalists, is mixing commentary with news. As a result, the

largest Russian TV channels portray news stories with an implied attitude toward the issue; in most cases, it coincides with the position of the Kremlin. An indicative example of such daily communication was a personal analytical program produced by journalist Mikhail Leontyev, called "Odnako" and re-broadcast on PBK. The program was aired as a part of the evening news, thus granting a maximum audience. Leontyev, who is a dedicated supporter of Putin's policies, frequently criticized the USA, NATO, Georgia, and Ukrainian "Orange forces" for their aggressive foreign policy toward Russia. Even though the main audience for this program was Russian citizens, it was also aired in other CIS and Baltic countries.

Similarly to daily communication, Russia has been very active in terms of strategic communication since Putin first became president. Under the framework of strategic communication, the Russian media try to uphold particular stereotypes about countries with whose foreign policies they do not agree. Due to government control over TV channels, Russia has the possibility of sustaining a unitary interpretation of particular events for a longer period of time on all major TV channels, addressing them to both the domestic and the foreign audience. The research project "Outside Influence on the Ethnic Integration Process in Latvia",<sup>70</sup> carried out by the Centre for East European Policy Studies in 2007, and the research project "Manufacturing Enemy Images? Russian Media Portrayal of Latvia",<sup>71</sup> carried out by Advanced Social and Political Research Institute (ASPRI) of University of Latvia, proves that such strategic communication does exist. Nils Muižnieks, director of the ASPRI, argues that "the Russian media did systematically manufacture an enemy image of Latvia with regard to some, but not all topics. As expected, the most pronounced negative portrayal concerned Latvia's treatment of Russian-speakers, Latvia's approach to history, and Latvia's accession to NATO."<sup>72</sup>

The third dimension of public diplomacy, work with opinion leaders, was initiated in Russia by the former mayor of Moscow, Yuri Luzhkov. In 1996, he offered a scholarship program for foreign students. "Scholarships of the Mayor of Moscow" were reintroduced, and in 2011, 52 Latvian students (studying in Russian) received funding under the framework of these scholarships.<sup>73</sup> The Ministry of Education and Science of the Russian Federation has provided scholarships to 112 students from Latvia to study at Russian universities.<sup>74</sup>

### **The results of soft power implementation**

According to the soft power theory of Joseph Nye, the most appropriate way to measure its success is analyzing public opinion surveys. Analyzing Latvian attitudes toward the USA, researchers Nils Muižnieks and Pēteris Vinķelis conclude that a major contributor toward pro-Americanism is fear of Russia.<sup>76</sup> Since the accession of Latvia to NATO and the EU, this fear has decreased, and anti-Americanism in the country's society has increased. Furthermore, polls show that anti-Americanism is more popular amongst ethnic Russians than Latvians. This is attributed to the significant influence which the Russian media have on Russian-speakers in Latvia.<sup>77</sup>

Analyzing the development of anti-Americanism, Muižnieks and Viņķelis point out that Latvian public opinion is similar to the average opinion of other European societies.<sup>78</sup> As the major sources of anti-Americanism in Latvia in the past few years, they mentioned the decrease of U.S. prestige due to the war in Iraq; the removal of a taboo subject – anti-Americanism after accession to NATO and EU; anti-corruption initiatives that have provoked ideas of anti-Americanism amongst influential businessmen and politicians in Latvia; and Russian soft power initiatives in Latvia.<sup>79</sup> The attitude of the Latvian political elite and society toward the USA is mainly linked to the view of America as the major provider of security before and after accession to NATO.<sup>80</sup>

A significant characteristic is the difference of attitudes toward the USA between ethnic Latvians and the Russian speaking part of society. Anti-Americanism is frequently seen in the Russian print media, which is influenced by ideas that are expressed on Russian TV channels.<sup>81</sup> In the Russian media, anti-Americanism rapidly decreased at the beginning of the 1990s and directly after the 9/11 terrorist attacks. However, along with the wave of “color revolutions” after 2003, anti-Americanism became a daily issue in the Russian media.<sup>82</sup>

In comparison to research about the influence of American soft power in Latvia, Russian influence has been researched far more often. One of the opinion polls which allow for monitoring of the influence of Russian soft power on Russian speakers in Latvia is the project “Eurasian Monitoring”. In the context of this project, opinion polls are conducted in all former Soviet countries. The 9<sup>th</sup> wave of the project was carried out in April–May 2008. Under this framework, the SKDS company conducted a poll in Latvia – “With what we are interesting to each other? Areas of mutual humanitarian interest in the former Soviet countries”. The poll tried to find out which of the former Soviet states are viewed as most attractive in the eyes of society. According to the polls, Russia was highlighted as a conventional center of attraction. This showed that the inhabitants of Latvia have a rather high level of interest in Russia. However, these opinions differ significantly between Latvians, Russians and members of other nationalities living in Latvia. Latvians show less interest about Russia.<sup>83</sup> The results of the survey show that Latvians would like to know more about Georgia, while Russians living in Latvia wanted to know more about Russia.<sup>84</sup> The answers depended on the nationalities of the respondents: Latvians indicated that friendly countries are Lithuania, Estonia and Georgia, while Russian-speakers indicated Russia and Belarus.<sup>85</sup>

In January 2009, SKDS conducted the poll “Views on Patriotism”. The results of the survey showed that 12% of Latvian inhabitants see themselves as patriots of Russia. If the respondents are divided by citizenship, then it can be seen that 7% of Latvian citizens see themselves as Russian patriots. 33% of non-citizens living in Latvia said that they are Russian patriots.<sup>86</sup> In reply to the question on loyalty toward Latvia, 18% of the respondents who speak Russian language at home indicated that they are mostly not loyal to Latvia; 3% indicated that they are completely disloyal.<sup>87</sup>

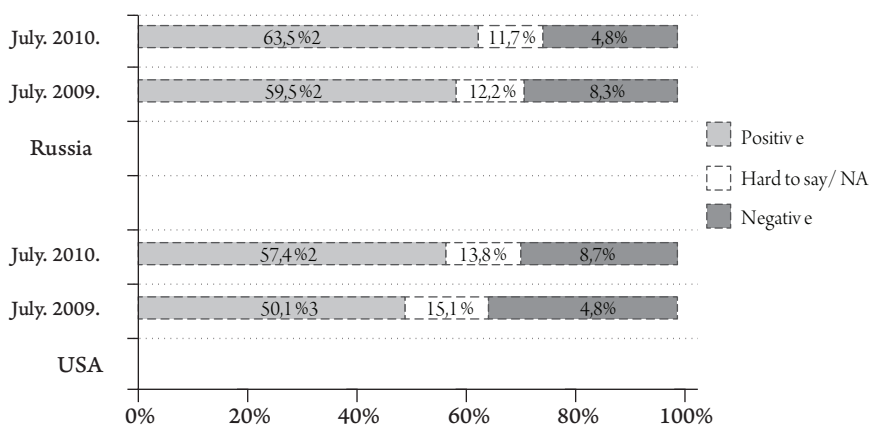
In looking at values as a source of soft power, it must be concluded that the attitudes of Russian-speakers in Latvia, as seen in answers to many questions, comply

with the opinions which are propagated on Russian TV channels. Under the framework of the research project “Outside Influence on the Ethnic Integration Process in Latvia” (2007), SKDS organized an opinion poll in which of the questions was: “To your mind, the fact that Latvia became a part of the USSR can be valued as...?” 13% of the respondents who speak Russian at home responded “very positively”; 30.9% – “rather positively”. On the other hand, 1.8% of the respondents who speak Latvian at home responded “very positively” and 10% said “rather positively”.<sup>88</sup> For similar questions related to history and ethnic integration in Latvia, too, the responses differed according to nationality. Respondents who speak Russian at home more frequently provided opinions similar to those of Russian TV channels.

Another research project conducted by SKDS showed that in 2010, Latvian citizens rated Russia more positively (63.5%) than the USA (57.4%). The study points to a significant difference in attitudes toward Russia and the USA according to the language spoken by the respondent’s family. 90% of Russian-speakers have a positive attitude toward Russia. In comparison, 50% of Latvian-speaking respondents look positively at Russia. On the contrary, Latvian-speaking respondents have a more positive attitude toward America than Russian-speakers do. Muižnieks points out that this confirms the fact that Russian soft power works more effectively amongst Russian-speakers. They are not only more related to Russia linguistically, ethnically and historically, but also consume more Russian TV output and news.<sup>89</sup>

**Figure No. 1.**

Public Opinion in Latvia about the United States and Russia, 2009–2010.



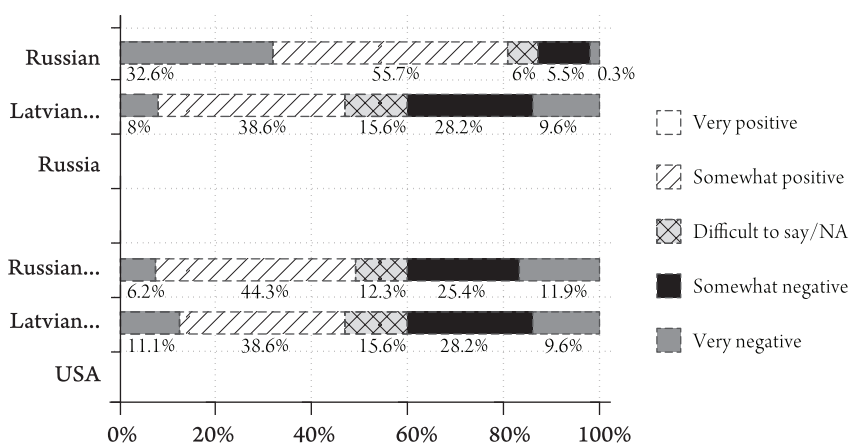
Source: SKDS

In his analysis of Latvian attitudes toward Russia and the USA between 2009 and 2010, researcher Nils Muižnieks argues that the increase in positive attitudes toward America can be attributed to the “Obama effect”.<sup>90</sup> He also mentions the improved relationship with Russia after the signing of the Latvian–Russian border treaty in 2007,

as well as the activation of the “humanitarian dimension” in Russian foreign policy as major reasons for the increase in Russia’s popularity.<sup>91</sup>

**Figure No. 2.**

Public Opinion in Latvia about the United States and Russia by Linguistic Group, 2010



Source: SKDS

## Conclusions

The analysis of Russian and U.S. soft power initiatives in Latvia shows that both countries have enough resources to conquer the hearts and minds of society. However, the influence on Latvia by the two countries differs in terms of the sources of soft power – culture, values, the legitimacy of foreign policy, as well as the instruments of soft power.

U.S. popular culture finds its way via radio, TV and the movies every day. Both Russian and American pop stars give concerts in Latvia. However, the frequency of different events – comedy shows, concerts, etc. – is greater for Russian artists. The geographical closeness of Russia plays an important part here. In comparison to Russian pop stars, representatives of American culture are in demand in many countries all around the world. Russian pop stars, by contrast, are popular only among the Russian-speaking audience. In Latvian movie theaters, Hollywood movies have total domination. On the most popular Latvian commercial TV channels, too, American movies are aired more frequently than those produced in Russia or the EU.

