

Detering Russia in the Baltic Sea Region:

Latvia's defence developments in regional context

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August 2017

- NATO increasingly looks at the relationship with Russia through the lens of deterrence. This has shifted the intra-NATO debate towards the sufficiency and credibility of efforts to deter Russia from initiating military aggression in the Baltic region.
- NATO cannot establish military parity with the Russian forces across the border in the Baltic region. The alliance should, however, pursue deterrence by denial in the Baltic region through the ability to rapidly increasing its military presence in Lithuania, Latvia, and Estonia if needed. Credibility of NATO deterrence largely rests on the ability to increase military presence in the Baltic region at will.
- Closer partnership between NATO, on the one hand, and Sweden and Finland, on the other, is in Latvia's interests. However, the role of Sweden and Finland in any potential military conflict involving Russia and the Baltic states is at best uncertain.
- Latvia's approach to security and defence has undergone profound change. Latvia no longer relies on participation in international operations as a primary instrument to ensure protection against external military aggression. Latvia increasingly places a premium on developing self-defence capabilities and providing host nation support.
- The primary focus in the Latvian domestic debate on defence in recent years has been on increasing defence spending up to the recommended 2% of GDP. The political consensus in support of this is solid. Return to conscription has been ruled out as too expensive, and the government plans to strengthen the National Guard, participation in which is voluntary. However, there is untapped potential with regard to civil defence and nonviolent resistance.

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Introduction

Deterrence has made a comeback in Europe. Defence-related developments in the Baltic and Nordic states, Poland, and Germany have been particularly dynamic in recent years, and the primary aim of these efforts has been to create a credible deterrent against the unlikely but nevertheless frightening possibility of Russia's military aggression against one or several of its neighbours in the Baltic Sea region. Arguably, Russia is no longer an uneasy partner. Instead, it has become an adversary to be deterred. Stability in the Baltic Sea region can no longer be taken for granted, as the means through which stability and security were maintained before the military conflict in Ukraine have become questionable. Security and stability used to be ensured by reassuring Russia with declining defence budgets in Western Europe. This position is no longer tenable, and security and stability are increasingly regarded as a function of military balance: peace through military preparedness and deterrence.

This analysis looks at defence-related developments in the Baltic Sea region from Latvia's perspective. It takes existing security interdependencies between the Baltic Sea region countries as its point of departure. This analysis aims to address four issues, around which it is largely structured. First, it provides a brief overview of the concept of deterrence and identifies some key elements of deterrence that are particularly relevant for Russia's neighbours in the Baltic Sea region.¹ Second, it provides an overview of key defence-related developments in Latvia's allies and partners in the Baltic Sea region, paying particular attention to defence-related developments in Germany, Sweden, and Finland. Third, it outlines NATO's approach to deterrence vis-à-vis Russia. Particular attention is paid to the outcomes of the Wales and Warsaw summits and their likely deterrent effect. Fourth, it looks at key steps Latvia has taken over the last few years and assesses their deterrence and defence potential. The analysis is based on the un-

derlying assumption that the outcome of Latvia's defence and deterrence efforts depends on similar efforts in other Baltic Sea region countries. The analysis concludes that defence-related developments in other Baltic Sea region countries are likely to produce positive side effects for Latvia, but there are limitations to the likely positive impact for Latvia of Swedish and Finnish defence efforts. With regard to NATO deterrence efforts, Latvia has achieved most of what it wanted.

1. Deterrence: return of the concept since 2014

Deterrence was a defining feature of the Cold War, but it became less relevant after the breakup of the Soviet Union and the end of the bipolar world order. Deterrence is only necessary when there is a clear adversary who might initiate military aggression, and there has to be a reasonable chance that deterrence will actually work, that is, that it will deter. This became a point of contention in the aftermath of the 11 September 2001 terrorist attacks in the United States. How were terrorists to be deterred if they were ready to sacrifice their lives while carrying out a terror attack? Although it has been pointed out that deterrence can be used against terrorists (Morrall and Jackson 2009; Kroenig and Pavel 2012), deterrence was disregarded because more proactive policies were chosen which called for defeating states that support terrorism and engaging in nation-building in faraway places in order to deny terrorists safe havens.

In the context of global unipolarity, NATO's European members did not have to worry about deterrence. Allied with the prime superpower – the United States – European members of the alliance could rely on the military preponderance of their strongest ally. Although the economic position of the United States has begun to erode, and China may overtake the US in the coming years economically, the US is likely to enjoy military superiority for decades to come because it takes a lot of time and effort to build military power with global reach (Brooks and Wohlforth 2015/16). However, Russia accelerated the rebuilding of its military after the brief war against Georgia in the

1. Although deterrence is usually complemented with dialogue to stabilize the relationship with the adversary, this report does not look at the dialogue aspect of NATO-Russia relations

summer of 2008, which exposed the weaknesses of the Russian military. Although Russia's military is still markedly inferior to the US military, Russia has a strong hand in Europe, where it can project military power over short distances, has numerical superiority, and enjoys the advantage of being the 'first-mover'. Russia's strength in military terms has increased, while its military aggression against Ukraine as well as its interference in the domestic politics of a number of EU and NATO member states signal malign intentions. Russia is perceived to have both the military capacity and the intention to harm NATO member states, and therefore Russia has to be deterred. One has to bear in mind, however, that Russia is not the Soviet Union. Russia may pose a threat to some European frontline states militarily, but it is hardly the existential threat that the Soviet Union used to be.

