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Latvian Security and Defense Policy within the Twenty-First Century Security Environment

The aim of this paper is to analyze fundamental factors which form and profoundly shape security and defense policy of the Republic of Latvia. One can argue that historical background, geographical location, common institutional history within the former Soviet Union, the Russia factor, the relative smallness of the territory of state and the population, the ethnic composition of the population, the low density of the population and rather limited financial and manpower resources available for the defense of the Republic of Latvia are the key factors of influence on the state security and defense policy. The core principles of the security and defense policy of Latvia are the membership in powerful global military alliance of NATO and bilateral strategic partnership with the United States. However, security and defense cooperation among the three Baltic States as well as enhanced cooperation within the Baltic-Nordic framework is seen as an important supplementary factor for the increased security of the Republic of Latvia. Latvia has developed a sustainable legal and institutional framework in order to contribute to state security and defense; however, security challenges and significant changes within the global security environment of the twenty-first century will further challenge the ability of the Republic of Latvia to sustain its current legal framework, and more importantly, current institutional structure of Latvian security and defense architecture. Significant internal and external challenges will impact the fundamental pillars of Latvian security and defense policy, such as American strategic shift to the Pacific, and lack of political will to increase defense budgets in European part of NATO. It has to be clear that very independence, security and defense of the Republic of Latvia depend on the ability of NATO to remain an effective organization with timely and efficient decision-making, and the ability of the United States to remain militarily effective and committed to the security and defense of Europe.

Introduction

The complex security and defense environment of the beginning of the twenty-first century has created new security risks and challenges. Small states are increasingly vulnerable to the security threats and challenges, and Latvia, as small state with rather limited resources and military capabilities, is particularly vulnerable. Historical, geographical, institutional and other

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aspects have a profound impact on Latvian security and defense thinking and, subsequently, on Latvia's security and defense policy in the end of the twentieth century and the beginning of the twenty-first. One has to realize that security, defense and the very independence of the Republic of Latvia depend on important external factors, as well as significant internal factors. Membership of Latvia in NATO and the strategic partnership with the United States have been the most important core elements of country's security and defense policy. However, one cannot exclude significant factor of Russia in Latvian security and defense agenda. Latvia has certainly been interested in pragmatic and positive orientated relationships with Russia. The aim of this paper is to analyze fundamental factors which form and profoundly shape security and defense policy of the Republic of Latvia, legal and institutional framework of security and defense sector, and it outlines future challenges for Latvian security and defense policy. The definition of national security should be conceptualized in order to explain the author's approach concerning Latvian security and defense policy. Therefore, the security concept of Barry Buzan is used in order to analyze the security and defense of Latvia; however, the author does not describe the social, economic and ecologic sectors of Latvian national security, deliberately narrowing the security concept to the military and political domains.

1. Fundamental Aspects/Factors of the Latvian Security and Defense Policy

Latvian security and defense policy preferences have been shaped by several fundamental factors: historical background, geographical location, the Russia factor and ethnic composition in Latvia, relative smallness of the country and institutional and military ability of the United States and NATO Alliance to successfully perform its commitment towards Latvia and other Baltic States. All those aspects have a profound and long-lasting effect on the understanding of security and defense in Latvian general society as well as on political leadership.

1.1. Historical Background

Historical background is one of the key factors which profoundly impacts the former and current security and defense policy of Latvia. It significantly

shapes Latvian threat perception and its security and defense considerations. Taking into account the fact that the territory of Latvia has been the place of military conflicts among politically and militarily powerful neighbors since the sixteenth century, one can argue that the influence of historical background on current Latvian security and defense policy goes back deep in history, back to 16th -18th centuries when current territory of Republic of Latvia was part of Polish-Lithuanian Commonwealth, Sweden and, finally, Russian Empire. ¹