Both American and Russian TV channels are available in different cable TV packages. However, Russian channels are more popular than American ones amongst cable users. Amongst six of the most viewed channels in Latvia, three are Russian. Furthermore, Russian movies and TV shows are also frequently aired on the two most watched Latvian commercial channels. Thus Russia’s possibilities to use TV as an instrument of soft power are much better than those of the U.S. It must be pointed out

that the major audience of Russian TV channels in Latvia is made up of people who speak Russian at home. Different studies have shown that opinions provided by Russian TV channels are negative toward NATO enlargement and Transatlantic relationships. The *securitization* of culture and information in Russia turns soft power into hard power in terms of some of the factors of the “humanitarian dimension” of Russian foreign policy.

Looking at the values disseminated by the USA and Russia, it can be seen that Russia with Moscow as a center of Orthodox civilization and as the heir of the victory of the Great War of the Fatherland, lacks global character in its soft power. American ideas about democracy, the rule of law and individual freedoms are ideas that are supported by significant part of Latvian society. The image of the USA as a wealthy nation also boosts the potential of its soft power. By contrast, many Russian-speakers who see themselves as Russian patriots find Russian values to be more appropriate.

The foreign policy initiatives of both the USA and Russia simultaneously boost and decrease the attractiveness of both countries. Information about secret CIA prisons and torture of prisoners therein has decreased the attractiveness of USA, although the “Obama effect” has slightly improved the situation. Russian foreign policy toward Georgia has decreased its attractiveness in the eyes of Latvians; however, the indicators of Russia’s attractiveness in Latvia are higher than those of the USA. This can be attributed to the increasing “humanitarian dimension” of Russian foreign policy, as well as Latvia’s improved relationship with Russia after the signing of the Latvian–Russian border treaty in 2007. When analyzing Russia’s and America’s attractiveness in Latvia, it is not always possible to clearly identify the reasons for these changes.

After exploring the three dimensions of public diplomacy, it must be concluded that in daily communication in Latvia, the USA “loses” to Russia. The latter has many more chances to comment on events in Russia and in the world on a daily basis. It is logical that the USA does not have a special plan to implement daily communication in such a small country as Latvia. On the other hand, the specific style of Russian journalists and the commentaries aired on Russian TV channels are able to influence the opinions of the audience. U.S. strategic communication in Latvia is existent, but not very active. True, studies related to the content of the Russian media indicate the presence of strategic communication on Russian TV channels which creates a negative opinion about particular U.S. foreign policy initiatives and Latvian domestic issues.

Analysis of the third dimension of public diplomacy (work with opinion leaders) points to dedicated and long term U.S. work in Latvia with the help of different scholarship programs. High-level Latvian politicians have studied at American universities with the help of these scholarships. Russian scholarship programs have been activated in the past year and are oriented mainly toward Russian-speakers. Thus this can be viewed as a part of the country’s compatriots policy.

Given that soft power initiatives always take time to pay off, the broad presence of Russian mass culture and the Russian media can turn out to be fruitful in the future. Russia’s daily and strategic communication, as implemented through Russian TV channels, can influence the process of the political socialization of Latvian citizens, as

well as political processes in Latvia. Latvia, as a democratic and open country, is vulnerable to the Russian media which are controlled by Kremlin and manage to capture the attention of a large part of the Latvian audience. Given that this situation cannot be resolved in favor of Latvia in a commercial way, a political solution must be sought out. Latvia will not reject the freedom of the press that is necessary for a democracy. Thus, similarly to the diversification of investment, the external sources of culture and information must also be diversified.

One must agree with Joseph Nye that the USA will not be able to effectively achieve its global goals if it does not cooperate with other countries. On the other hand, the willingness of other countries, including Latvia, to cooperate with U.S. depends not only on economic and security factors but also on the attractiveness of the USA. The pro-American attitude of the Latvian political elite can be endangered in the long term due to changes in the opinion about America in a large part of society. One such opinion changer is the views which are expressed by the Russian media.

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## Russian Soft Power from the American Perspective

*The following opinions are based on experts interviews (May, 2011) to the editor.*

### Heather A. Conley

American pressing priorities were the Middle East, Iraq and Afghanistan. Regarding the soft power we were talking about long-term strategic funds – Fulbright scholarships, education, high-school and college exchange programmes. The basic concept was and still remains making sure that there is visible American presence in these countries. Another issue is the agenda for democracy promotion. In Europe there is funding competition within the European neighbourhood policy: whether the financing will be allocated to the East or to the South. Big countries prefer allocation of funds to the South as a political and economic imperative. Central Europe and Nordic countries have put their focus on the East.

In general, democracy promotion is an interesting initiative. But we cannot oversell it and caution is also needed as no instantaneous results can be expected. Here we can only talk about long-term investment. For instance, the rise of the Egyptian democracy is not something to happen tomorrow; it is a process of five, ten, fifteen years. We should also take into account the fact that the conditions that are present in Central Europe are not present in North Africa or in the Middle East because of different political spectra: Central Europe, which after twenty years is still in the process of transformation, aspires for the re-integration to the West but in North Africa and the Middle East there is even no distant memory of democracy. Therefore, this global project needs additional thinking of what should be addressed on the Transatlantic level and what should be bilateral issues and efforts. So the democracy promotion initiative in the Middle East is still undefined.

Unfortunately, no resources are actually allocated for the American cultural presence in the region. The new technologies and social media should be used as tools, like *Facebook*, *Twitter*, etc., for building up interest and excitement about each others culture particularly among younger generation people. These could be Latvian-American university clubs and similar initiatives to share experience and get fun from learning new things about each others country. However, we are too far away to compete with the Russian approach. But we could organise culture contests, like video contests of your favourite American cities or places. Another direction could be sister city relationships which could be developed. This could be a lot of fun. And my Government should and could at least provide some seed funding. We should be really exploring this area of cooperation.

### **A. Wess Mitchell**

The United States learned a lot of important lessons regarding the Central European region in general following the missile defence negotiations with Poland. And we learned a lot what constitutes an effective public diplomacy. In the context of American cultural presence in the Baltic States an important aspect is how to utilise our ambassadors, how much our embassy staff get out and make themselves known and make their presence felt. In the years ahead it will be difficult for the United States to maintain the size and structure of its diplomatic presence in Europe in general as our resources go to other regions. But overall Latvia's proximity to Russia is an important factor. Now you are seeing an upswing in positive attitude towards Russia. I think the countries occupying the corridor between the Baltic Sea and the Black Sea have very deep-rooted historical and geopolitical reasons to always look for a powerful democratic optional presence. And I think that is what the United States represents. U.S. diplomats have to make themselves first and foremost more visible. In the case of Latvia the United States has a significant Latvian ethnic population but I do not know if we have always utilised that for the advantage of our relations with Latvia. And probably we should do better job on this in the future.

### **Damon Wilson**

Regarding the fact that over last two years Russia has considerably increased its cultural presence through media projects and its compatriot policy I see nothing bad in appreciation for Russian culture which has so much to offer to the world. And it is no surprise that it is present in Russia's neighbourhood. So this is not necessarily a negative process. At the same time I would like to see stronger American cultural diplomacy. It is not a top funding priority or a top budget priority, so we cannot expect a lot of activities in this area. For countries like Latvia various culture-related programmes – international visitors programme, cultural and academic exchanges – though small and modest in their scale are actually significant in terms of exposing the elite and leaders of the country to the respective cultural values and way of life in the United States, not to mention all the opportunities inside the European Union.

The last thing we would like to see is Latvia starting to crack down, for example, on Russian classical music performances. Democratic societies are more vulnerable because they are and they have to be more open. But resilience of an open free society is also important. It is easy for an American to say because we are a gigantic open free society. You are a small open free society on the border of a very large not-free society. So it might feel differently in Latvia. But you should stick to the values of your own society and have faith in them. On the other hand, there are also some counter-measures which can be applied to such cultural and other influences. For instance, by increasing transparency, diversifying mass media, having financial accountability and combating any corruption efforts. This way you can mitigate influence which is not just a natural culture exchange process.

### Joelle Attinger

American public diplomacy and soft power is much more integrated into its foreign policy. And that is a key engagement. As regards anti-Americanism, it will always be there. America is a big player and it likes to get what it wants. But even if the Russian policy seems to be taking root and changing the public opinion, there will remain some balance, particularly given Latvian history. It is not a question of Russia or the United States. For me it is a question of Latvia, the region and only then – Russia and the U.S. and balance of these two. If there is excessive anti-Americanism and decisions are made, which I doubt, on withdrawal from NATO, that is a different situation but I assume this is not going to happen.

I have worked for about thirty years for *Time Magazine*. The media world has changed so much. There is a raft of information but not necessarily a lot of knowledge. Culturally America continues to have an outreach well beyond its borders.

Countries like Russia and China have more advantages in the area of media market. But they also suffer from some of the same problems. The situation has changes. Let's look at media representation abroad. For instance, Times used to have 40 foreign bureaus across the world. Now we have three. We had 150 foreign correspondents. Now—maybe some four. In this environment you no longer have expertise regarding, for instance, what is going on in Riga. You no longer have the information base to assess the developments and then inform the rest world. It is difficult to have some kind of coverage. It is also equally due to some other reasons. Not all people are necessarily reading printed press. They watch TV or cable news. Or they log on to *Twitter* or *Facebook*. The avalanche of information raises the question of information and knowledge: you have everything there but how much of it is really relevant. In future Internet and social media will play a crucial role in delivering information. And we should see how this evolves.

A real challenge we are going to face is Internet governments: what will the world be with government or governments in broadband access. And, in this context, how do you ensure that the Russian television and information coverage does not monopolise the market in Latvia. And how do you ensure free access to a range of information which can balance the onslaught which you are getting out of Russia. Actually, the situation is similar, for instance, in Belgium which is in-between French, German and even British information spaces which have gained access via the modern technologies. But the information highway should remain open. Free access is essential.

Russia has an advantage as it does not follow any democratic pattern, it can act and react faster. But democratic government has to coordinate everything and reach an agreement among different parties. Democracy is the ultimate goal. But it takes daily work. It is irreplaceable but it does not come without cost.

During the current economic difficulties it is increasingly important that the private sector assumes greater responsibility for public diplomacy. As it is also good for them. In America we can clearly expect considerable budget cuts. This is again reflective of American isolationism regarding its foreign engagement. Unfortunately,

to some extent there is still misunderstanding that the strategical elements of public diplomacy are no less important than the strategical elements of the military policy. Here public education will play its role.





## 5. ECONOMIC COOPERATION IN THE AREA OF ENERGY ISSUES

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### U.S. – Latvian Energy Cooperation

*Reinis Āboltiņš*

#### **A broader context**

There are a number of contexts when it comes to U.S.–Latvian relations in the field of energy. First of all, there are the relations between the United States and the European Union – ones which provide a wider framework for region-specific cooperation. Second, the U.S. has historically had a special relationship with the Baltic States, stretching back to the Cold War, when the U.S. pursued the policy of non-recognition of the loss of independence of the three countries. There is also the broader North American context, which also involves Canada and its interests in Europe and the Baltic region. While the U.S. exercises a proactive approach to economic relations, Canada pursues a slightly different commercial tactic and chooses to be reactive rather than proactive or even aggressive in its business explorations. Third, there are individual commercial interests which entrepreneurs pursue in terms of the aforementioned contexts or without any regard to any broader context at all.