1.1. The core meaning of deterrence.

Russia's behaviour has forced NATO members to go back to the basics of deterrence. The core meaning of the concept is not tied to any particular historical epoch. Deterrence is a strategy that has been used at some point by most states throughout human history. The primary aim of deterrence is to prevent an adversary from initiating military aggression. To accomplish that aim, the adversary has to be convinced that it will incur heavy costs and achieve few gains, if any. Glenn H. Snyder writes that 'deterrence is a function of the total cost-gain expectations of the party to be deterred' (Snyder 1961, 10). Paul K. Huth defines deterrence as 'a policy that seeks to persuade the adversary, through the threat of military retaliation, that the costs of using military force to resolve political conflict will outweigh the benefits' (Huth 1988, 15). Alexander L. George and Richard Smoke define deterrence as 'the persuasion of one's opponent that the costs and/or risks of a given course of action he might take outweigh the benefits' (George and Smoke 1975, 11). John J. Mearsheimer defines deterrence as 'persuading an opponent not to initiate a specific action because the perceived benefits do not justify the estimated costs and risks' (Mearsheimer 1983, 14). Although persuading an enemy not to initiate military aggression is clearly

at the heart of the discussion on deterrence, this concept has a broader meaning in international politics. What constitutes hostile behaviour is debatable, and adversaries may try to prevent all sorts of hostilities. Thus, deterrence can also be applied to behaviour that falls short of military attack. Deterrence might be less successful when it comes to lesser hostilities, though. Because deterrence may be applied to all sorts of hostile behaviours, it has gained prominence in the realm of criminology, where the main aim of deterrence is to prevent individuals from committing crimes (Freedman 2004).

Deterrence became an integral part of the strategy of containment during the Cold War. It seemed to be particularly suited for the Cold War relationship between the United States and the Soviet Union because it was a conservative strategy. The advent of nuclear weapons made the strategy of rollback impossible, while appeasing an adversary that was perceived to have expansionist aims would have simply invited further demands. Deterrence was regarded as a compromise between policies that were either overly aggressive or overly conciliatory. As Robert J. Art notes, deterrence 'employs force peacefully' (Art 1980, 6). In addition to being a conservative strategy, deterrence was unlikely to provoke the adversary to behave erratically. It was less offensive than the strategy of compellence. While deterrence merely asks the adversary not to do something, compellence puts the adversary's back against a wall by asking it to do exactly what the party exercising compellence wants.

Deterrence was regarded as a temporary strategy. Samuel P. Huntington described it as a policy of buying time 'until a more permanent and reliable solution to the problems of security could be worked out' (Huntington 1961, 438). It was likely to fail in the long run because of either shifts in the balance of power between adversaries or because of misperceptions. Learning to live side by side with the enemy was possible in the short run, while in the long run it would have been practical for all involved parties to move toward a more cooperative form of coexistence. The prevailing wisdom in the early stages of the Cold War, though, was that deterrence was unlikely to prevent great

powers from coming to blows. The Jeffries Committee of Manhattan Project Scientists noted in a report published in 1944 that ‘the whole history of mankind teaches [...] that accumulated weapons of destruction ‘go off’ sooner or later, even if this means a senseless mutual destruction’ (Freedman 1981, 41). The lessons of both World Wars, in which millions perished, were largely to blame for this pessimistic outlook. However, it also was apparent that deterrence in the nuclear age had to be 100% effective. In a world where great powers were armed with nuclear weapons, even a single failure of deterrence might result in a catastrophe of unimaginable proportions.

1.2. The elements of deterrence.

How is deterrence to be pursued? Deterrence has three elements (Mazarr and Goodby 2011, 10). First, a country needs to have sufficient military capabilities to impose costs on the adversary in the case of military conflict. When a country’s military capabilities are clearly insufficient for defending itself, deterrence is likely to fail. Second, a country needs to make its deterrent credible. It can be safely assumed that countries try to survive. Thus, credibility should not be a problem because nations will be ready to take up arms to protect themselves against external aggression. When it comes to defending oneself, credibility is usually not a problem. However, credibility becomes problematic in situations involving extended deterrence when a great power aims to protect a protégé. In such cases, deterrence is problematic because, as Thomas C. Schelling writes, ‘the difference between the national homeland and everything ‘abroad’ is the difference between threats that are inherently credible, even if unspoken, and the threats that have to be made credible’ (Schelling 2008, 36). Extended deterrence can be credible, but the point is that it has to be made credible. If an adversary concludes that a country which has extended security guarantees to a protégé lacks either the military capabilities or resolve to protect its ally, deterrence may fail. Third, deterrent threats have to be communicated as clearly and convincingly as possible. The preferred way to communicate deterrent threats is to do so publicly, because this increases audience costs.

Although pursuing deterrence seems quite straightforward, the above three elements of successful deterrence are problematic. First, what constitutes a military capability sufficient to deter the adversary? This is a question that is hard to answer before hostilities commence. A military capability may be regarded as sufficient before the start of a conflict, but, unfortunately, countries may either fail to anticipate events on the battlefield beforehand or the adversary may find creative ways to neutralize the opponent’s strengths. The answer to the above question also depends on the willingness of the adversary to bear the costs of the conflict. If the adversary is simply an opportunistic power that favours expansionism but is averse to high costs, deterring the adversary should be easy. If, however, the adversary is a revisionist power that wants to overthrow the existing international order and is insensitive to the costs arising from military conflict, deterring such an adversary would be very difficult. Only a major military effort might suffice. Thus, whether deterrence will succeed or fail depends on the adversary’s intentions and sensitivity to costs. Both elements are hard to assess, and therefore it is very difficult to arrive at a consensus on what an appropriate deterrent should look like. This is a problem that NATO member states and other states neighbouring Russia have tried to grapple with. Russia does not seem to be an all-out revisionist state that would be ready to go to war against NATO in order to upset the existing international order. However, Russia has actively worked towards removing any meaningful domestic opposition to its foreign policy. Russia’s political elites have effective power over mass media which allows the current regime to shape public opinion. It seems that Russia is rather insensitive to costs arising from confrontation with the West; therefore, domestic preconditions for pursuing a more ambitious and aggressive foreign policy are already in place in Russia.

Second, when a country issues threats that it will try to defend itself against external military aggression and takes practical precautionary steps that will allow it to do so, such a warning should be taken seriously because a key aim of any state is to survive. However, deterrence efforts may still fail. One reason for deterrence failure is the

well-known problem of insufficient military capabilities. The aggressor may reason that its victim is unlikely to fight back when facing the prospect of its military forces being decimated and its civilian infrastructure being severely damaged as the result of fighting. When Latvia faced the prospect of war with the Soviet Union in June 1940 after having been presented with an ultimatum, the Latvian leadership chose not to fight. Similar choices were made by Lithuania and Estonia. Thus, an aggressor may expect that its victim is unlikely to fight when the ratio of military forces is clearly in favour of the aggressor.