The twentieth century had an especially profound impact on the development of current Latvian defense policy considerations. The aftermath of World War I created strategic conditions for the establishment of independent Latvian state for the very first time in the history. The subsequent loss of the independence in 1940 during World War II and more than fifty years of experience within former Soviet Union shaped further understanding of threat perception and preferred security policy.² Latvia and other Baltic States regained their independence after the end of the Cold War in 1991. Dissolution of the Warsaw Pact marked the beginning of profound changes within security and defense policies and arrangements in Central and Eastern Europe, including Republic of Latvia. Certainly, the newly independent Baltic countries understood that only significant military threat to their independence would come from a certain neighbor from their Eastern neighborhood and this threat would be balanced and countered with security and defense arrangements within global security organization with, at least, one or several politically, economically and militarily powerful actors with global security interests and global military reach. Definitely, in that regard, the United States and NATO have been considered by Latvia as the core providers of defense and security for the country, bearing in mind political and legal obligations of NATO to intervene if any of member of the Alliance is militarily attacked, as well as powerful conventional and nuclear capabilities and the commitment to use those capabilities according the main provisions of NATO. The fact that the United States never recognized the incorporation of Latvia and other Baltic States into the Soviet Union from 1940 until 1991 has played a crucial role for the Baltic States.³ Since 2004 Latvia, as well as the other Baltic States, is a full member of the NATO Alliance and one could argue that Latvia enjoys the highest level of its security and defense arrangements ever. One would conclude that historical experience of Latvia, especially in the twentieth century, still

¹ Blank S.J., *European Security and NATO Enlargement*, Carlisle, PA: U.S. Army War College, 1998, p. 122.

² Bilinsky Y. *Endgame in the NATO's Enlargement*, Westport, CT: Praeger, 1998, p. 9.

³ Meyer K.R., "US Support for Baltic Membership in NATO: What Ends, What Risks?" *Parameters*, U.S. Army War College Quarterly, Volume XXX (4), 2000, p. 75.

maintains the notion of military threat from the Eastern neighborhood, and this notion still significantly shapes and substantially influences security and defense policy of the Republic of Latvia.

1.2. Geography and Size

Other important issues that shape security and defense concerns in Latvia are geography and the relative ‘smallness’ of Latvia. The Baltic States have learned that geopolitics and geostrategy are apt to be cyclically menacing when your national territory lies in the gateway into and out of continental Europe.⁴ Geography still matters and it has played essential role in the assessment of military defensibility of Latvia and other Baltic States prior their accession to NATO.⁵ No doubt that geographical location and the understanding of the level of defensibility of Latvia by conventional military means still plays significant role in Latvian security and defense considerations. The issue of the ‘smallness’ of Latvia also considerably shapes Latvian security and defense thinking. There is no clear-cut definition of what it means to be a “small state”. The qualitative definition encompasses physical and geographical characteristics of small states, degree of insularity and vulnerability. In terms of quantitative characteristics, it includes land area, size of population, the Gross National Product, the Gross Domestic Product, and the per capita income. One would argue that a “small state” could also mean that a particular state is smaller than most of its neighbors or it is smaller than the regional average, and the direct outcome of it would be the feeling of disadvantage in terms of national power and self-assertion. “Small states” would definitely have very limited tools of political, economic and military power, as well as smaller and less expert political and military leadership. Perhaps, one would assume that the key feature that determines the definition of a “small state” is not only the size of the territory, population, economy and military capabilities. One could rather emphasize the heavy dependence of a “small state” on its own security and defense arrangements on a politically powerful and military capable global actor and/or security and defense organization in which such an actor plays prominent role. The key argument to determining whether or not a particular state is “small” is to address its key security and defense issues. Size and military capacity of the armed forces, the entire state security sector,

⁴ See: Grey C.S., *Another Bloody Century*, London: Weidenfeld and Nickolson, 2005, p. 75-76.

⁵ Brzezinski Z., *US Policy toward Northeastern Europe*, New York, NY: Scribner, 1999, p. 24.

defense budget in both real money investment and the percentage of GDP would determine whether or not particular state could be considered as “small” from the security and defense perspective. Taking into account very fact that the “smallness” of the Republic of Latvia determines the situation where the country is not and will not be able to invest significant amount of financial resources into technological development of armed forces. It means that Latvia will not be able to reach further defense transformation and modernization levels, therefore, significantly falling behind current trends in technological modernization of armed forces if compared with global and regional powers.

External aspects of security play a fundamental role in “small” state defense considerations. Certainly, one would emphasize external factors concerning small state security mentality.⁶ Latvia is one of the least populous and least densely populated countries in Europe with the territory of 64, 589 square kilometers, and the population of about 2 million people, including significant ethnic minorities. One would conclude that, taking into account all of the previously mentioned aspects, Latvia could be considered a “small” state which is fully dependent on its own security arrangements with powerful external actors and the external developments within global and regional security environment.