#### **Political cooperation**

Transatlantic relations play an important role in U.S.–Baltic relations, particularly with respect to security matters. This also creates a platform for cooperation in the energy sector, which by all means is one of the most important aspects of the security of any country. This is particularly true in the 21<sup>st</sup> century, when energy resources play an increasingly important role in international relations. The Baltic States are “energy islands” in the EU, with no electricity or gas interconnections with other member states. In terms of energy imports, they are fully reliant on the neighboring Russian Federation, which is the sole supplier of natural gas to the region. All major electricity connections, too, are with Russia. This lack of interconnections with the Nordic countries and with the West place the three countries in a no-choice situation.

Bilateral cooperation between the U.S. and each of the Baltic States has traditionally been very active in all sectors – trade, investment, foreign and security policy and defense issues, to name just a few. It is the energy sector, however, which probably has the greatest potential for future cooperation in terms of supplying technologies and exchanging knowhow, but also in terms of the amount of investment in this area.

### **Energy security: An overarching framework**

One particular issue that is related to security is energy security and energy independence. The U.S. is concerned about security in the Baltic region, and that is why it pays a lot of attention to factors which are of importance in the overall regional security scheme. The U.S., the EU and the Baltic States all consider shale gas and renewable energy resources to be a part of the solution when it comes to the high level of Baltic dependency on Russian energy sources.

During a visit to the United States in July 2011, Latvian Prime Minister Valdis Dombrovskis said that Latvia and the U.S. have developed very close defense and security cooperation, adding that the time has come to expand this positive experience to other sectors, including, but not limited to IT and energy.

U.S.–Latvian dialogue on the subject of energy security was also expanded in May 2010, when Richard Morningstar, special envoy of the U.S. Secretary of State for Eurasian energy, met with Prime Minister Dombrovskis to discuss bilateral cooperation in the energy sector.<sup>2</sup> The main topics which the two officials discussed included advancements in technologies and knowhow in relation to shale gas exploration in the United States and Europe, implementation of the Baltic Energy Market Interconnection Plan (BEMIP), and liberalization of the gas market in the Baltic States. Mr. Dombrovskis emphasized Latvia's interest in the United States' experience with energy from renewable resources. Supplying the relevant technologies to cogeneration plants in Latvia was cited as an example of the successful commercial involvement of the United States in Latvia's energy sector.<sup>3</sup>

There is a common trend that has been characteristic for all meetings between U.S. and Latvian officials. The discussion is centered on energy security and the diversification of energy supplies. All of the three consecutive governments that have been led by Prime Minister Dombrovskis since April 2009 have pursued these goals both bilaterally and multilaterally. The U.S. has been one of the major partners in facilitating progress in terms of these goals.

### **Facilitating dialogue among the Baltic States**

The size of the energy market in each of the Baltic States individually is small in any sense of the word. Foreign companies and potential investors view the three countries as a single region with a common energy market. Different approaches toward energy policies and some elements of history, however, have often caused splits among Estonia, Latvia and Lithuania in relation to a number of energy policy issues. Examples include the inability to reach agreement on the Visaginas nuclear power plant project, aggressive competition over which of the three countries will be home to the Baltic liquefied natural gas (LNG) terminal, and even disagreement about where the NordBalt power line that will link Scandinavia and the Baltic States should start on the Baltic side. These are issues which show the presence of permanent rivalry, as well as external influences on decision making. Energy lobbies from companies such as Gazprom and

It has traditionally been successful in implementing the so-called divide-and-rule principle. Latvia in particular has been used as the divisive element among the Baltic States over the past two decades.

To stimulate more cooperation on strategic issues, the U.S. has tried to get Estonia, Latvia and Lithuania to find common ground on a number of important issues such as the Visaginas project and the LNG infrastructure, to name but a few. It can be said with certainty that the American diplomatic missions to the Baltic States have facilitated dialogue among the three countries. It is also true that envoy Morningstar visited the Baltic States in 2010 to show that the U.S. supports attempts to deal with Baltic energy security issues.

### **Political and economic dialogue**

2011 was a year of a great deal of energy security dialogue. Latvian Foreign Minister Ģirts Kristovskis met Morningstar twice, first during a visit to Washington in February. Kristovskis also met with Secretary of State Hillary Clinton during that visit. Kristovskis and Morningstar discussed the current energy situation in the Baltic countries. Kristovskis outlined various initiatives and called upon the U.S. to assist in the financing of Latvian energy projects. He also reiterated Latvia's support for the nuclear power plant at Visaginas, but he went on to stress that lessons had to be learned from the nuclear disaster in Japan.<sup>4</sup> The minister has since said that this was one of the four most important visits which he made in 2011.<sup>5</sup>

Kristovskis met Morningstar again in April in Kyiv, Ukraine, to discuss ongoing aspects of energy policy in Latvia and the Baltic States.<sup>6</sup> The minister briefed Morningstar on progress related to energy security projects that are significant for Latvia, including the LNG terminal. He also once again spoke about one of the most important items on the agenda of all significant meetings between Latvian and foreign officials – investments in projects aimed at improving energy security in the Baltic States in general and Latvia in particular would be very much welcome. Kristovskis also said that Latvia was still supporting the Visaginas project. This message was seconded more recently by Economics Minister Daniels Pavļuts in October.<sup>7</sup> He spoke about the importance of cooperation among the Baltic States in terms of projects which are aimed at improving their energy independence, arguing that it would be difficult to expect Lithuania's support for building the regional LNG terminal in Latvia, for instance, if Latvia were to withdraw its support for the Visaginas project.

Latvian President Valdis Zatlers paid a working visit to the United States in late March and early April 2011.<sup>8</sup> This supplemented a list of high-level meetings primarily aimed at fostering political dialogues. President Zatlers was accompanied by a group of Latvian entrepreneurs on the visit, and this made it possible to expand the dialogue to the area of economic relations. In particular, representatives of the Latvian Association of Wind Energy and the Baltic Wind Park company visited the Suzlon Wind Energy company in the United States. It produces wind generators and offers services

related to wind energy. Mr. Zatlars also met with representatives of DTE Energy, which works in the field of shale gas and oil extraction.<sup>9</sup> The purpose of that meeting was to discuss prospects for shale gas in the Baltic region in general and Latvia in particular.

More recently, the Latvian Foreign Ministry organized a meeting of former U.S. ambassadors to Latvia and Latvian ambassadors to the United States in honor of the 20<sup>th</sup> anniversary of the full restoration of diplomatic relations between Latvia and the United States. Representing the U.S. were former ambassadors Brian Carlson and Catherine Todd Bailey, current U.S. Ambassador Judith Garber, as well as former Deputy Secretary of State Curtis Kamman, who signed the September 5, 1991, memorandum of understanding between Latvia and the United States concerning diplomatic relations. Latvia, in turn, was represented at the meeting by former Latvian ambassadors Ojārs Kalniņš, Aivis Ronis and Māris Riekstiņš, as well as former Deputy Foreign Minister Mārtiņš Virsis.<sup>10</sup> Energy security and the use of alternative energy resources were identified as priorities in terms of U.S.–Latvian cooperation at the meeting.

### **Commercial cooperation** **Sharing expertise**

Bilateral visits by entrepreneurs from the two countries have been one of the main methods for sharing information about business opportunities in Latvia and the U.S. Accompanying government officials on their travels is a commonly utilized modality in developing commercial relations. Latvian businesspeople have been very active in making use of the opportunity to visit the United States together with the country's president or prime minister. The Latvian Investment and Development Agency (LIDA) has been an active partner of the Commercial Section of the U.S. Embassy in Latvia. It has helped to organize visits by Latvian entrepreneurs to some of the most important technology, trade and knowhow fairs in the United States, particularly in regard to the energy sector (e.g., PowerGen 2010 in Florida). The agency partly covered the cost of travel for 30 businesspeople.

In 2010, a number of people visit the U.S. to see whether American biomass and peat technologies could be brought to Latvia. Another visit occurred in September 2011, when ten people visited Washington, D.C. Another big project that has been on the agenda for quite some time involves U.S. technologies for biomass-to-liquid (BTL) and biomass-to-energy (BTE) projects. It can be said that matchmaking among businesses is one of the main functions of the trade representatives of both countries. Bringing together businesses from both continents is a part of normal commercial diplomacy.

### **Exports of U.S. technologies**

The biggest potential for investments and technologies exists in those areas where there are energy infrastructure projects. Latvia has been and continues to be a good

market in this respect. Its energy infrastructure was mostly built during the Soviet era, and a good share of that infrastructure has had to and continues to require renovation or replacement with new infrastructural elements.

Latvia produces most of its electricity from three major hydroelectric power plants (HEPS) on the Daugava River (Pļaviņas, Ķegums, Rīga), as well as from two thermolectric cogeneration plants (CHP) in Rīga (TEC-1 and TEC-2). Most of the technological solutions and systems at these plants were outdated and required upgrading. The turbines of the three HEPs were replaced step-by-step and over a longer stretch of time. TEC-1 in Rīga received an upgrade in 2005, and TEC-2 was also upgraded with an adequately more effective technological solution for the production of heat and power than was the case with the old Soviet-era equipment. The gas turbine for the second stage of TEC-2 renovation (the first stage was completed in 2008) is coming from General Electric, which is one of the world's leading producers of CHP gas turbines. At this writing, that is by far the biggest single commercial deal between a U.S. company and an enterprise in Latvia in the energy sector.

The Ošukalns company, which operates a cogeneration plant, installed a new 6.7 MW biomass CHP plant in the town of Jēkabpils in October 2011. The main turbine came from the Turboden company in Italy, which is part of the Pratt & Whitney Power Systems enterprise. A new biomass Organic Rankin Cycle (ORC) CHP project has been launched in the town of Liepāja by the Liepājas Enerģija company. This project involves the UPB energy company, which has successfully taken part in other projects in Latvia and elsewhere, as the contractor. In this case, too, the turbine comes from Turboden, which has also participated in a number of other projects in Latvia.<sup>11</sup>

According to government institutions, there is interest in biomass projects in Latvia, but this interest has not yet been materialized into actual projects. One thing is certain – distributed power generation from biomass is a very promising process in Latvia. The potential for timber biomass is reflected in the fact that some 80% of wood pellets that are manufactured in Latvia are exported, as opposed to being sold locally. Part of the reason for this situation is that a better price can be had for this product abroad, but there is another factor here, as well – a lack of biomass CHP plants which could consume timber biomass and thus create local demand. The presence of American technological solutions in the aforementioned biomass CHP projects definitely creates good grounds for the further expansion of this technology in the Latvian biomass co-generation market.

### **Exploring the potential of shale gas**

Europe imports most of the natural gas which it consumes. Many EU countries have a single dominant natural gas supplier, and a number of them are fully dependent on a single supplier and route of supply. The EU imports some 40% of its natural gas from the Russian Federation. Russia is the sole supplier of natural gas to the three Baltic States, as well as to Finland. This situation makes any reasonable price negotiations

impossible because of the simple fact that no leverage is available. This is especially true for Latvia, which produces one-third of its electricity from imported natural gas, mostly at the two major CHP plants in Riga. This is where non-conventional gas may find a role in the region.

There is a significant U.S. presence in Poland, which has chosen to engage in shale gas exploration with the help of American technologies and experience. No definite conclusions can be made at this time about the potential of shale gas in the Baltic States, although geologists indicate that the underground structures in the three countries are the same as in Poland. These structures are the reason for optimism in Poland with respect to what are probably the largest shale gas reserves in Europe. North American interest has been particularly evident in recent times as commercial firms look for potential markets for investments, technologies and knowledge. American companies are best situated in this respect when it comes to the knowhow and technologies of shale gas exploration.