Another reason why deterrence may lack credibility is that the potential aggressor may think that it will be able to avoid prolonged fighting by launching a surprise attack (Betts 1982). John J. Mearsheimer claims that conventional deterrence may fail when the attacker can reasonably expect that it will be able to defeat the victim of aggression decisively and thus create a *fait accompli* (Mearsheimer 1983). Thus, specific factors such as the placement of troops and their level of preparedness, as well as morale, can have an impact on the calculus of the potential aggressor. In the Cold War era, the frightening prospect of a (nuclear) sneak attack loomed large because both superpowers were armed with nuclear weapons, the delivery systems for which were regarded as giving disproportionate advantages to the party launching the first strike. As a result, the nuclear triad was established as a countermeasure that would ensure a safe second strike capability. More recently, the prospect of a surprise attack against the Baltic states under the guise of a military exercise in Russia has been a major concern for NATO.

Third, the task of communicating one's preferences to a potential aggressor may seem fairly straightforward, but that is not the case. The main reason for this is the problem of misperception. States can either fail to communicate their intentions accurately or, alternatively, the adversary may fail to perceive signals sent by other states. The adversary may also decide not to take such signals into account because information frequently points in different directions (Jervis 1976). Decision-makers may decide to rely on pre-existing beliefs un-

der conditions of pervasive uncertainty. They may also disregard signals coming from the adversary as not being truthful, as incentives to deceive increase during international crises.

One additional factor which compounds the problem of misperception is the nature of conflictual relations between states. Deterrence is conditional most of the time, that is, states promise to defend themselves unless there are exceptional circumstances which do not permit them to do so. Or states may provide their partners and allies with conditional security guarantees (in the form of extended deterrence). A major condition of a security guarantee is that the protégé should not provoke aggression against itself or initiate a conflict with the potential aggressor. Thus, the aggressor may create circumstances in which it looks like the victim of the aggression is also the one who initiated or provoked aggression. Another problem which relates deterrence and misperception is that deterrence usually applies to specific situations, that is, the adversary is to be deterred from engaging in specific behaviour. The adversary, however, can try to either slip under the threshold of behaviour that is deterred or opt in favour of hostile behaviour that has not been foreseen by the deterring party. This is clearly a problem for NATO when it comes to the security of the Baltic states. There are concerns that Russia may initiate hostilities that would slip below Article 5 of the Washington Treaty. To counter such a possibility, NATO member states have decided that although 'the primary responsibility to respond to hybrid threats rests with the targeted nation', NATO may choose to assist the victim of hybrid threats and may even go so far as to invoke Article 5 of the Washington Treaty (Warsaw Summit communique, 9 July 2016). These measures ensure, to a great extent, that Russia will not miscalculate by relying on hybrid measures.

1.3. Types of deterrence.

There are different types of deterrence. From the perspective of this study, the most relevant are extended deterrence, deterrence by denial, and deterrence by punishment. Extended deterrence refers

to situations where great powers extend security guarantees to smaller powers (Huth 1988). Thus, smaller powers gain protection from a third country which is a hostile power. Extended deterrence involves a combined effort by a protector and protégé to deter a potential aggressor. A protégé's military capabilities may be insufficient for the task of deterring the adversary, and therefore the protector steps in to provide missing capabilities.

As noted above, extended deterrence can be problematic. Although on most occasions security guarantees are provided by the stronger party for good strategic reasons, a protector's willingness to ensure its own survival is far greater than its willingness to expend blood and treasure to ensure a protégé's survival. Thus, extended deterrence is conditional, and the potential aggressor may safely assume that security guarantees are limited in scope. This was a major element of the debate on European security during the Cold War when Western European powers feared that the United States was not willing to risk a nuclear exchange with the Soviet Union for the sake of saving Western Europe from a potential Soviet military invasion. As Helga Haftendorn put it, 'would the United States, under the conditions of the "balance of terror", be willing to risk New York or Chicago for the sake of Frankfurt or Hamburg?' (Haftendorn 2014, 93). Currently, there are concerns that NATO allies are not fully committed to defending the Baltic states against Russia. Although a lot has been done to reassure the Baltic states that they can count on Article 5 of the Washington Treaty, there are still concerns that NATO member states would go to great lengths to avoid a military conflict with Russia, even if that involved not defending allies.

Deterrence by denial and deterrence by punishment, in turn, refer to the types of threats that are conveyed to the adversary. Deterrence by denial is based on the commitment to deny the adversary its major political and military war aims. Most frequently, deterrence by denial is about creating a deterrent sufficient to repel an adversary's military attack. Such deterrence would also impose costs on the adversary in the form of war casualties and destroyed military equipment. Deterrence by punishment, in turn, is not based on the ability to

repel military aggression. Instead, it is based on the assumption that a country which is the victim of military aggression would be able to punish the aggressor irrespective of the outcome on the battlefield. Throughout history, deterrence was mostly based on denial because it was not possible to punish the adversary before defeating it. The advent of air power in the early 20th century, however, made deterrence by punishment a viable option. It became possible to fly an airplane deep behind the enemy's lines and target the adversary's cities and infrastructure (Quester 1966). Developments in missile technology and the invention of nuclear weapons made deterrence by punishment even more viable and also more terrifying.

There is no neat separation between deterrence by denial and deterrence by punishment strategies. Although the core idea of each strategy is different – deterrence by denial focuses primarily on developing military capabilities that would allow a country to defend itself against external aggression, while deterrence by punishment for the most part relies on the ability to punish the adversary militarily if it begins military aggression – most countries (especially great powers) prefer some combination of the two strategies. The value of deterrence by denial is impaired because of its sole focus on defending oneself against an external attack. The worst case scenario for the aggressor is that its political and military aims are denied. Punishment, however, is not in the cards. If there is any punishment at all, it is in the form of casualties and loss of military equipment.