1.3. The Russia Factor

The Russia factor and the issue of the Russian-speaking minority of Latvia is another significant factor which heavily influences Latvia’s wider security and defense considerations. Russia presents a cumbersome dilemma for Latvian and the Baltic policy makers.⁷ Relationships between Russia and the United States, Russia and NATO also significantly impact bilateral relationships between Latvia and Russia. The core issues within the framework of bilateral and multilateral relations include Russia’s own security and defense concerns which are outlined in Russian National Security Concept of 2009 and Russian Military Doctrine of 2010.⁸ The three Baltic States were part of the Soviet Union until 1991; Latvia and Estonia have significant Russian-speaking

⁶ Vayrynen R., *Small States: Persisting Despite Doubts. The National Security of Small States in a Changing World*, London: Frank Cass, 1997, p. 98.

⁷ Paulauskas K., “The Baltic Quest to the West: From Total Defence to ‘Smart Defence’ (and Back?)” in Lawrence T. & Jermalavičius T., eds., *Apprenticeship, Partnership, Membership: Twenty Years of Defence Development in the Baltic States*, Tallinn: International Centre for Defence Studies, 2013, p. 64.

⁸ Kaljurand R., Neretnieks K., Ljung B., Tupay J., *Developments in the Security Environment of the Baltic Sea Region up to 2020*, Tallinn: International Centre for Defence Studies, 2012, p. 20.

minorities, and this issue profoundly impacts Latvia's security and defense considerations as well as its bilateral relationships with Russia.⁹ Certainly, the issue of a Russian-speaking minority has always been important even before the accession of Latvia to NATO, because it was difficult for some actors in the West to imagine a NATO member with significant Russian minority.¹⁰ Unfortunately for Latvia and the other Baltic States, within the last twenty years those countries have built for themselves an image of hopeless Russophobes inside both NATO and the EU, to the point of being considered "one issue nations" that do not care about anything else.¹¹

Security and defense concerns which were expressed by Russia before the subsequent waves of NATO enlargement towards Central and Eastern Europe in the end of the 20th century and the beginning of the 21st century were very similar to those of the current Russian National Security Strategy and current Russian Military Doctrine. Russian discourse at the end of the 20th century encompassed several core statements which included the following approach: NATO is an aggressive military block which assaults sovereign countries,¹² the membership of the Baltic States in NATO is a direct threat to Russia's national security,¹³ Russia's historical experience includes many invasions from the West,¹⁴ and the territory of the Baltic States could be used by NATO in order to carry out military assault on Russia on very short notice.¹⁵

Subsequently, Russian strategy and discourse towards NATO enlargement into Central Europe and the Baltic Region proposed a situation where NATO has no common border with Russia in the Baltic Region, NATO refrain from the strategy of forward deployment of its military infrastructure into Central and Eastern Europe, and the Baltic States would maintain similar status as Sweden and Finland. None of this happened due to the round of NATO enlargement in 2004. Current Russian Military Doctrine was approved in February of 2010 and it is based on Russian National Security Strategy

⁹ Knudsen O.F., *Stability and Security in the Baltic Sea Region*, Trowbridge: The Cromwell Press, 1999, p.101.

¹⁰ Asmus R.D., Nurick R.C., *NATO Enlargement and the Baltic States*, Santa Monica, CA: RAND, 1996, p. 124.

¹¹ Paulauskas K., (note 7). p. 64.

¹² Simon J., *NATO Enlargement. Opinions and Options*, Washington DC: National Defense University, 1995, p. 124.

¹³ Arbatov A., *Russia and the West. The 21st Century Security Environment*, New York, NY: Armonk, 1999, p. 47.

¹⁴ Trampenau T. R., *NATO Expansion and the Baltic States*, Monterey, CA: Naval Postgraduate School, 1996, p. 88.