Foreign Minister Kristovskis told journalists after his visit to the United States in February 2011 that the two countries would elaborate a joint plan for cooperation in the area of shale gas exploration in Latvia. The same topic was also discussed by Mr. Kristovskis during his meeting with Hillary Clinton, who mentioned energy security as one of the priority issues for U.S. assistance to Latvia.<sup>12</sup> To outline the potential for this energy resource, Kristovskis referred to data from the Soviet era, which indicate that shale gas can potentially be found under the entire territory of Latvia. Shale gas has to remain on the agenda of political meetings and energy companies, the next step being to set out a legal framework for shale gas exploration in Latvia.

The United States undoubtedly has the best knowhow in the world when it comes to shale gas exploration, and that places it into the comfortable position of being the market leader in terms of technological solutions, as well as the actual extraction of shale gas. Shale gas currently makes up around 20% of all gas output in the U.S., with plans in place to increase the proportion to 50% by the year 2020, thus significantly improving the country's energy independence. The very same issue is used as the main argument in favor of shale gas exploration in Europe, and particularly in Central and Eastern Europe, the Baltic States included. According to provisional estimates, the potential amount of shale gas in Poland alone amounts to 5.3 trillion cubic meters (tcm),<sup>13</sup> with the total volume in Europe reaching the staggering level of 14 tcm. If these resources prove to be commercially available with no impact or reasonable impact on the environment, then they will certainly be a game changer in terms of the security of Europe's energy supply. This indicative amount of shale gas suggests that Europe could burn it safely for another 300 years.

The Global Shale Gas Initiative which was launched by the U.S. State Department in April 2010 is aimed at helping countries which want to utilize their unconventional natural gas resources to identify and develop them safely and economically.<sup>14</sup> Although the initiative currently does not cover the Baltic States, it does cover Poland, and it could possibly be extended to other countries in the region, Latvia included.

## Nuclear power for regional security

Several U.S. companies have demonstrated an interest in the Visaginas NPP project, and that has been true ever since it became clear that the Ignalina NPP would have to be shut down. The Visaginas NPP project is definitely by far the biggest energy project in the region in terms of strategic importance, the required upfront investment, the technological complexity, and the impact which the project will have on energy production and the energy mix. The presence of a functioning NPP has an immediate impact on the energy balance of the Baltic States. Until its closure in December 2009, the Ignalina NPP covered most of Lithuania's power consumption and also served as the main source of imported electricity in Latvia. This guaranteed a relatively high level of energy independence. Based on this positive experience, the Baltic States focused on a new NPP almost by default. The specific decision to build a new NPP opened up new opportunities for suppliers of technologies.

It is also quite clear that the building of a new NPP cannot be a project for just one country. Objective logic led the three countries to look for ways of cooperating among themselves and with partners from other countries. The initial plan was for the three Baltic States to support the project on their own, but it soon became obvious that one or more partners would have to be found. Poland joined the three countries in the process, but eventually withdrew from the project in December 2011. Its initial interest in the project was based on the energy needs of the northeastern part of that country. Poland is considering its own NPP project now. Poland's participation in the Visaginas project was seen as a major factor in facilitating an electricity interconnection between Lithuania and Poland. This interconnection is part of the BEMIP and has the support of the EU, as well.

The Visaginas NPP project has experienced a number of issues over the last several years. First of all, there have been arguments about who will take part and how shares will be distributed among participants. It seems that these differences were overcome by the end of 2011, as ever increasing political support for the project was put on the table by the presidents and prime ministers of all three Baltic States and Poland (prior to its withdrawal). Second, Lithuania experienced the withdrawal of one of the first strategic investors, the Korea Electric Power Corporation (KEPCO) from South Korea. This opened up opportunities for direct negotiations with all potential investors under the same conditions. After KEPCO pulled out, Lithuania selected Hitachi GE Nuclear Power as the next candidate for this complex project, thus putting the whole process back on the rails.<sup>15</sup> Toshiba Corporation and the Westinghouse consortium are next in line if Hitachi pulls out of the project for any reason. Both consortia have companies in America which are involved in the process, thus making this project an important part of U.S.–Baltic relations, as well.



### **LNG as a solution to a natural gas monopoly**

The Baltic States are an “energy island” not just in terms of the electricity market, but also in terms of the gas market.<sup>16</sup> There is a fairly clear vision about how the electricity market should develop and about which players are involved in the process. There is one interconnection in place (Estlink-1), and this is a link between the Baltic States and the Nordic energy market, albeit a symbolic one at this time. Three more interconnections are in the pipeline – NordBalt, LitPol, and Estlink-2. This will significantly improve the situation regarding diversification of power supply risks in the region.

There is little clarity, however, about the possibility to diversify gas supplies. Russia is the only supplier of natural gas to the Baltic States, and pipelines link the Baltics only to the Russian pipeline system. There are no gas interconnections between the Baltic States and any other EU member states. This makes the region particularly vulnerable to external pressure in the form of higher gas prices or the possibility of gas supply disruptions. The problem with gas is that current market conditions make no room for other participants.

National gas companies in the Baltic States either have a monopoly (until 2017 in Latvia) or a clearly dominant position in the Baltic natural gas market, which amounts to some 6.5 billion cubic meters of natural gas each year. The Russian gas giant Gazprom is among the shareholders in the gas companies of all three Baltic States (37% in Eesti Gaas, 34% in Latvijas Gāze, and 37.1% in Lietuvos Dujos). Latvia, however, has a special role in this regard because of the underground gas storage facility which it has at Inčukalns. It can hold 4 billion m<sup>3</sup> of natural gas, and it secures gas supplies for the Baltic States and Northwestern Russia in winter.

Roughly one-third of Latvia’s electricity is produced by large hydropower plants, one-third comes from co-generation power plants which use Russian natural gas, and the remaining one-third is imported, mostly from Russia. More than 90% of heating in Latvia, moreover, is produced with natural gas. Given this dependency on one resource and one supplier, investments in the gas sector are absolutely necessary to diversify the risks which stem from the current situation. The Latvian energy sector is especially vulnerable to the risk of supply cuts or price rises, as well as the inability to negotiate prices – something which, therefore, can also mean that natural gas can potentially be used as a political tool. All of the Baltic governments understand that an LNG terminal with sizeable supplies could provide a solution to the current Gazprom monopoly, just as long as third-party access to the gas transmission system is made possible. It is clear to experts and has been said repeatedly by government officials that from the point of view of energy security, an LNG terminal makes sense only if it is owned and operated by companies other than the ones which currently control the gas network and the storage of gas.

On the positive side, there is the adherence of the Baltic governments to the principles that are enshrined in the 3<sup>rd</sup> EU Energy Package. It provides for a sustainable framework for planning and engaging in the energy business in the region. All three Baltic governments have adopted policy strategies which stem from and support

the package, but there are obstacles against the actual implementation of some of the EU's requirements. One particular example is the contractual obligation of the Latvian government to provide exclusive operation rights until 2017 to the incumbent national gas company Latvijas Gāze. This situation definitely hinders the unbundling of the gas transmission system and the implementation of other policy changes relevant to a free natural gas market in Latvia in particular and in the Baltic region in general.

A regional LNG plant can be a technical solution in terms of alternative gas supplies. It can also add to the stability of the Latvian government in terms of negotiating gas prices with Gazprom as the main gas supplier. Both aspects are related to regional security in general and energy security in Latvia in particular. The vicious circle of no investment while the market is closed on the one hand and the market remaining closed because of the lack of investor interest on the other hand can only be broken if action is taken to liberalize the Baltic gas market and if potential investors actually make public their interest in developing LNG in the Baltic States, irrespective of whether the focus is on Estonia, Latvia or Lithuania.

## Conclusions

Political relations between the United States and Latvia are on firm foundations and have very good potential. The current geopolitical context of the world offers many opportunities for cooperation, either on a bilateral basis, or as part of multilateral settings. With security issues not just dominating the global political theater, but also being essential for individual countries and smaller regional clusters of states, energy cooperation has become enormously important in bilateral and multilateral relations alike. This context is favorable for the further development of U.S.–Latvian relations in the energy sector. Cooperation between the two countries in this regard has found expression both at the higher political level and the more down-to-earth commercial level. The model has proven to be sustainable, and it clearly indicates that activities at both of these levels are the correct way of developing energy cooperation in the future.

The need for the Baltic States and Latvia in particular to link up with the rest of the EU and to become less dependent on the currently heavily dominating supplier of energy resources provides excellent opportunities for the supply of technologies, knowhow and investments in Latvia's energy sector. Furthermore, opportunities are opening up for large, medium and small projects in this regard. Large generating capacities to boost Latvia's energy independence require massive investment. The same can be said about interconnections and alternative supply routes. The LNG business in the Baltic States, however small it may seem in global terms, represents an opportunity that can be utilized when looking forward to liberalization of the gas market in the region in five years' time. Shale gas exploration is gaining more and more political support as a solution to the problem of the region's energy dependence on Russian gas. As more environmentally friendly technological solutions are developed by the industry, support for shale gas will increase. American companies are leaders in this

field, and they will use their presence in Poland as a launching pad for advancing into the Baltic States, as well.

There are also opportunities to take part in medium-scale projects aimed at developing distributed generation in Latvia. A number of successful biomass co-generation projects points the way toward further cooperation – something which is quite promising as energy companies gain experience and adjust to the local market environment and its requirements. Renewable energy has been assigned a special role in terms of increasing the production of energy in Latvia, and this provides good prospects for all kinds of renewable energy businesses. A background note about Latvia from the U.S. State Department points out that there is plenty of room for growth in terms of energy growth and, especially, in renewable energy technologies.<sup>17</sup> New prospects for wind energy, in turn, will appear as the EU-supported Baltic Energy Market Interconnection Plan proceeds and new interconnections linking the Baltic States to Scandinavia and Poland start functioning.

Increased grid capacity along Latvia's western coastline will be able to accommodate at least 200 MW of wind power very comfortably. Solar heat and solar photovoltaic (PV) systems can also find their place in the system, even if that does not happen at a massive level of commercial production. Legislation concerning the production and use of renewable energy will facilitate micro-generation in the household sectors. Compact and effective energy production units will be in increasing demand as local transmission system operators upgrade their grids and make them smarter in terms of energy management.

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## Notes

- 1 Details on the program of the visit and the accompanying company representatives are available at <http://mk.gov.lv/en/aktuali/zinas/2011/07/220711-pm-02/> (in English, after the visit) and <http://mk.gov.lv/lv/aktuali/zinas/2011gads/07/130711-mp-02/> (in Latvian, before the visit).
- 2 See, State Chancellery of the Republic of Latvia, May 7, 2010, <http://www.mk.gov.lv/en/aktuali/zinas/2010/05/070510-05/>.
- 3 *General Electric* is the supplier of the main gas turbine for Rīga TEC-2, stage two. Its technologies have also been used in a number of smaller CHP plants, the Jēkabpils biomass CHP plant being the most recent example. A *GE* turbine will also be installed at a biomass CHP plant in Liepāja.
- 4 Kristovskis invites U.S. to invest in Latvian Energy, April 21, 2011, <http://stenmarck.blogspot>.