The value of deterrence by punishment, in turn, is decreased by overreliance on means of punishment and too little emphasis on defence. At its most extreme, this strategy would entail only the means to punish the adversary, but very little in terms of the means to defend oneself against a military aggression. This version of deterrence is vulnerable to the so-called salami tactic, where each particular move by a military aggressor does not warrant extreme punishment, though the combined loss is nevertheless substantial. Defence capabilities are needed to counter the adversary's encroachment. Thus, relying exclusively on deterrence by denial or deterrence by punishment

strategies is dangerous. This was recognized by American policymakers in the early 1960s when the strategy of 'massive retaliation' was substituted by the strategy of 'flexible response'. Massive retaliation relied so heavily on punishment that its credibility became questionable (George and Smoke 1975).

The debate on deterrence by denial and deterrence by punishment has to a certain extent been present in contemporary discussions regarding the security of the Baltic states. How should Russia be deterred? Should NATO aim to create a force that would be able to deny Russia a victory on the battlefield or should NATO rely instead on deterrence by punishment? Should European frontline states aim to acquire at least modest capabilities that could be used to strike targets inside Russia and thus punish Russia militarily? It seems that the intra-NATO debate on deterring Russia has mostly focused on deterrence by denial. Punishing Russia for initiating military aggression would be an escalation of a conflict, and it would carry a greater risk of nuclear exchange. In the era of limited conventional war, deterrence by denial implies strengthening military capabilities on the frontier, arming European frontline states, stationing NATO troops in the Baltic states and Poland, positioning equipment, and developing the ability to move troops over large distances in order to be able to assist frontline states on short notice. A credible deterrence by punishment strategy would largely negate the need to position troops at the frontier, but it would lack credibility.²

Finally, deterrence needs to be supplemented by dialogue with the adversary because deterrence failures are less likely to happen when adversaries have open lines of communication. Deterrence has for the most part been regarded as a temporary fix to a security problem, and therefore dialogue is necessary in order to eventually transform the adversarial relationship into a cooperative one. Thus, NATO has emphasized over the past years that it pursues both deterrence and dialogue with Russia. The expectation is that deterrence dom-

inates in the early stages of the adversarial relationship but is then increasingly complemented by dialogue. The NATO Warsaw Summit Communiqué clearly states that NATO should be open to dialogue with Russia to avoid 'misunderstanding, miscalculation, and unintended escalation' (NATO 9 July 2016). Although Russia's credibility has been questioned over the past years because of its frequent violations of international norms (Major and Rathke 2016), NATO-Russia dialogue should be pursued to the extent possible. For the time being, though, it seems that NATO member states have adopted a graduated strategy: deterrence first, and only then dialogue. It has been noted, however, that there are serious doubts whether the alliance is ready to formulate its ambition regarding Russia, and there is even less clarity on how that ambition should be pursued (Ringsmose and Rynning 2017).

2. The state of deterrence and defence developments in the Baltic Sea region

The necessity to respond both nationally and internationally to Russia's assertive foreign policy has become one of the top political priorities for most Baltic Sea region countries. Unlike other external threats such as terrorism, migration, and extremism, Russia has become an important stimulus for fundamental shifts in defence policies. For the most part, this is because of the set of diverse threats that Russia represents: conventional, cyber, information space and other threats deriving from asymmetric approaches. Considering severe cuts in the defence sector across Europe (with very few exceptions) over the last two decades, the countries of the Baltic Sea region have realized that Russia poses a serious security challenge. Additionally, the over-emphasis on out-of-area operations has renewed interest in conventional warfare and territorial defence. Lastly, the fact that Sweden and Finland are not NATO member countries complicates the regional outlook and makes deterring Russia more difficult.

The cases of Germany, Finland, and Sweden are analysed, identifying the main changes in defence policies and elements of deterrence that these

2. The second and third parts of this report explain in greater detail specific deterrent measures that have been created by NATO

countries have pursued. Sweden and Finland are important to analyse due to their not being NATO members, while Germany is pivotal because of its strategic regional importance, domestic inconsistencies about Russia, and the pressure on Germany to take a leading role in European security. The following sections address political, societal, and military dimensions of defence and deterrence.

2.1. Germany: the awakening giant.

Germany has been taking the leading role in Europe for almost a decade already – not because it wanted to, but because there is no other country willing and perhaps able to address the social, economic and political challenges that Europe is facing – but Germany's leadership has not extended into the realm of hard security. However, the Ukraine crisis and Brexit have pushed it to play a leading role in the realm of security as well. Germany, together with France, has made diplomatic efforts aimed at the resolution of the Ukraine crisis, which resulted in the Minsk agreement, formally taken up by both Ukraine and Russia. Even more importantly, Germany is keeping a firm stance on EU sanctions against Russia despite domestic criticism. As Claudia Major notes, the Ukraine crisis was a wake-up call for Germany to engage in international affairs in a more substantial manner with political, diplomatic, and even military means. The traditional argument that German strategic culture restrains its actions within foreign policy no longer serves as an excuse for Germany to punch below her weight. If Germany fails to provide leadership, it would be a missed opportunity to shape the international order according to Germany's interests (Major 3 February 2017).

In contrast to other Western powers, Germany failed to formulate its strategic interests in a consistent manner before the eruption of hostilities in Ukraine. Since then, however, Germany has demonstrated readiness to lead to a certain extent. This is most clearly expressed in the white paper on German Security Policy and the Future of the Bundeswehr 2016, which states that Germany is a leading player in Europe, bringing both

more opportunities and increased responsibility. Therefore, it is necessary to engage more substantially in addressing the security challenges facing Europe (The Federal Government of the Federal Republic of Germany 2016). But one should be cautious as to whether this paper, prepared by the Bundeswehr, actually represents the domestic consensus. Domestic debates among policymakers in Germany show that there is no such consensus. At this point, however, the white paper is the only document which, to a degree, explains the German government's views on European security.

Germany's main security interests are the protection of sovereignty and territorial integrity, maintenance of a rules-based international order, protection of prosperity of society, promotion of the responsible use of scarce resources, deepening of European integration, and consolidation of the transatlantic partnership. To protect these interests, Germany primarily relies on multilateral platforms such as NATO, the EU, and the UN. Much emphasis is placed on its active role within NATO, declaring a preparedness to move towards spending 2% of GDP on defence and substantially contributing to deterrence and collective defence. In practical terms, that means providing troops on a rotational basis in the Baltic region and troops for the Very High Readiness Joint Task Force, assisting armed forces of the Baltic states with training, contributing to NATO missile defence, engaging in nuclear sharing, and participating in crisis management. Germany is also in favour of initiating a revision of existing arms control regulations through other diplomatic platforms such as the OSCE (The Federal Government of the Federal Republic of Germany 2016).