¹⁵ Arbatov A., (note 13). p. 64.

which was approved in May of 2009.¹⁶ Both documents were approved after the Russian-Georgian military conflict in August of 2008, which raised significant security concerns in Latvia and the other Baltic States.¹⁷ According to this document, the main Russian security concern is the struggle for its strategic place in the world, and this position has been challenged by “some countries and/or group of countries”¹⁸. According to the military doctrine, the most dangerous military threats to Russia are, firstly, the regional conflicts close to Russia’s borders and, secondly, the growing ability and capacity of NATO to successfully deal with emerging security and defense issues on the global scale which can and will undermine Russia’s ability to play significant global role in the near future. A very important issue which could be considered by Russia as a direct military threat is a further enlargement of NATO as well as further development and deployment of NATO’s military infrastructure close to Russia’s borders. Part of the Russian military answer would be further development of military capabilities and infrastructure in the Kaliningrad area, as well as conduct of large scale military exercises in the Baltic Region. Russian military exercises Zapad 2009 and Ladoga 2009 seemed overtly to threaten Poland and the Baltic States.¹⁹ The Russian military exercise Zapad 2013 has increased security concerns in Latvian security and defense institutions; however, it should not be seen as a direct security threat to Latvia. Zapad-2013 was scheduled live military exercise which was conducted in September-October of 2013 by Russian Federation and Belarus in the Baltic region. The point of view of Latvian MOD concerning Zapad-2013 and their analysis of the set of the events in between Zapad-2009 and Zapad-2013 led to the statement of Latvian MOD that both exercises had aggressive stance against NATO in the Baltic region and, particularly, against Latvia and other Baltic States in order to war-game full-scale military assault against the Baltic States. Latvian MOD saw the military exercise and previous events in the region as an attempt of Russian Federation increase its military presence in the Baltic region in land, maritime and air domains. However, the official explanation of

¹⁶ Leijonhielm J., “Russian Foreign, Defence and Security Policy” in Hugemark B., ed., *Friends in Need. Towards a Swedish Strategy of Solidarity with her Neighbors*, Stockholm: Royal Swedish Academy of War Sciences, 2012, p. 96.

¹⁷ Mannik E., “The Evolution of Baltic Security and Defense Strategies” in Lawrence T. & Jermalavičius T., eds., *Apprenticeship, Partnership, Membership: Twenty Years of Defence Development in the Baltic States*, Tallinn: International Centre for Defence Studies, 2013, p. 13.

¹⁸ See: *Президент Российской Федерации*, Военная доктрина Российской Федерации, 5 февраля 2010 года, http://news.kremlin.ru/ref_notes/461, 23 10 2014.

¹⁹ Somerville A., Kearns I., Chalmers M., *Poland, NATO and non- Strategic Nuclear Weapons in Europe*, London: Royal United Services Institute for Defense and Security Studies, 2012, p.3.

the Russian side stated that the exercise, which encompassed 12 000 Russian and Belorussian military personnel, had a purely defensive approach and it had no plans for offensive military operations against any of NATO members in the Baltic region.

NATO, the United States and Latvia, as a full member of the Alliance, have to take into account Russia's security and military considerations, because almost all sources of military threats to Russia, which are covered by Russian military doctrine of 2010, are seen by Russia as security challenges coming from NATO and the United States, and the territory of Latvia and other Baltic States could be viewed by Russia as direct source of military threat. Therefore, it seems that Russian security and defense concerns in the Baltic Region should be seriously taken into consideration, because Russia has its own legitimate security and defense considerations. Perhaps, the Russian answer is in fact that since 2000 its military budget has grown rapidly by a nominal 20%-25% annually.²⁰ Those considerations reflect Russia's ambitious military reforms, which involve a plan to spend over \$600 billion on upgrading its armed forces over the next 10 years.²¹ One would conclude that the Russia factor will significantly impact Latvia's security and defense considerations in the future.

1.4. Membership in NATO and Strategic Partnership with the United States

The membership in NATO and a strategic partnership with the United States are the core aspects of Latvian security and defense thinking.²² However, there should be a very clear understanding that security, defense and very independence of Latvia is heavily dependent on the ability of NATO Alliance to detect, deter, counter, and if necessary, defeat upcoming security challenges and threats. It means that Latvia is profoundly interested in maintaining and developing relationships with NATO and the United States as the main providers of security and defense of the Republic of Latvia, and the United States is the only really significant actor from the Latvian perspective.²³ Latvia views NATO and the United States as core guardians of the country's security,

²⁰ Leijonhielm J., (note 16). p. 91.