- com/2011/04/kristovskis-invites-us-to-invest-in.html.
- 5 Most important visits by officials, <http://www.mfa.gov.lv/lv/Arpolitika/divpusejas-attiecibas/ASV/vizites/?print=on>.
  - 6 Foreign Minister Kristovskis and Richard L. Morningstar discuss Baltic energy security and co-operation with U.S., <http://www.mfa.gov.lv/en/news/press-releases/2011/april/20-1/>.
  - 7 Pavļuts: there is no reason for Latvia to pull out of Visaginas NPP project now (Pavļuts: nav iemeslu, lai Latvija tagad izstātos no Visaginas AES projekta), Neatkarīgā Rīta Avīze, October 27, 2011, <http://zinas.nra.lv/ekonomika/58743-pavluts-nav-ieneslu-lai-latvija-tagad-izstatos-no-visaginas-aes-projekta.htm?act=print>.
  - 8 March 27 till April 4, 2011.
  - 9 Latvian President Valdis Zatlers to visit the U.S., <http://www.latvia-usa.org/proflavazato.html>.
  - 10 Former U.S. Ambassadors to Latvia and Latvian Ambassadors to U.S. meet at Foreign Ministry, <http://www.mfa.gov.lv/en/news/press-releases/2011/september/07-1/?print=on>.
  - 11 CHP and district heating projects in Kuldīga, Saldus, Madona, Gulbene, <http://www.turboden.eu/en/references/references-map.php>.
  - 12 Remarks With Latvian Foreign Minister Girts Kristovskis, February 22, 2011, <http://www.state.gov/secretary/rm/2011/02/156937.htm#>.
  - 13 Poland's PGNiG eyes 900 bcm of shale gas, November 21, 2011, <http://www.reuters.com/article/2011/11/21/pgnig-shale-idUSL5E7ML1SQ20111121>.
  - 14 U.S. Department of State, Global Shale Gas Initiative (GSGI), <http://www.state.gov/s/ciea/gsgi/>.
  - 15 South Korea no longer wants to be investor into Visaginas Nuclear Power Plant, The Baltic Course, December 3, 2010, see <http://www.baltic-course.com/eng/energy/?doc=34557>.
  - 16 For more detail about the Baltic “energy island” see R. Āboltiņš, “Energy islands in the EU – a challenge to a common EU energy policy”, PROVIDUS, 2010, <http://www.providus.lv/public/27541.html>.
  - 17 Background note: Latvia, U.S. Department of State, <http://www.state.gov/r/pa/ei/bgn/5378.htm>.



## 6. U.S. AND LATVIAN COOPERATION IN THE AREA OF SCIENCE AND TECHNOLOGIES

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### The University of Latvia and its Historical and Current Links With the United States

*Laila Kundziņa-Zvejniece*

The University of Latvia has 17,000 students, 13 faculties and more than 20 research institutes, which makes it one of the largest comprehensive and research universities in the Baltic States. The university offers more than 150 state-accredited academic and professional study programs. Research is conducted in more than 50 different areas from the four main areas of inquiry – the humanities, science, the social sciences, and education. The University of Latvia devotes a great deal of attention to the development of international collaboration. At present, it has signed more than 500 agreements with 326 institutions in 31 European countries under the auspices of the ERASMUS Program. The university also devotes a lot of attention to the development of international collaboration so as to promote international identification and to strengthen the university's good reputation.

Internationalization processes have occurred in the following areas: Bilateral cooperation agreements (with 104 universities in 37 countries, including the University of Wisconsin Eau Claire, the State University of New York at Buffalo, the University of Cincinnati, the University of South Florida and Kansas State University); membership in international university organizations and networks; participation in international educational and research programs and projects; exchanges of students and teachers (exchange statistics); and international cooperation at the level of faculties, institutes, departments and individuals.

The University of Latvia also participates in international university organizations and is an active member in networks such as the European University Association (EUA), the Network of Universities from the Capitals of Europe (UNICA), the Baltic Sea Region Universities Network (BSRUN), CAMPUS EUROPAE, and the UTRECHT Network. Thus the university seeks to intensify different types of exchanges and to broaden possibilities related to the internationalization of studies and research. Cooperation in the field of research has also been very active and productive. Participation in the 5<sup>th</sup> and 6<sup>th</sup> RTD Framework Programs, as well as projects funded by the EU, UNESCO, NATO, Nordic countries and the Volkswagen Fund has ensured unity in studies and research and has also made it possible to develop centers of excellence. These include the UNESCO Biomedical Research and Study Center, the EU Solid States Physics Institute, the UE Institute of Physics, the EU Institute of Atomic Physics and Spectroscopy, the UNESCO department at the Institute for Environment Studies and Management, and the Jean Monnet Chair.

### **The historical context of cooperation**

During the course of World War II, a majority of representatives of Latvia's intelligentsia emigrated – nearly 200,000 people in all. Many of them had been on the academic staff of the University of Latvia, students, graduates, and their family members. The United States was one of the key target countries for these Latvian émigrés. Each September, which is the birth month of the University of Latvia, social events are organized to commemorate the *Alma Mater* which was established during the first period of Latvia's independence. Much work in relation to those events is done by student fraternities and sororities, as well as by Latvian centers. The motto of the University of Latvia, "Scientiae et Patriae" (To Science and the Fatherland), has always been held in very high esteem. Even when Latvia was under Soviet occupation, the University of Latvia remained a symbol of the independent country. Emigration to the United States also helped to promote the university's development thanks to generous contributions from Latvian donors in America.

#### **Robert Hirsch**

As the first of these donors, I would like to mention Robert Hirsch (1895–1972), who was a successful businessman. He wrote his will in April 1971 in the United States. Like many Latvian intellectuals, Hirsch fled Latvia to avoid the Soviet occupation. He began his friendship with the University of Latvia early in the interwar period, and he continued to actively contact former university lecturers and professors, as well as fraternity members, who had moved to the United States. Hirsch held the admirable belief that Latvia would eventually regain independence, his heritage would come to fruition, and the University of Latvia would receive his bequest even though it was still occupied when the will was drawn up. It should be noted that Hirsch's widow and children all agreed to the fact that part of the bequest was in favor of the University of Latvia.

#### **Kārlis Kaufmanis**

Next there is astronomy professor emeritus Kārlis Kaufmanis (1910–2003). At the University of Minnesota, he was known as the world's oldest Latvian astronomer. Kaufmanis was graduated in 1939 from the Astronomy Division of the University of Latvia's Faculty of Mathematics and Natural Sciences with a bachelor's degree, and in 1943, he followed up with a master's degree in mathematics. Before he fled in 1944, Kaufmanis taught classes at several secondary schools and gymnasiums in Latvia. As a refugee, he first lived in Germany and then to the United States. Throughout his career, he worked as a lecturer at a number of universities. The main one was the University of Minnesota, where he spent 17 years. Some 300,000 students in all took classes with Kaufmanis in astronomy. His visibility and reputation in the academic and scientific community

of the United States and the world were based on a lecture which he delivered on the star of Bethlehem. He used the astronomical point of view to explain events described in the Bible in relation to the birth of Christ.

In his 2003 will, Kaufmanis left USD 100,000 to the University of Latvia, saying that the money should be used for the development of astronomy in Latvia and that it must be put in an escrow account from which scholarships could be paid to talented students in the field of astronomy. His dedication to the university reads "To my beloved field of work, Astronomy, and its further development in Latvia." The Foundation of the University of Latvia controls the escrow account which Kaufmanis asked to be set up. Scholarship recipients are selected on a competitive basis by physics and mathematics staff at the university. Applicants must have outstanding grades, they must have made significant advances in research, and they must have insufficient funds of their own for their studies. Ten students have received Kaufmanis memorial scholarships so far.

### **Pēteris Alunāns**

In 2001, in honor of the memory of his father, Pēteris Alunāns and his son established the Alunāns Family Scholarship to support those whose lives are hardest – orphans and young people without parental care who wish to continue their studies. "Since 2005, the Foundation of the University of Latvia has helped us to announce the annual scholarship competition and to collect applications," says Pēteris Alunāns. "It is highly important that the message about the availability of the scholarship reaches those who really need it, and everyone who wishes to apply can do so. Every year, only one of 20 applications will be chosen, and the scholarship will be awarded. The Foundation of the University of Latvia works with teaching staff at the university to review applications and to conduct interviews to determine the best student for the scholarship. This is important and difficult work."

### **Aina Čakste-Rollins**

Since 1992, Anna Čakste-Rollins has worked with the Latvian Red Cross on a charity mission related to the Cultural and Educational Fund of Jānis and Millija Kavus, who lived in southern California. The aim of the fund is to provide support to gifted and hard working children from large families who love their country and wish to pursue their education.

Jānis and Millija Kavus have family roots in the Latvian region of Zemgale. They left Latvia at the end of World War II and never had any children, so throughout their lives they lived modestly and used their savings to support large families in Latvia and to encourage children from such families to continue their education.

In managing the fund, Čakste-Rollins selected young people whose ability to complete an education was difficult, but for whom studies were a key aim in life. Of



particular interest to her are low-income students and students facing difficult conditions who obtain their education at the University of Latvia. Čakste-Rollins' grandfather was a lecturer at the university, and her father, Konstantīns Čakste, was a much-respected professor there. "I am pleased to help young people to get an education," says Anna Čakste-Rollins. "That is our country's future. An educated society with educated citizens will be able to enhance Latvia's name in the world, making the future bright. Targeted education is a way of overcoming poverty and disadvantage. That was true in the past, it is true today, and it will continue to be true in the future."

In 2005, a new scholarship program for high school graduates was established, and Čakste-Rollins was one of the first to support it. During the subsequent years, she has made sure that the Cultural and Education Fund of Jānis and Millija Kavus has paid out more than USD 20,000 in support to students.

### **Roberts Rūsis**

The Armīns Rūsis Memorial Scholarship which is administered by the Foundation of the University of Latvia is dedicated to Dr. Armīns Rūsis, who was an outstanding lawyer and university lecturer, not just in the prewar Republic of Latvia, but also abroad after the country lost its independence. The scholarship also honors Dr. Rūsis' son, who was also called Armīns. The scholarship was established to support talented and enthusiastic students in Latvia, as well as to facilitate academic unity among student fraternities both during the studies of members and beyond. The scholarship was established by Roberts Rūsis in remembrance of his father and brother, as well as by Roberts' son, Armīns Kārlis Rūsis.

The Armīns Rūsis Memorial Scholarship has been awarded for the past six years, with 57 scholarships being issued to students from different universities in Latvia. This year, 12 more recipients have joined the club.

In relation to his work with the foundation, Roberts Rūsis has this to say: "After considering and pondering options in terms of what would be the best way to administer the granting of the scholarships, I accepted a proposal to administer this process via the mediation of the University Foundation. The benefits of doing so include the fact that the foundation's staff prepares grant regulations, ensures publicity, evaluates the candidates, and ensures favorable tax solutions in Latvia. I believe that now is the time to support education at the university level so that Latvia can compete successfully with other European Union countries. Therefore, I appeal to all people to support the University Foundation on an individual basis."

### **Ceronis Bilmanis**

The founder of a scholarship in the field of analytical journalism, Ceronis Bilmanis, is the son of the cousin of Dr. Alfrēds Bilmanis, founder of the Dr. Alfred Bilmanis Me-

morial Foundation in the United States, and founder of the scholarship titled “The Dr. Alfrēds Bilmanis Memorial Scholarship in Analytical Journalism.”