Germany has become an important security player in the Baltic Sea region. It has taken the lead and deployed troops (approximately 650 soldiers) for the multinational battalion in Lithuania. This deployment is a symbol of political solidarity and a commitment to collective defence and NATO's conventional deterrence posture. Another important instrument for assisting in strengthening Baltic armed forces is the German-American Transatlantic Capability Enhancement and Train-

ing Initiative, which provides valuable training for the Baltic militaries. In this way, not only do Baltic armed forces get expertise in critical self-defence capabilities, but cooperation between Baltic armed forces and the Bundeswehr is also intensified (such contacts were limited before).

The Bundeswehr has experienced something akin to a renaissance. The Bundeswehr has taken part in UN-, EU- and NATO-led peacekeeping operations from Somalia and Bosnia to Kosovo, Macedonia and Afghanistan over the past two decades. But unlike France and Great Britain, which implemented significant reforms in their armed forces, Germany opted for a gradual adaptation to the new security environment (Dyson 2008). The modernization of the Bundeswehr in 2010/11 foresaw abolishing compulsory military service, reducing armed forces personnel from 240 000 to 163 500, and cutting defence spending (Connolly 22 November 2010). In absolute numbers, the decrease in defence spending was from 36 billion euros in 2012 down to 34 billion euros in both 2013 and 2014, or from 1.3% of GDP down to 1.2% and 1.1% (NATO 13 March 2017, 7, 9). Russia's assertive foreign policy put a full stop to cuts, and there will be a gradual increase in defence expenditure in the coming years. This, however, is a polarizing issue domestically.

The Bundeswehr's mission has also been redefined. It rests on four pillars: contribution to NATO and EU collective defence, international crisis management, homeland security, and partnerships and cooperation other than with the EU and NATO (The Federal Government of the Federal Republic of Germany 2016). The main changes are the use of military means in crisis management (besides the traditional civilian component) and the increase of military contributions to homeland security to strengthen the resilience of state and society. The essential prerequisite for the comprehensive approach to national security is intensified interstructural cooperation. But to meet these goals, the Bundeswehr has launched a new personnel development policy. A 'breathing' body of personnel has been launched, making service in the armed forces more adaptive, flexible, and attractive. This policy was implemented largely be-

cause the Bundeswehr had difficulties recruiting sufficient numbers of personnel after suspending conscription. Capabilities that are on the priority list are cyber, reconnaissance, medical support operations, communication and information systems, and strategic air transport. Lastly, much effort is being devoted to increasing deployability of troops on short notice (The Federal Government of the Federal Republic of Germany 2016).

Notwithstanding political and military consensus that Germany needs to have a firm position on the Ukraine crisis and that the Bundeswehr needs to be modernized in order to face both military and non-military security challenges, the public perception does not conform to this view. In comparison with other societies in the Baltic Sea region, Germans are the least afraid of Russia – only 31% perceive Russia as a military threat. Instead, 58% of Germans want to have a strong economic relationship with Russia, and only 35% think it is necessary to be tough with Russia on foreign policy disputes. On top of that, Germans are also sceptical about defence spending. Only 34% share the view that military spending should be increased, 47% argue for keeping defence spending at the same level, and 17% favour decreasing defence spending (Stokes, Wike and Poshter 13 June 2016, 19, 24, 34). With regard to attitudes about whether Germany should use military force to defend a NATO ally under Russian attack, 53% of Germans think there should be no action, while 40% have the opposite view (Stokes 23 May 2017, 5).

These public opinion polls demonstrate that parts of German society sympathize with Russia (in German *Russlandversteher*), which according to Gabriele Schöler includes a broad spectrum of groups from both the far right and the far left, some pragmatic politicians and eastern Germans who are sentimental about the 'good' old Soviet times (Schöler 2016). This undermines the credibility of Germany's commitment to collective defence and contribution to strengthening NATO's deterrence posture in the Baltic Sea region. Thus far, however, policymakers in favour of taking a principled stand towards Russia have prevailed.

2.2. Sweden and Finland: the uneasy 'grey zone'.

Not being part of NATO, Sweden and Finland are sometimes regarded as 'a grey zone' of the Baltic Sea region. Both countries have been vocal advocates of neutrality for decades. For Sweden, neutrality has been elevated to the status of 'something of national meta-ideology, blending with modernity, economic growth and the welfare state' (Dalsjö 2017, 10). The confidence in this policy and the conviction that in the post-Cold War period there will be no military conflicts in Europe have resulted in severe cuts in the defence sector – from 2.3% of GDP in 1992 to 1.3% in 2009. The army in the same period was reduced from 62 to 7 battalions, from 20 to 4 air force squadrons and from 42 to 11 combat ships. The primary task of the armed forces was scaled down to participation in peacekeeping missions (Dalsjö 2017, 13). Finland, in turn, never forgot its historical lesson: the Winter War of 1939-1940 with the Soviet Union. Thus, Finland kept its total defence model and invested and modernized its armed forces. Despite defence-cutting tendencies across Europe, Finland has managed to protect its defence sector from severe cuts. Finland has increased its military spending from 24.7 billion USD in 1992 to 30 billion USD in 2014 (SIPRI 2017).

Because of the Ukraine crisis and Russia's growing military presence in the Baltic Sea region, policymakers from Sweden and Finland have been forced to reassess their policies of neutrality. In its assessment of the Baltic Sea region security environment, the Finnish government concludes that military tensions and activities have increased and the threshold for using force has been lowered. Finland needs to be ready to use military force and to counter a wide range of threats deriving from the complex nature of modern warfare. A crucial shift in Finland's defence strategy was acknowledging that demands on defence are growing and that it cannot provide for national security on its own. Thus, it is necessary to intensify international defence cooperation, and Sweden and the US were named main strategic partners. At the same time, potential membership in a military alliance has been rejected (Prime Minister of the Kingdom of Sweden Stefan Löfven 16 February

2017). Sweden follows a similar logic, emphasizing its strong transatlantic link, tough position on Russia's violations of international law and lack of NATO membership, and focusing on deterrence, national defence and deepening military cooperation with Finland and the US (The Government of Sweden 2015). But unlike Finland, Sweden has pushed for deeper integration with NATO. Sweden contributes to deterrence efforts in the Baltic states through participation in military exercises.