²¹ Kaljurand R., Neretnieks K., Ljung B., Tupay J., (note 8). p. 14.

²² *The State Defence Concept*, Riga: Ministry of Defence Republic of Latvia, 2012, p. 4.

²³ Clemmesen M. H., "On Baltic Views of the Swedish Declaration of Solidarity" in Hugemark B., ed., *Friends in Need. Towards a Swedish Strategy of Solidarity with her Neighbors*, Stockholm: Royal Swedish Academy of War Sciences, 2012, p. 143.

defense and its very existence. The United States has clearly stated its global strategic assumptions in the 2010 National Security Strategy, the 2011 National Military Strategy and the 2012 Defense Strategic Guidance, which show the US's commitment to the renewal of its global leadership role.²⁴ One could argue that institutional efficiency and the military capacity of NATO is the fundamental issue for Latvian security and defense considerations. However, those fundamental aspects of security and defense of Latvia have been challenged. Firstly, there is the fundamental requirement that the United States is to remain a politically and militarily powerful actor with global interests and global military reach which is committed to its NATO obligations and, subsequently, in the military defense of the Baltic Region if necessary. Current trends show that there are much more urgent and important security challenges for the United States than Europe. The United States has already responded to the emerging security challenges in the Far East with its Pacific Pivot strategy²⁵ What would be the consequences of an American Pacific shift to European security, transatlantic link and, subsequently, for Latvian security and defense?

It is obvious that the United States will reduce its commitment towards Europe in order to meet emerging global challenges. This means that Americans will have to support their Pacific Pivot strategy with the substantial military capabilities which have to be deployed much closer to the Pacific Region. It means that the global force projection capabilities of the Army, Navy, Air Force, Marines and Special Operations Forces will be deployed much closer to the areas of emerging security threats. The message for Europe and, subsequently, for the Baltic States is rather clear: Europeans have to accept the truth that Americans will not be the ultimate defenders of Europe and the Baltic States after some years to come and European countries—EU members and European members of NATO—have to find the political will and necessary resources to take much more responsibility for European defense.²⁶ Previously mentioned developments will certainly impact NATO's ability to remain an institutionally effective and efficient organization with rapid and effective decision-making procedures. One can conclude that current trends challenge the effectiveness of fundamental pillars of Latvian security and defense policy- the further involvement of the United States in European defense and effectiveness of NATO, taking into account imbalance of military spending between the United States and European members of NATO.

²⁴ Kaljurand R., Neretnieks K., Ljung B., Tupay J., (note 8). p. 27.

²⁵ *Ibidem*, p. 10.

²⁶ Kaljurand R., Neretnieks K., Ljung B., Tupay J., (note 8). p. 17.

Historical experience, geography, the relative smallness of Latvia, the Russia factor, strategic partnership with the United States, membership in NATO, ethnic composition of Latvia—those are the most fundamental factors which shape Latvian security and defense policy. Those factors impact the main pillars of Latvian security and defense policy. The fundamental pillars of Latvian security and defense policy are as follows: decrease the possibility of military threat to Republic of Latvia,²⁷ strengthen the collective security and collective defense,²⁸ rely on NATO and its ability to fulfill Article 5 obligations,²⁹ strategic partnership with the United States,³⁰ Nordic-Baltic security and defense cooperation,³¹ development of national self-defense military capabilities, commitment to international cooperation and security via participation in international military operations.³²

2. The Latvian Legal and Institutional Framework of State Security and Defense within the Twenty-First Century Security Environment

Since 1991, Latvia has developed a legal and institutional framework of state security and a defense domain. The accession of Latvia to NATO has been the fundamental driver of change within Latvian national security and defense policy. The Constitution of the Republic of Latvia is the main overarching document also for the state defense, and all other legal provisions have been developed based on the Constitution. The structure of the legal framework of state security and defense domain has been developed based on several aspects: national security and national defense (Law of the National Security, Law of Civil Defense, National Security Concept, National Defense Concept), a legal framework for the actions of Latvian National Armed Forces (LNAF) (National Armed Forces Law, National Guard Law, Law of Participation of National Armed Forces in International Military Operations, Law of the Status of Foreign Military Forces in Latvia), and military service (Law of the Military Service). These documents are the basic legal framework of Latvian security and defense structure. Subsequently, the main institution responsible

²⁷ *The State Defense Concept*, (note 22). p.5.