Ceronis Bilmanis arrived in America in 1949, and he became a mathematician who worked for the U.S. Fleet. He returned to Latvia on the 100<sup>th</sup> anniversary of the birth of his mother, Elza Bīlmane. He spends some of his time in his native Latvia – the “Raudziņi” homestead in the Vilce Parish, where Bilmanis has established a library of books published in Latvian. He spends the rest of his time in Washington.

Dr. Alfrēds Bīlmanis was a political and diplomatic representative of the Republic of Latvia in advance of World War II. After the occupation of Latvia, he worked consistently in the United States to ensure that the American government and public understood the fact of the Latvian occupation. He also sought to popularize the remarkable cultural, social and political figures of Latvian history. Since 2005, eight scholarships have been awarded.

### **Aina Galēja**

Dr. Aina Galēja received her doctorate in Hamburg, Germany, in 1950. In 1951, she moved to the United States, where she received certification as a doctor in one year’s time. She specialized in pathology and worked as a pathologist from 1956 until 2002. Together with her husband, Fricis Dravnieks, Aina Galēja travelled to all seven continents of the world.

When Latvia regained its independence, Dr. Galēja felt that she was too old to take direct participation in the revival of the country, but she also understood that she could provide scholarships for Latvian students who wished to study abroad. The largest scholarship program is at the University of Wisconsin Eau Claire, where scholarship recipients can spend an entire academic year and obtain knowledge in the humanities and economic subjects. The scholarship was established at the initiative of Dr. Paulis Lazda, and he continues to support it to this very day. In the 2010/2011 academic year, the scholarship was granted to three Latvian students to raise the total number of recipients to 51.

Another program focuses on Latvian doctors who wish to spend a month or two studying abroad. The relevant scholarship covers their travel and accommodation costs, and it was launched in 1996. Since 2005, Latvian residents in pathology can apply for grants, the amount of which depends on the relevant student’s performance.

On September 25, 2010, Aina Galēja received an honorary doctorate from the University of Latvia. She contributed USD 60,000 to the university for its scholarship program for high school students and for other charitable purposes.

### **The Modris K. Gulbis Fund**

The Dr. Modris K. Gulbis Memorial Fund grants scholarships to students in the field of theology in commemoration of Dr. Modris K. Gulbis (1927–2002), who served as a

parish priest in the Twin Cities in the United States and also lectured at the University of Latvia. The scholarship is meant for talented and hard-working theology students at the University of Latvia who wish to spend their careers serving the Latvian Lutheran church in Latvia or abroad. So far six theology students at the university have received the scholarship.

### **The LELBĀL Tomorrow Fund**

The Tomorrow Fund of the Latvian Evangelical Lutheran Church Outside of Latvia (LELBĀL) has provided support to the teaching staff at the University of Latvia Faculty of Theology from the very beginning of the faculty's work. During the 2010/2011 academic year, the fund provided USD 2,000 in support of young researchers at the faculty, particularly focusing on students who wish to spend their careers with the Latvian Lutheran Church. The scholarship was founded in commemoration of the Rev. Uldis Cepure. Two students have already received the scholarship.

### **The Tēvija (Fatherland) Fund**

The treasurer of the Tēvija Fund of the Latvian Union of Fraternities, *Fraternitas Academica* member Andrejs Baidiņš, began work with the Foundation of the University of Latvia in 2006, when representatives of the foundation visited the United States and informed the Tēvija Fund about the aims of its scholarship program for high school graduates. Since 2006, the fund has supported the program with USD 1,000.

### **Friends of the University of Latvia in the U.S.**

The former rector of the University of Latvia, Professor Ivars Lācis, visited Latvian centers in North America in 2006, and this led to the idea of establishing an organization that would be registered in the United States with the aim of supporting University of Latvia students and a variety of developmental projects.

The objective of the Friends of the University of Latvia organization in the States is to offer tax deductions to donors in accordance with federal and (where applicable) state laws (e.g., income tax deductions, estate taxes, etc.).

The organization seeks to support and enhance undergraduate and graduate education in Latvia. It solicits donations so that it can make grants to universities and related organizations in Latvia, including but not limited to the University of Latvia and its foundation. Money goes to those institutions with missions that are likely to fulfill the objectives of the organization. Initially, the activities were managed by a board of directors in various parts of the United States. Members were expected to spend no more than two to six hours per month in managing the foundation. Grants are funded

by contributions to the organization from individuals, the government and businesses.

The organization's initial activities were focused on elderly members of the Latvian community in the United States, particularly in terms of those who immigrated into the country during and after World War II and their children. Aid recipients do not have to be directly linked to the University of Latvia. Instead, they should have an interest in helping to create a "better future" for Latvia in the long term. They are also expected to recognize the importance of education in this respect. Recipients can also be interested in gaining a certain level of publicity or acknowledgement by helping the largest higher education institution in Latvia. Two of the directors of the organization, Martin Andersons and Robert A. Blumberg, are descendants of graduates of the University of Latvia.

### **Collaboration between students and graduates from the University of Latvia and universities in the United States**

As the most prominent institution in Latvia's higher education system, the University of Latvia has a proud history of being open to collaboration with international institutions of higher education, including those in the United States. Several equally relevant and important factors have been instrumental in developing this collaboration – U.S. government-funded support programs, support programs developed and funded by American Latvian social organizations in the U.S., and the personal commitment of academic staff at the University of Latvia, as developed in collaboration with colleagues at universities in the States.

The University of Latvia has signed bilateral agreements with the University of Wisconsin Eau Claire (1990), Buffalo State University in New York (1992), Cincinnati University (1997), the University of South Florida (2007), Kansas State University (2007), the Boise State University College of Business and Economics (2011), and the University of Central Oklahoma (2011).

The most active collaboration has been with the University of Wisconsin Eau Claire. Between 10 and 15 students from Wisconsin have studied at the University of Latvia during numerous fall semesters of the academic year. This is a study program that was developed for American students in specific, and it includes courses in Latvian history, culture, literature and economics, as well as an intensive course to learn Latvian. The students also go on excursions in Latvia, as well as to Lithuania, Estonia and Russia. Since the 2006/2007 academic year, two students from the university in Wisconsin have applied for this course each year.

The collaboration between the two universities also includes a regular number of University of Latvia students who take classes in Wisconsin. Grant fellowships for students are awarded every year. Collaboration with the University of Washington in Seattle, in turn, offers American students a chance to apply for study programs about the Baltic region. Iveta Grīnberga, a philology lecturer from the University of Latvia, works in Seattle to teach Latvian. Since 1999, the University of Latvia has also taken

part in the International Student Exchange Program (ISEP). This allows two or three students to study at U.S. universities each year, with the same number of American students achieving an opportunity to study in Latvia.

There has also been collaboration between department heads at Latvian and U.S. universities in two academic disciplines. First of all, the University of Latvia Department of Philosophy has an agreement with Kansas State University, while the University of Latvia School of Geographic and Earth Sciences has the same with the University of Southern Florida. Collaboration has also been established at the post-bachelor level. Since 2009, distinguished scientists from different U.S. colleges and universities have taken part in the University of Latvia's International Graduate Summer School in Cognitive Sciences.

The University of Latvia also works with 15 universities from the Association of Mid-American Universities International (MAUI), this occurring under the framework of the UTRECHT Collaboration Network.

The Sasakawa New Leader Fellowship Program (SYLFF) allows students to do fieldwork at U.S. universities which are involved in the program.

The University of Latvia works with universities in Tartu, Vilnius and Klaipeda to organize the Baltic Summer School, which has hosted students from San Diego State University, the Michigan University of Technology, and Auburn University.

Collaboration between the University of Latvia and higher education institutions in the United States has also been established in other academic disciplines. The Institute of Chemistry and Physics collaborates with the Michigan University of Technology. Under the auspices of the Fulbright program, lecturers and professors from Latvia can do fieldwork in the U.S. Guest lecturers and scientists from the United States, in turn, have visited the University of Latvia to research the Holocaust at the university's Judaic Center, as well as to conduct research on a variety of other topics.

There are three particular examples of collaboration which should be taken as a paragon of such processes, particularly in terms of co-partnerships in research projects, the organization of joint international events, and the publishing of scientific work.

The Oxford University Press released a book, "Optically Polarized Atoms (Understanding Light-Atom Interactions)", which was co-authored by the rector of the University of Latvia, Professor Mārcis Auziņš. The book is the result of six years of collaborative work and incorporates results from long-term research.

As one of the co-authors of the book, Professor Auziņš had this to say in his presentation: "The new book is more than just a contribution toward the development of quantum physics theory. The research results have practical applications, as well. Using atoms in a coherent superposition, it is possible to create new equipment to improve optical communications lines. Such atoms are also used to build high-powered magnetic field measuring instruments – magnetometers which can be used in medicine, airport security systems, and systems used to find iron ore. It is also true that next-generation computers, quantum computers, will include atoms that are discussed in the book as their main element."

Professor Auziņš' partners in this long-term and successful collaboration were colleagues from the University of California at Berkeley – Professor Dmitry Budker

and doctoral student Simon Rochester. For seven years, leading U.S. specialists delivered lectures at the annual and internationally recognized symposium on cognitive sciences, "Logic and Communication." The theme of the 2012 symposium (May 18–20) will be "Game, Game Theory and Game Semantics: A Philosophical and Scientific Outlook". The goal of the symposium is to facilitate discussion among representatives of different disciplines and to promote cooperation and interaction in communications, game theory and game semantics, insofar as these apply to economics, logistics, computer science, linguistics, philosophy, and argumentation theory.

Jurgis Šķilters is an associate professor at the Department of Communications Studies of the University of Latvia's Faculty of Social Sciences. "The theme of the symposium will be devoted to game theory and its application to research," he says. This topic is particularly important for logistical and/or mathematics-based sciences, as well as for management studies, economic research, linguists, communications scholars, and interdisciplinary philosophers. I am pleased that among the invited guests to the symposium will be one of the founders of game theory semantics, Professor Jaakko Hintikka from Boston, and one of the founders of game theory in computer sciences, Oxford University Professor Samson Abramsky, a member of the Royal Society of Science. These are just two of many outstanding researchers whom we will call together next year in cooperation with McMaster University in Canada."

After a rigorous evaluation, selected papers from the symposium will be published in the *Baltic International Cognitive Science, Logic and Communications Yearbook*, which is issued by the New Prairie Press of Kansas State University in partnership with the University of Latvia's Faculty of Social Sciences and its Center for Cognitive Sciences and Semantics.

### **U.S. government support programs in Latvia**

One of the most impressive collaborative programs is the U.S. Embassy Fulbright Fellowship Program. The program was established in 1946 on the basis of legislation introduced by the late Senator J. William Fulbright, and it is administered by the Department of State and the Institute of International Education.

Since 1991, the U.S. Embassy has administered an annual competition for the Fulbright Foreign Student Program and the Fulbright Visiting Scholar Program. The embassy encourages all qualified students and scholars to apply. Recipients of the student scholarship have to study at an American university for one year. Participants in the Visiting Scholar Program deliver lectures, engage in research, or combine both activities while in the United States. All applicants must be good students with proficiency in English and a desire to use the skills gained in the U.S. to serve Latvia's interests upon completion of their studies.