Regarding developments in the defence sector, the most significant changes have taken place in Sweden, which has committed to increasing defence spending and has reintroduced conscription. There is an ongoing debate about strengthening societal resilience. The priorities in the defence sector are increasing the combat readiness of field units and accelerating procurement processes. Considering scenarios of hypothetical Russian attacks, the island of Gotland has been garrisoned once again. Cyber capabilities are regarded as highly significant (Dalsjö 2017). As for Finland, despite its well-developed and modernized armed forces, its main vulnerability is its likely inability to respond quickly in case of a military attack that is below the threshold of a clear conventional attack. The ultimate goal of armed forces is to provide territorial integrity on a 24/7 basis. To accomplish this aim, the Finnish government is committed to increasing defence spending and raising the readiness level of armed forces – providing permanent sea patrolling, upgrading its F-18 Hornets, and creating a high readiness force in the military. Cyber and information operations capabilities are also on the priority list (Salonius-Pasternak 18 May 2017).

When it comes to public perception of Russia, the opinion that Russia's activities have a negative effect on Finland's security has grown significantly. In 2010, only 28% of respondents shared this view, but in 2016 such views are professed by almost half of those surveyed. However, society is not in favour of Finland's NATO membership, with 61% against. Instead, there is strong support for the existing defence model – about 80% support the present system of conscription and 71% would be ready to take up arms if Finland were

attacked (ABDI 01 December 2016, 5, 6). Swedes are less concerned about Russia as a threat to their country, with only 34% of respondents sharing this view. At the same time, 71% think that it is necessary to be tough with Russia on foreign policy issues, and only 26% oppose this opinion (Stokes, Wike and Poshter 13 June 2016, 19, 25). Unlike Finns, Swedes are divided over NATO membership – 47% support it, while 38% are opposed (Stokes 23 May 2017, 11). Also, Swedes' preparedness to fight for their country is relatively lower (55%), although this is still higher than the average in Western Europe (Gallup International 2015).

Summing up the developments in the three Baltic Sea region countries, it can be concluded that there is a clear understanding of Russia as a threat to European security. Germany is actively contributing to NATO deterrence efforts, and Sweden and Finland are building deeper mutual ties and intensifying cooperation with the US. At the same time, NATO membership is still not in the cards. Besides shifts in the foreign policy realm, changes have also taken place in defence policy, such as increasing defence spending, adjusting armed forces by increasing personnel and readiness of forces, developing cyber and information operations capabilities, and working on societal resilience. All three countries have joined the effort to strengthen the Baltic states by participating in military exercises, while Germany contributes to training and expertise in critical military capabilities. There is public support for developments in foreign and defence policies in Sweden and Finland. Germany represents a more complex picture, though, because the public is split over the issue of relations with Russia. Also, there is little support in Germany for military spending and limited understanding of Germany's commitment to collective defence.

3. Challenges to NATO deterrence in the Baltic region

This chapter outlines the character of NATO deterrence in the Baltic region and addresses the potential problems – both hybrid and conventional – related to NATO deterrence efforts.

3.1. NATO deterrence in the Baltic region.

NATO deterrence in the Baltic region is based on the military capabilities of the Baltic states, the presence of multinational forces in the Baltic states and Poland, and the military capabilities of key allies that are not placed in the Baltic theatre. A recently published report by RAND notes that the Baltic states should be 'able to rapidly receive allied ground forces and operate in support of allied air superiority forces, for deterrence in peacetime as well as in a crisis situation' (Chivvis, Cohen, Frederick, Hamilton, Larrabee, Lin 2017, 267). The multinational battalions which became operational in 2017 considerably increased NATO's deterrent posture in the Baltic states, but as such they do not represent a viable deterrent against Russia's aggression. Martin Zapfe puts it succinctly: 'NATO's EFP [Enhanced Forward Presence] is a necessary condition for credible deterrence, but it is by no means sufficient. The tripwire does not deter; the Alliance does' (Zapfe 2017, 157). That is, the forces in the Baltic theatre are insufficient to deter Russia therefore deterrence largely rests upon the military capabilities of key members of the North Atlantic alliance and their perceived willingness to use those capabilities to protect the Baltic states. Yet, NATO deterrence would lack credibility in the absence of EFP.

EFP is a necessary precondition for successful deterrence in three ways. First, the Baltic militaries are small in terms of personnel and military punch. They currently lack capabilities that are needed for high-intensity warfare. The Baltic states' militaries have announced major procurements in recent years, but it will take at least a few years (in some cases even longer) for these capabilities to arrive in Lithuania, Latvia, and Estonia and become fully operational. Lithuania has signed an agreement with a German company, ARTEC, to purchase 88 infantry fighting vehicles, and all vehicles are to be delivered by the end of 2019. Estonia has signed an agreement with South Korea's Hanwa Techwin to acquire K9 Thunder howitzers, but these are to be delivered by 2021. Latvia is still in the midst of acquiring 123 Combat Vehicles Reconnaissance (Tracked) from BAE Systems. Latvia and Lithuania also plan to increase troop numbers, but targets

have not been achieved yet. Preparing for high-intensity combat also means that the Baltic states should acquire air defence capabilities, but these are currently very limited. Thus, NATO's EFP partly fills the existing gaps in the Baltic states' military capabilities.

Second, NATO's EFP is highly important because almost half of the member states will have troops on the ground in Lithuania, Latvia, and Estonia in 2018. If Russia initiates military aggression, troops from these member states are likely to be part of the military conflict from the very beginning. It would be very hard for Russia to localize a conflict. A conflict involving many countries is more likely to escalate than a conflict involving just a few frontline allies. This is deterrence by (almost) assured escalation, which means that it is going to be very difficult for a country initiating a conflict to control it. Also, having troops on the ground means that these allies (Canada, Italy, Spain, Slovenia, Albania, and Poland in Latvia's case) will have to pay particular attention to the security situation in the Baltic region. It is also in their interests to keep these troops out of conflict by improving the credibility of NATO deterrence.