²⁸ *Ibidem*, p. 6.

²⁹ *Ibidem*, p. 4.

³⁰ *Ibidem*, p.5.

³¹ *Ibidem*, p.5.

³² *Ibidem*, p.6.

for the the development of a state defense policy is the Ministry of Defense of the Republic of Latvia. The Latvian National Armed Forces (LNAF) is the primary institution responsible for state defense, ensuring inviolability of land, maritime and air spaces, territorial integrity of Latvia.³³

According to the Constitution of the Republic of Latvia, State President, the Parliament (Saeima), and the Government have the highest authority and responsibility in state security and defense domain. However, there are several issues which should be addressed concerning the effectiveness and efficiency of the Constitution of the Republic of Latvia against the analysis of background of complex security environment of the twenty-first century where this overarching legal document operates. The President has fundamental responsibilities and tasks within the domain of state security and defense. He has the authority as Commander-in-Chief of the armed forces of Latvia, appoints the Supreme Commander in wartime, and declares the war on the basis of the decision of the Saeima. He has the authority and responsibility to take whatever steps are necessary for the military defense of the State. The Parliament (Saeima) has the authority to decide on war, and determine the size of the armed forces of Latvia during peacetime. The Government has the authority to proclaim a state of emergency in certain cases. However, due to the fact that the Constitutional legal framework has not been revised, it remains very poor in some important aspects.³⁴

Bearing in mind the nature of global security and defense threats, risks and challenges, as well as, fundamental changes within the nature of military conflict in the twenty-first century, one has to address the key challenges which the President of the Republic of Latvia, the Parliament, and the Government would face in order to successfully perform their duties within state defense realm according to the legal framework of the Constitution of the Republic of Latvia. Taking into account that President, Saeima (Parliament), and the Government have obligations to take very important and necessary steps within their legal capacity—such as: decision on the commencement of war, declaration of war, the appointment of the Supreme Commander, proclamation of the state of the emergency within the borders of the Republic of Latvia—it is obvious that the key task of any adversary would be to disrupt and eliminate the possibility to gather, discuss, take decisions, and issue necessary orders and

³³ *National Armed Forces Law*, www.vvc.gov.lv/National_Armed_Forces_Law.doc

³⁴ Oškalne S., “Supreme Command and Control of the Armed Forces: the Roles of Presidents, Parliaments, Governments, Ministries of Defence and Chiefs of Defence” in Lawrence T. & Jermalavičius T., eds., *Apprenticeship, Partnership, Membership: Twenty Years of Defence Development in the Baltic States*, Tallinn: International Centre for Defence Studies, 2013, p. 136.

documents. Consequently, they are high value targets for adversary planning procedures in order to disrupt and eliminate timely and professional decision-making procedures and military command and control arrangements.

One can confirm that the legal and institutional framework of the Republic of Latvia on state security and defense issues is well developed; however, the capacity of security and defense institutions to perform their duties effectively has been significantly challenged due to different reasons which will be outlined in the next section.

3. Future Challenges for Latvian Security and Defense Policy

Latvian security and defense policy and institutions is and will be facing significant challenges in its effectiveness in the near future due to internal and external reasons. There are several fundamental external reasons that would significantly impact Latvian security and defense policy. Firstly, the Pacific Shift strategy of the United States and decreased American military presence in Europe; it will challenge the effectiveness of one of the most important pillars of Latvian security and defense policy. Although, NATO Air Policing mission over the Baltics has been prolonged, and NATO contingency plans for the Baltic region are approved, and subsequent NATO NRF Live Exercise-Steadfast Jazz 2013 was conducted in November of 2013, the aim and scope of abovementioned NATO exercise displayed several internal and external messages. The core purpose of military exercise Steadfast Jazz 2013 was designed to test both live forces and the personnel of various NATO headquarters in order to exercise command and control duties over NATO NRF troops. Certainly, the exercise was scheduled well in advance and therefore both-Russian Federation and NATO had conducted large scale military exercises in close proximity to each other, as well as within a rather close time schedule. One would argue that the exercise Steadfast Jazz 2013 was mostly a politically determined event in order to send several political and diplomatic messages. Firstly, it was an internal message for NATO countries that the NRF effort is in place and ready to be used when needed; secondly, it was a message to the Baltic States to reassure them of the validity of NATO commitments towards all members of the Alliance; and thirdly, it was a kind of political response to the previous military exercise of Russian Federation, Zapad-2013. However, one could argue that several indications proved previously mentioned