The Fulbright Program is designed to increase mutual understanding between the people of the United States and the people of other countries. With this goal in mind, the Fulbright Program has provided more than 300,000 participants with an opportunity to exchange ideas and observe each other's cultures and political and eco-

conomic institutions. Since 1992, the United States has offered Fulbright fellowships to 163 outstanding students and senior educators from Latvia. Approximately nine students have received this fellowship every year.

The most popular fields of study have been political science (12 graduates), economics (12), public administration (7), business administration (6), and law (5). The most popular universities have been the State University of New York (7 graduates), Columbia University (6), the University of Wisconsin (6), and Harvard University (5).

The most distinguished recipients of the Fulbright fellowships are as follows:

- 1) Latvian Defense Minister Artis Pabriks, a former minister of foreign affairs who attended the New School for Social Research in New York in the discipline of political science (1997/1998);
- 2) MP and former Education and Science Minister Ina Druviete at the University of Pittsburg in the discipline of linguistics (1996/1997);
- 3) Zane Zeibote, a former advisor on economic affairs at the Presidential Chancery, at Georgetown University (2001/2002, 2010/2011) in the discipline of economics;
- 4) Aivis Ronis, former minister of foreign affairs, former Latvian ambassador to NATO and current minister of transportation, at Columbia University (1999/2000) in the discipline of political science (1999/2000);
- 5) Inese Vaidere, member of the European Parliament, at the University of Minnesota Twin Cities (1993/1994) in the discipline of economics;
- 6) Inese Voika, board member of the Latvian branch of Transparency International, at Harvard in the discipline of public administration (2006/2007).

### **Collaboration programs sponsored by Latvian-American social organizations**

The Baltic-American Freedom Foundation (BAFF) is one of the most prominent Latvian-American social organizations. The stated mission of BAFF is to “enrich ties between the United States and Latvia, Lithuania and Estonia through various programs of education and exchange centering on economic growth and democratic processes. Visibly strengthening U.S.-Baltic ties is a core goal.” BAFF offers various scholarship opportunities in the U.S. to the residents of Latvia, Lithuania and Estonia. Current American scholarship opportunities include:

- A professional internship program for university students and recent graduates;
- A graduate scholarship program for post-graduate students;
- A research scholarship program for professors and others in academia.

The BAFF Professional Internship Program scholarship is all-inclusive, providing opportunities to study all across the United States, including New York City, Washington, D.C., Chicago and San Diego. The BAFF program also offers opportunities for postgraduate studies in the U.S. The Research Scholar Program is meant to foster an exchange of ideas between the Baltic States and the U.S. and to stimulate interna-

tional collaboration and research efforts. This promotes mutual enrichment, further strengthening of ties between nations, and invaluable career and personal development opportunities for participants to employ in their leadership roles back home. These fellowships are granted to professors and academic researchers to conduct independent or collaborative research projects in the U.S. for up to one year. The program was launched relatively recently, but its point is to provide opportunities for success to as many researchers as possible from the University of Latvia. Furthermore, the hope is that those successful researchers will then utilize their knowledge in contributing toward the improvement of study and research programs at the University of Latvia.

Contributions related to past collaboration between the University of Latvia and U.S. government institutions have been described in partnership with U.S. research institutes and universities in the book “Baltic Science: Integration Success,” by Bērziņš, Kiopa and Melkers. The book describes the relative success of the integration of Baltic scientists into the global community of science, including a look at their contribution toward the global pool of knowledge. The authors assume that journals indexed in the Web of Science (WoS) represent such a pool.

Overall, the material sciences, biomedical sciences, chemistry, physics, computer sciences, and then clinical medicine and environmental sciences and technologies are among the most productive ones. In Latvia, as in Estonia, the cognitive sciences seem to have gained momentum over the last decade. The book concludes that between 1990 and 2011, scientists from the three Baltic States published a total of 48,338 papers in journals that are indexed in the WoS. Lithuanian scientists were most active with 22,549 (47%) of the publications. Estonian and Latvian scientists were also well represented, with 16,478 (34%) and 9,311 (19%) of all papers respectively. Between 2000 and mid-2011, the WoS cited 65 publications in the following disciplines – 45 in the material sciences, 14 in physics, two in chemistry, two in computer science, one in biomedical sciences and one in engineering. Clearly there is a significant predominance of the exact sciences here, as opposed to the social sciences and humanities. This reflects a general tendency among highly skilled Baltic scientists to be drawn toward the exact sciences.

### **Conclusions and recommendations**

The U.S.-sponsored Fulbright programs have mainly served to educate highly skilled politicians and diplomats. A very small number of the brightest scholars are currently active in research. The program has allowed intellectual resources from excellent U.S. universities to provide Latvia with erudite and professional politicians who serve their own country.

By comparison, the Baltic-American Freedom Foundation program is focused on the development of research. Thanks to this program, WoS files should soon see an increase in the number of papers by Latvian scientists.

To make the best use of U.S. government support programs and the relevant opportunities, it is necessary to strengthen two-way communications between the U.S.



and Latvia. Communication is bolstered by those who are willing to study and travel internationally so as to exchange ideas with people from other cultures. Two groups of people that may be more willing than most to consider education or research at the University of Latvia are U.S. citizens of Latvian origin and U.S. university students who realize the value of spending at least one semester outside of their country's borders. Both groups are sure to gain in unexpected ways by exploring Latvia's rich cultural heritage and long history of the arts while immersed in the dynamic development of a new democratic society. There is also the fact that tuition at the University of Latvia is low, and that creates a particularly enticing opportunity.

### Notes

All information in this paper comes from the Foundation of the University of Latvia.

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## The Information and Communications Technology Sector: Bridging Two Countries

*Signe Bāliņa, Andris Melnūdris*

The information and communications technology (ICT) sector plays a key role in the Latvian economy, with total added value in 2010 of LVL 406 million, or 3.6% of GDP (current prices). In 2010, there were 2,899 companies in the IT sector in Latvia with 17,887 specialists and total revenues of LVL 1.452 million.<sup>1</sup> ICT has been selected as one of the country's *top priorities* in terms of export-oriented service sectors.<sup>2</sup> The use of ICT has been recognized as an important success factor among industries in the national economy in terms of *increasing competition and efficiency*.

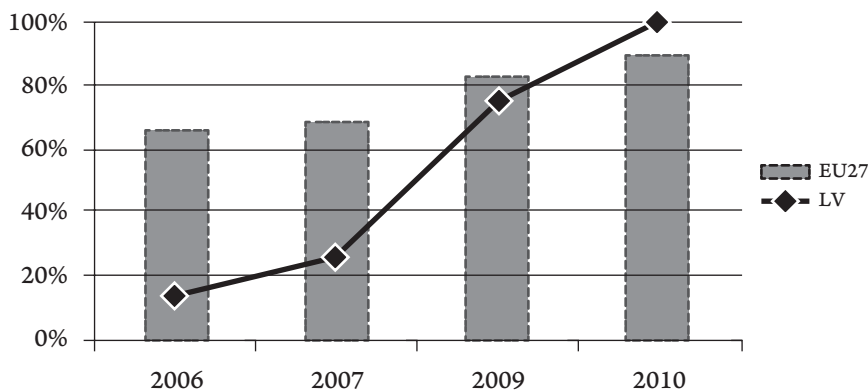
### Advanced E-government

Latvia has achieved high E-government online availability, both for citizens and for organizations (see figure below). It has to be said that growth rate in the sector has been very rapid during the last three or four years. Latvia is also advanced in terms of other E-government indicators. For instance, 45.7% of enterprises send or receive E-invoices in a format that is suitable for automatic processing (the average in the EU is only 30.8%). 58% of Internet users in Latvia are uploading self-created content for sharing (the average in the EU is only 31.8%).<sup>3</sup>

During Latvia's 2011 national census, more than 650,000 people (approximately 30% of the population) filled out the census form on line (for comparison we can note that in the UK, only 16–17% of the population has done the same).

**Figure No. 1.**

#### E-government on-line availability: enterprises



Source: Digital Agenda Scoreboard 2011

A good example of E-government is the electronic procurement system which has been in place in Latvia since 2005. Since the beginning of 2011, government institutions have been obliged to purchase office equipment, computers, paper, software and other products via this system. This makes life much easier for public sector institutions and allows them to save substantial amounts of money. This system makes procurements transparent, and all procedures are simple and fast. During the first year of this system, there was an increase of 30% in terms of the amount of deliveries and the number of suppliers.

The national Internet portal [www.latvija.lv](http://www.latvija.lv) is a single contact point for the services which the state and its local governments provide in Latvia. This is the most visible part of E-services, with a directory, personalized profiles of users, a single sign-up system, and even the ability to make payments for services.

### **A well developed communications infrastructure**

Latvia has a well developed communications infrastructure. Examples include the fact that the proportion of fixed broadband lines that are at or above 2 Mbps in Latvia is 95% (the EU average is 86.7%), the proportion of fixed broadband lines that are at or above 10 Mbps is 41.3% (38.9% in the EU), and 3G coverage (as a percentage of the total population) has reached the level of 99% (89.9% in the EU)<sup>4</sup>. 63.6% of Latvian households have Internet access at home (a 21.4% increase since 2006)<sup>5</sup>. Latvia is ranked among the top five countries in the world in terms of upload and download connection speeds. Latvia is in third place in upload speed (South Korea is number one) and in fifth place in the category of download speed (Lithuania is in first place there)<sup>6</sup>.

The Body of European Regulators for Electronic Communications (BEREC) has opened their office in the Latvian capital city of Rīga in October 2011. It offers a mechanism how to encourage co-operation and co-ordination between national regulatory authorities and the European Commission so as to promote the development of the internal market for electronic communications networks and services and to improve the consistency of how the EU's regulatory framework is implemented in this process.

### **ICT Education and E-skills**

There are 15 institutions of higher education in Latvia which offer degrees in computing, electronics and telecommunications. They are located in Rīga, Daugavpils, Liepāja, Jelgava, Rēzekne, Ventspils, Valmiera, Jūrmala and Jēkabpils. There are also a number of professional high schools with educational programs for ICT practitioners. Approximately 80% of ICT degrees come from the Rīga Technical University, the University of Latvia, and the Transport and Communications Institute. There are 44 ICT programs at the college, professional, bachelor's, master's and doctoral levels. In 2010, a total of 2,211 ICT students began their higher education, and 1,168 were graduated with a diploma.

There have been activities in Latvia which have been aimed at attracting students to the exact sciences. For instance, very high results have been achieved in international ICT Olympiads for schools. Industry and quality certificates are commonly used in the ICT sector in Latvia – ISO 9001, ISO 14001, CMMI level5, ISTQB, Microsoft, Cisco, Oracle, LINUX, HP, IBM, etc. The ICT sector has also been very active in developing occupational standards, today there are 14 standards that have been implemented.

Applied IT skills in Latvia can be learned through the program known as the European Computer Driving License (ECDL). The program has been licensed to the Latvian Information and Communications Technology Association (LIKTA), and LIKTA is ECDL license holder in Latvia, it provides also ECDL implementation. It must be emphasized that ECDL certificate is valid in more than 40 countries, including all of the member states of the European Union. Latvia was also the first country in the world to introduce the ECDL program in its general education program. There are 18 ECDL certification centers in Latvia at this time, and about 3,900 certificates have been issued.

Latvia is also very active in the development of E-skills, designing new E-learning solutions along with innovative training methodologies and tools. In 2005, the LIKTA launched an E-inclusion and E-skills development initiative, Latvia@World. The initiative's goal is to diminish digital and social gaps in society, to provide everyone with basic information society skills, and to promote the usage of existing E-services. More than 95,000 people of various ages, nationalities and occupations have acquired E-skills with the help of this initiative.