Third, the presence of NATO's multinational battalions in the Baltic states increases the probability that a military conflict would last long enough for reinforcements to arrive. Trading space for time in the case of the Baltic states is virtually impossible because all three countries lack strategic depth; therefore, it is necessary to put in place a force that would be capable of slowing down the adversary's offensive. Although defending the Baltic states can be very difficult, it is still easier to defend them than to retake them from an adversary after they have been defeated. The Very High Readiness Joint Task Force (VJTF) is the first wave of reinforcement, and is supposed to arrive in a matter of days. The NATO Response Force (NRF) is the second wave of reinforcement. It may take longer for the NRF to deploy to the Baltic states, but it is the most potent element of NATO's forces available for rapid deployment. Its size has been increased to 40 000, and it has air, land, maritime, and special operations forces. Thus, the task for the Baltic

states is to provide self-defence capabilities and then host nation support for NATO allies.

Thus, NATO's deterrence in the Baltic region largely rests on a sufficient military force that cannot be defeated quickly, the ability to move additional troops and equipment to the Baltic states as needed, and the political will on the part of the member states of the alliance to defend its small Baltic allies. Moreover, the Baltic states are in the process of strengthening their military capabilities, which strengthens NATO deterrence in the Baltic region. If any of the above elements become questionable, however, deterrence becomes less credible. Although NATO has managed to respond to the challenges posed by Russia in a coherent and cohesive manner over the past years, all three elements of NATO's deterrence can be questioned. A recent study states that 'the biggest threat today is a miscalculation by Russia that it could create a quick but limited fait accompli inside NATO's borders while avoiding triggering an Article 5 response or rendering such a response ineffective' (Clark, Luik, Ramms and Shirreff 2016, 14). Studies have pondered the question whether NATO will have access to the Baltic region, taking into account Russia's formidable anti-access/area-denial (A2/AD) capabilities (Zapfe and Haas 2016). The Baltic states share a long land border with Russia and Belarus, but the so-called Suwalki gap – the land bridge between the Baltic states and their NATO allies – is just 65 kilometres wide. Although there have been attempts, such as military exercises in June 2017 with participation of American, British, Lithuanian, Polish, and Croatian forces, to demonstrate the ability of NATO member states to keep the Suwalki corridor open, it is questionable whether it would be possible to keep it open under conditions of military conflict.

3.2. Hybrid and conventional challenges to NATO deterrence in the Baltic region.

NATO's EFP forces are vulnerable in both hybrid and conventional scenarios. Under hybrid scenarios, NATO troops could be accused of committing crimes against local residents and causing civilian casualties through accidents. NATO troops could

also become targets of anti-NATO demonstrations, be harassed by local Russian-speaking populations or become targets of organized violence (Zapfe 2017, 150-151). Although such hybrid scenarios are unlikely, as the potential for protest within Latvian society is low, they cannot be ruled out altogether (Bērziņa 2016). Recent attempts to turn local residents against 'occupying forces', such as allegations that German troops raped a local girl in Lithuania, have been half-hearted and thus far unsuccessful. In addition, the attempts of the mayor of Ventspils, Aivars Lembergs, a powerful political figure in Latvia, to stir up anti-NATO sentiment have been rebuked by government officials.

Although attempts to stir up anti-NATO sentiment in Latvia have not been successful, groups harbouring genuine anti-NATO sentiment may form in Latvia over time. It would be highly unfortunate if this were to happen, but it would be even more unfortunate if such groups were formed with financial and organizational assistance from Russia and included mostly Russian speakers. Thus, increasing military spending – a priority for Latvia – is an important step towards securing itself against external military aggression, but this has to be complemented with preparations for a more likely (yet, less harmful) scenario of hybrid threats. This includes spending more on police and secret services (Galeotti, 20 July 2017).

NATO's EFP battalions are also vulnerable in the conventional military sense. Although it is assumed that a Russian attack on the Baltic states would, first, result in an escalation of conflict by getting NATO involved and, second, would not be able to achieve political and military aims quickly, neither of these assumptions can be treated as a certainty. Their validity would depend on the specific circumstances of an attack. A number of problems can be identified. First, it is not clear whether the Baltic states in concert with multinational battalions would be able to defend themselves long enough until help arrives. A massive onslaught coupled with cyberattacks, subversion, and disinformation may, perhaps, ensure that Russia achieves its war aims and establishes control over elements of crucial political, military,

and economic infrastructure quickly. If a military conflict were to break out, the alliance may discover that the multinational battalions are a tripwire force, not a speed bump. Second, it is far from certain that NATO reinforcements in the form of VJTF and NRF would be able to arrive if Russia closed the Suwalki gap and rigorously denied access to the Baltic states by sea and by air. Zapfe notes that with access to the Baltic states denied by Russia, NATO may lack the political will to address the challenge collectively. This means that countries whose commitment to security of the Baltic states is stronger may find themselves operating outside the NATO multilateral framework (Zapfe 2017, 152–157). The question of alliance cohesion in the face of potential Russian military aggression is something that cannot be simply assumed.

Third, Russia could use a military conflict in the Baltic region to divide allies by specifically targeting one of the three countries where troops from several NATO member states are situated while leaving other countries' troops intact. Russia may also use diplomatic backchannels to work with NATO member states to either withdraw their troops from the Baltic region, thus ensuring that they remain in barracks, or to provide them with safe passage to leave the Baltic region. Although it is unlikely that NATO member states would cut such deals with Russia to ensure the safety of their troops, this scenario cannot be ruled out completely. Fourth, Russia may try to stay below the Paragraph 5 threshold by using its military to accomplish certain territorial or other aims without directly engaging NATO troops. If NATO troops come under a Russian military attack, the situation is quite straightforward and warrants a defensive military response. If, however, Russian troops – with or without insignia – accomplish minor territorial gains in the bordering regions of Lithuania, Latvia, or Estonia, such behaviour would require offensive actions on the part of NATO. Would it really be worth risking a major war with Russia for the sake of a few tens or hundreds of square kilometres? This may become a point of contention within NATO. This would be nothing new though, as Russia has orchestrated the strategy of creeping annexation with Georgia for years.