argument that American strategic shift to the Pacific region will have an immediate impact on European members of NATO, and particularly on the Baltic members of the Alliance. Firstly, the United States, the core contributor to NATO in terms of budget and military capabilities, participated in the exercise with a rather low profile, sending only a few hundred personnel out of approximately 6000 military personnel which participated in Steadfast Jazz-2013. Secondly, the total number of military personnel participating in the exercise was significantly lower than the number of Russian and Belarussian personnel that participated in the military exercise Zapad-2013. One could argue that the abovementioned facts are a message from the United States to the Russian Federation indicating that the situation in global and regional security environment requires American military capabilities to be deployed in much more important regions, and clearly showing that Europe, and, subsequently, the Baltic region, is not considered by Americans as potentially dangerous from the security and defense perspective. Moreover, one may conclude that Europe and the Baltic States remain relatively low within the priority list of the security agenda of both the United States and Russian Federation. However, from NATO's perspective it was necessary to send a political signal to the political leadership of Latvia and other Baltic States in order to assure them of the commitment of the Alliance towards the Baltic States. The visit of NATO Secretary General Anders Fogh Rasmussen to Latvia during the exercise and his meeting with the Presidents of the three Baltic States was a political message from NATO leadership to the Baltic States.

Another very important issue is the increasing gap of military spending between the United States and European members of NATO and how it will negatively impact the ability of NATO to be an effective and efficient military alliance. Upcoming NATO Summit in Wales, Cardiff, will be extremely important for the future of security and defense of the Republic of Latvia. Firstly, current NATO Secretary General Anders Fogh Rasmussen will leave his office; therefore, the member states of the Alliance have to decide who will be the next Secretary General. For small nations, including Latvia, the personality of the leader of the Alliance matters much more than for politically and militarily powerful members of NATO. Secondly, generally speaking, NATO is in rather bad shape due to the fact that several leading states of the Alliance are engaged into different urgent issues thus leaving defense matters marginalized. The United States with its Pacific Pivot strategy considers NATO increasingly irrelevant for American security due to continuous inability of European members of NATO to fulfill their obligations within the defense

realm. The United Kingdom might be more interested in the 2015 British General election than to the immediate future of the Alliance. France had made decisions to intervene Mali and Central African Republic, however, without the reliance on NATO military support. Germany has its own challenges in domestic and foreign policy. Furthermore, debellated societies of Europe will further undermine the ability of Europe to be an important actor in hard security domain.³⁵ It means that two fundamental pillars of Latvian security and defense- American commitment towards the ultimate defense of Latvia, and increasingly problematic issues of European own commitment towards European defense and significant increase of European military budgets and, subsequently, European military capabilities, will be seriously challenged. Therefore, from the Latvian perspective, the positions of the main actors of the Alliance definitely display lack of coherence in NATO for the time being and this is an alarming signal for Latvia. One may conclude that the decisions which will be made in the next NATO Summit will be very important to the Republic of Latvia.

Very important internal aspects that will have an impact on further development of Latvia's security and defense policy are as follows: political and economic commitment to follow the obligations to significantly increase the defense budget of Latvia to the level of 2 % of GDP until 2020.³⁶ Latvia had expected to reach the 2% benchmark by the year 2013; however, due to severe consequences of the economic crisis, Latvia is still far below.³⁷ Secondly, demographic problems will put significant pressure on the recruitment and sustainment of quality personnel.³⁸ Lack of political will, economic difficulties to increasingly resource Latvia's defense spending, and further demographic challenges will significantly challenge the possibility to recruit and maintain quality and skilled personnel, decrease possibility of the development of LNAF, acquire new military capabilities and, ultimately, there will be fundamental question of the ability of Latvia to sustain classic military structure of land, air, maritime, special operations, logistic support, training and doctrine entities until 2020. The main dilemma for Latvian security and defense policy in the nearest future will be either to continue to maintain classic military force structure including Land Forces, Navy, Air Forces, Special Operations

³⁵ Grey C.S., (note 4). p. 117.