Latvia has also been very successful in organizing the “Get Online” week in Latvia. This is a pan-European E-skills event. In 2011, 41,482 people took part in “Get Online” activities in Latvia over the course of five days – 1.8% of the total population. Indeed, Latvia was the most active country in the EU in this regard.

Latvia has a very advanced library network, with 874 libraries providing free Internet access and IT consultations to everyone.

### **Major stakeholders in the ICT sector**

Of importance in the development of the ICT sector and the use of ICT technologies are government institutions, non-governmental organizations, leading ICT companies and other stakeholders. Among them:

The Ministry of Economics, which is responsible for economic policies and increased competitiveness in the national economy. This includes support for the ICT sector's development and exports, the use of ICT in different sectors, support for small and medium enterprises, as well as support for the development of new products and technologies. The ministry's programs are mostly implemented by the Latvian Investment and Development Agency;

The Ministry of Transport, which is the leading national institution in the field of transport and communications. One of the ministry's aims is to create a liberalized

and harmonized legal and economic environment in the electronic communications sector, doing so in accordance with EU regulations, providing for the effective and rational use of natural communications resources, promoting competitiveness, attracting investments, developing broadband access, and implementing the Digital Agenda for Europe in Latvia;

The Ministry of Environmental Protection and Regional Development, which is the leading government institution in the planning and coordination of national and regional development, local governments, E-government, and development of the Information Society. The ministry coordinates national developmental planning processes by preparing unitary long term and middle term national development plans. These include the Sustainable Development Strategy of Latvia and the National Development Plan;

The Latvian Information and Communications Technology Association (LIKTA), which is the leading professional ICT sector NGO. Established in 1998, the LIKTA has more than 200 members – ICT companies, research and educational institutions, individual members (ICT professionals), and other associations. The LIKTA seeks to promote the ICT sector, the Information Society and E-government. Among the associations important areas of operations are ICT and digital skills education, improvement of the business environment and export incentives, protection of intellectual property, harmonization of ICT-related regulations and legislation, promotion of innovations, and knowledge transfer in the ICT sector. The LIKTA also organizes major forums for ICT professionals and non-professionals in Latvia;

The Latvian IT Cluster, which is a section of the LIKTA and brings together 21 organizations which seek out export opportunities in the Baltic–Nordic region and globally. Companies in the cluster range from large enterprises with hundreds of software developers and other specialists to small, lean teams which offer sophisticated and unique products in relation to database management, mobile payments and document management. The Latvian IT Cluster also encompasses universities, research institutes and technology parks which provide world-class R&D resources and are a seedbed for innovation and entrepreneurship. Major export destinations include Scandinavia, Russia, Belarus, Ukraine, Southeastern Europe and the United States. Exports in 2009 made up 35 to 40% of the revenues of cluster members.

### **Case studies and success stories**

Latvian ICT companies have world class competence in such areas as IT consulting, hardware architecture, networking and data transmission solutions, financial and business management solutions for enterprises and organizations, business analysis solutions, Enterprise Resource Planning (ERP) solutions, finance management, biometrical and accountancy solutions, E-learning and E-skills development, etc.

Bank card management in Southern Africa, software solutions for banks from New York to Australia, solutions for insurers in Scandinavia and Azerbaijan, maritime

monitoring systems for NATO, and linguistic technologies for small languages – these are just a few examples of the regional and global reach of Latvian ICT companies.

Some of these companies already have good partnerships and links with business partners and clients from the United States, while others are only just planning to expand into that country. There are several examples which can be discussed in this regard.

### **Cooperation with Microsoft**

Microsoft opened its office in Latvia in 1999, and since then the company has donated tens of millions of dollars in financing and software procurement to support E-skills development, the development of new IT companies, modernization of the country's education system, NGO operations and other initiatives in Latvia. Microsoft also supports the development of the IT industry. In 2011, there were more than 400 Microsoft partners in Latvia, 69 Gold and Silver Certified Partners among them. According to IDC market research data from 2010, each dollar earned by Microsoft has generated USD 10.40 in profits for the company's partners in Latvia.

Among the largest projects related to this partnership with Microsoft is the development of an automated translation system between Latvian and English, this being done in cooperation with the Tilde company in Latvia. This was part of the "Language Shore" initiative in which the Language Intelligence Technologies Center sought to create a global achievement center in Latvia for technologies which relate to smaller languages. The objective of the center is to develop innovative research and practical solutions to provide the best available technology support for users of Latvian and other small languages in their everyday work with various IT and communications applications, information search options, automated translations and online services. The Tilde translating system is now being used as part of the Microsoft Bing Translator for Latvian-English translation. The "Language Shore" is leveraging its resources and partnerships to carve out a place in the fast developing sector of applied language technologies. The vision for the future is based on recent accomplishments in the field. Among applications already in everyday use are the best Latvian/English machine translator, speech technologies to enable vision impaired persons to use PC's, the largest on-line terminology portal with millions of terms in all European languages.

Microsoft is also supporting the Latvia@World E-skills development project, the Apeirons NGO for differently abled people and their friends, as well as various health care organizations. The company is also working with the Latvian Ministry of Education and Science to expand the availability of ICT in education. Since 2007, Microsoft has provided financial support and software to 874 public libraries in Latvia, including 7,150 computers with free Internet access. This was possible thanks to a donation of more than USD 26 million from the Bill and Melinda Gates Foundation.

**Latt telecom** is the leading provider of electronic communications services in Latvia, providing voice and data communications services, as well as Internet and interactive TV services to the United States Embassy in Latvia. The Embassy has very much appreciated the high quality, reliability and security standards of these services since the beginning of the partnership in 1997.

The **Elva Baltic** company in Latvia has defined the United States as one of its main target regions. The company is planning to expand its presence in the market with the Elva DMS solution for the automotive industry – one developed fully on the basis of Microsoft Dynamics NAV. Clients for the system include auto dealers, as well as companies which sell auto parts and services. Elva Baltic is seeking Microsoft Dynamics certified partners to work successfully in new export markets. 2011 was a very successful year for the company, as it quadrupled client numbers, became the Microsoft Country Partner of the Year 2011, and also joined Microsoft's President's Club 2011 for Microsoft Dynamics.

A new research group focused on quantum computing has been established at the **University of Latvia** by Andris Ambainis, who returned to Latvia after studying and working in the United States and Canada for nine years. During that period, Andris became one of the world's leading experts in the theory of quantum computing. This is a new research field – one that is at the frontier of computer science and physics alike. The focus is on the application of quantum mechanics to solve problems in computer science and information processing. The principles of quantum mechanics are radically different from those of conventional (classical) physics, and these differences can be very useful for computer science. The University of Latvia is working closely together with researchers at the University of California Berkeley, Caltech and NEC Laboratories America in the States.

### **Case study: CYTC SSC**

CYTEC is a global technology leader in the area of chemicals and materials, and it is headquartered in the United States. The company has about 5,800 employees, along with 36 global manufacturing facilities in 16 countries.

The CYTEC multifunctional Shared Services Center (SSC) was established in Latvia at the end of 2009, and it has 140 employees. The functions of the SSC include finance, human resources, procurement, IT helpdesk and data management services, and the company provides services to clients in the United States, Canada, Germany, Austria, the Netherlands, Belgium and France.

CYTEC: "Our experience in setting up the Shared Services Center to service Cytotec locations in Europe and North America has been a very good one. We made the decision to locate our office in Rīga in December 2009, we started recruiting the first wave of employees in May 2010, and we are currently fully staffed with approximately 140 employees. Our decision to choose Latvia was primarily based on the availability of a good pool of talent (university educated, multilingual), a good economic business

case, and fairly easy access from European cities and from the U.S. into the Riga International Airport. Also, the availability of the European Structural Fund to support training of our new staff has made it easier to make the operation economically attractive. Overall, we are very pleased with the employees we have been able to attract and train, and also with the office facility and operation we have established.”

### **Case study: Exigen Services Latvia**

Exigen Services is a multinational IT company operating in the United States, Europe and China. It provides innovative application outsourcing services to clients in the banking, insurance, brokerage, health care, telecommunications, government and media sectors. Exigen Services has more than 1,500 highly skilled developers and application outsourcing experts as part of the company’s global delivery network.

In 2000, Exigen Services established one of its first subsidiaries in Latvia, and it became the company’s main IT development center in Eastern Europe, delivering solutions for large private companies, as well as public institutions. The Latvian business unit specializes in the development of large and complex information systems and provides enterprise management, data storage and customer relationship management (CRM) solutions.

Exigen Services: “The benefits that we had as an investor in a high technology sector included finding an extremely high level resource pool which is experienced with both technology and customer management, while still being relatively less expensive than either European or U.S.-based software developers. Also, the fact the Latvian infrastructure is very modern is a significant factor, since travel, hospitality and communications are key in order to use the Latvian technical resources effectively. Finally, the fact that Latvia is an EU country and enjoys all of the the benefits of a European business environment while still being a ‘near-shore’ location which is economical to outsource – that is a significant factor for some of our customers, particularly in the finance sector.”

Exigen Services Latvia: “The professionalism and qualifications of Latvian IT specialists are highly evaluated worldwide,” says Ivars Puksts, managing director of Exigen Services Latvia. “Latvian IT specialists can compete successfully with China and India in terms of highly complex projects such as analysis of business systems and relevant consultations. Exigen Services is confident that IT is a tool for increasing effectiveness, and so the company is implementing an outcome-based model. In this model, payment for services is calculated as a percentage of the client’s profits, as generated by the implementation of the relevant IT solution.”



### **A visit by Latvian Prime Minister Valdis Dombrovskis to Silicon Valley**

Latvian Prime Minister Valdis Dombrovskis paid a working visit to the United States in the summer of 2011 to encourage political dialogue and to develop cooperation between Latvian and American companies. The Prime Minister was accompanied by a delegation of more than 40 Latvian businesspeople, along with representatives of the Latvian Investment and Development Agency, the American Chamber of Commerce in Latvia, and the Latvian American Business Association of California in the Silicon Valley (LABACA).

During the visit, the Prime Minister opened an office for the aforementioned Latvian American Business Association. "Europe is steadily increasing its presence in the Silicon Valley," Mr. Dombrovskis said. "For that reason, I very much welcome the opening of the LABACA office and hope that it will become a good starting point for innovative business ideas from Latvia which can enter the global market."

Prime Minister Dombrovskis also attended the Stanford Business Seminar together with representatives from Latvian companies such as Exigen Services Latvia, Tilde, rentmama.com, DeskTime, MightyFingers, MolPort, Veritweet, Real Sound Lab, etc. While at the seminar, the Prime Minister met with former U.S. Secretary of State Condoleezza Rice to discuss the economic situation in Latvia and steps that were being taken to overcome the crisis. Mr. Dombrovskis also met with representatives of Google, doing so together with representatives from Tilde, MolPort, DEAC and the Baltic Wind Park. The discussion was about partnership models with Google in areas such as automated translation, specialized search solutions, and delivery of fine chemicals, data centers and E-education support solutions. The meeting also focused on the development of green energy. The Latvian delegation also met with representatives of Cisco and Juniper Networks, proposing Latvia as an advantageous location for research and development centers or other support or development units.

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## Notes

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