³⁶ Kaljurand R., Neretnieks K., Ljung B., Tupay J., (note 8). p. 40.

³⁷ Molder H., "The Development of Military Cultures" in Lawrence T. & Jermalavičius T., eds., *Apprenticeship, Partnership, Membership: Twenty Years of Defence Development in the Baltic States*, Tallinn: International Centre for Defence Studies, 2013, p. 110.

³⁸ Kaljurand R., Neretnieks K., Ljung B., Tupay J., (note 8). p. 41.

Forces, Logistic support, and Training and Doctrine elements or transform the Latvian National Armed Forces into highly specialized set of military capabilities which will have high added value to NATO's future operations. The first option seems to be very difficult to maintain and sustain in the future. One could assume that, despite political commitment to increase defense budget of the Republic of Latvia to 2% of GDP in 2020, there is no credible signs that the budget will be significantly increased in 2014 and 2015; therefore, the current force structure of Latvian National Armed Forces certainly will not be able to possess and deliver modern combat capabilities. One may conclude that significant external and internal aspects fundamentally challenge current security and defense policy of Latvia and, subsequently, institutional effectiveness and efficiency of state security and defense sector.

Conclusion

The beginning of the twenty-first century has created new threats and challenges for global, regional and national security. Latvia, as full member state of NATO and EU, enjoys the highest level of security ever in its history. However, due to the fact that the Republic of Latvia is a border-state of Russia, the status of the bilateral relations between the United States and Russia, as well the status of relations between NATO and Russia have significant impact on security and defense policy of the Republic of Latvia and other Baltic States.

One has to conclude that the fundamental factors that shape Latvian security and defense considerations and, subsequently, policy stems from the following characteristics: geographical location, historical background, close neighborhood to Russia, relative smallness of the country, ethnic composition of the country, and reliance on the United States and NATO as ultimate provider of security and defense. Therefore, the core principles of Latvian security and defense policy are focusing on efforts to decrease the possibility of military threat to Latvia, strengthening collective security and collective defense via strategic partnership with the United States, membership in NATO and EU, and Nordic-Baltic security and defense cooperation. However, one may argue that pragmatic and friendly relationships with Russia would significantly contribute to one of the main pillars of Latvian security and defense, and decrease the possibility of military threat to the Republic of Latvia.

However, one may also argue that currently and in the near future fundamental internal and external pillars of Latvian security and defense policy will be substantially challenged due to fundamental dynamics and

trends in global, regional and national security and defense environment. Firstly, the United States due to its Pacific Pivot strategy and global security challenges elsewhere will significantly reduce military commitment towards Europe. Secondly, due to substantial and uncoordinated reduction of defense budgets in European part of NATO, it is obvious that Europe is still not ready to take ultimate responsibility of its security and defense. Subsequently, it could lead to an undermining of the ability of NATO to remain effective and efficient organization. There are several fundamental domestic issues that would have further negative impact on Latvian security and defense policy: lack of political will to increase defense budget to the benchmark of 2% of GDP, ongoing economic difficulties, demographic pressure- all of those issues will certainly have an impact on the institutional development of Latvian security and defense sector.

It has to be clear that further security and defense arrangements of the Republic of Latvia and other Baltic States will depend on the ability of NATO to remain an efficient organization with timely and effective decision-making process and the ability of the United States to remain militarily effective and committed to defense and security of Europe. One could add that those arrangements also depend on the status of bilateral relationships between Latvia and Russia, the United States and Russia, and NATO and Russia. The Russian Federation is an important actor in the Baltic region and, subsequently, it is in the best interests of the Republic of Latvia to maintain pragmatic and reasonable relationships with Russia. One may argue that the military cooperation among the Baltic States on tactical level has to be enhanced; however, on an operational and strategic level all three countries have very similar security concerns and the arrangements within NATO and with the United States. Nordic-Baltic military cooperation should also be enhanced but it cannot be the substitute to NATO's security guarantees and the military involvement of the United States to the defense of Europe and the Baltic Region.

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