Fifth, Zapfe notes that 'NATO's presence in the Baltics is a front, not a flank' (Zapfe 2017). This has major implications, especially when considered against the Cold War background. The perception during the Cold War was that any conflict in Europe would quickly escalate into an all-out war where nuclear exchange would be likely. Had a limited aggression happened in Europe during the Cold War, it would have risked destabilizing the status quo along the border between East Germany and West Germany. The situation in which the Baltic states find themselves is different. Even occupation of the Baltic states would not risk an all-out war, unless NATO member states started such a war in response to Russia's military aggression. If Russia managed to demonstrate that it could defeat NATO in the Baltic region and hold its ground, NATO would face a hard choice between abandoning three of its members or risking a major war in Europe by trying to protect them from Russia's aggression. The strength of the Soviet Union during the Cold War was the key reason why it had to be denied any territorial aims. However, Russia is far weaker than the Soviet Union, and therefore may pose a threat to the Baltic states though it cannot pose a threat to Western Europe. Russia would, however, threaten Western Europe if there were a major war in Europe because of the occupation of the Baltic states. In short, there are major incentives for key NATO members to avoid conflict with Russia over the Baltic states even if the costs of inaction are high.

It is hard to think, however, why Russia would choose to initiate an attack on a NATO member state. Even in the absence of a military response, NATO member states would be able to inflict heavy economic and other costs upon Russia. However, the choice that NATO would face if Russia presented it with a *fait accompli* in the Baltic region is discomfiting. Russia would present NATO with two choices, both highly unacceptable, though the potential costs of inaction would be far less damaging than the potential costs of trying to protect the Baltic states. In short, Russia would have a good chance to deter NATO from fighting a war in the Baltic states. To prevent this, NATO needs to convince Russia that creating a *fait accompli* in the Baltic region by quickly occupying

Lithuania, Latvia, and Estonia would not be possible under any military scenario.

4. Latvia's response to the changing regional security environment

Latvia's response to the security challenges posed by Russia has been twofold. First, Latvia has pursued the aim to spend the recommended 2% of GDP on defence. This also means that the Latvian military aims to expand in terms of the number of troops and acquire new capabilities. Second, Latvia has tried to work with its NATO allies to increase the presence of the alliance in the Baltic states and Poland. It has also joined the British-led Joint Expeditionary Force (JEF), which since mid-2017 also includes Sweden and Finland. Both processes – domestic and international – have been closely interrelated. Although Latvia's security concerns have somewhat receded with the arrival of a Canadian-led multinational battalion and the likely meeting of the recommended defence expenditure target in 2018, there are still concerns regarding the adequacy and sufficiency of the adopted measures.

4.1. Latvia's efforts to increase defence spending.

Latvia has taken decisive steps to improve its self-defence capabilities over the past few years. However, Latvia's defence-related decisions have also been heavily influenced by the security environment in Europe and beyond in the early years of its NATO membership. A resurgent Russia is the driving force behind recent attempts to build a stronger military, but at the time when Latvia became a NATO member state in 2004, the prevailing wisdom was that the main threats to international security were international terrorism, failed states, and regional conflicts. This international context largely shaped Latvia's defence sector. The key missions where Latvia's military participated were out-of-area stabilizing operations in the Balkans and Afghanistan. It was deemed that Latvia's security was best guaranteed by participation in international operations. Meanwhile, NATO's approach to security in the Baltic region was one of

military absence rather than presence. It was assumed that security of the Baltic states would be best served by absence of any meaningful military infrastructure of the alliance, the Baltic Air Policing mission being the only exemption to this rule. There was, however, an intra-NATO debate even on the Air Policing mission – that is, questions were raised as to whether NATO should safeguard the integrity of the Baltic states' airspace. The argument that a single set of rules should apply to all NATO member states prevailed, but this instance reflects the prevailing thinking in the alliance at the time. The mantra was to avoid irritating and alienating Russia. Thus, NATO presence in the Baltic region was a red line that was not to be violated.

No steps to ensure NATO military presence in the Baltic region were taken that went beyond the Air Policing mission. There were no contingency plans at the time on how the Baltic states would be defended in case of a military conflict. This changed after the Russia-Georgia war of August 2008. The defence plan for Poland was expanded to include the Baltic states. This was followed by more military exercises in the Baltic region. The pace of events accelerated, however, after the start of the military conflict in Ukraine. The NATO Baltic Air Policing mission was strengthened, a rotational presence of troops from the United States and other NATO member states began, and the past few years have witnessed an endless marathon of allied military exercises. These developments signal a fundamental shift in terms of how NATO member states perceive Russia and what needs to be done to deter Russia from initiating military aggression in the Baltic region.

Increasing defence spending has been by far the most visible measure that Latvia has taken since the onset of the Ukraine crisis. The point, however, is that Latvia was quite slow in pursuing the aim of 2% of GDP on defence. After becoming a NATO member, Latvia did not manage to increase its defence spending to the recommended level. During the first few years after becoming an EU and NATO member state, Latvia enjoyed spectacular economic growth, which ensured that defence spending increased rapidly even though it hardly increased percentage-wise. Latvia's de-

fence spending increased from 133 million EUR in 2004 to 370 million EUR in 2008 (increasing as a percentage of GDP from 1.3% to 1.5%). The subsequent economic crisis (2008-2010) had a catastrophic influence on both Latvia's GDP, which fell by almost 25%, and on its defence spending, which experienced an even steeper fall. In 2010, Latvia spent just 196 million EUR on defence, which constituted slightly less than 1.1% of GDP. Defence spending somewhat increased in subsequent years in real terms, but further decreased as a share of Latvia's GDP. The lowest point was reached in 2012 when Latvia allocated just 0.9% of GDP for defence (Latvian MoD 2017).

However, 2012 was also the year when the State Defence Concept was adopted, which stipulated that defence spending should be gradually increased until 2020 when it would finally reach 2% of GDP (Latvian MoD 10 May 2012). Later in 2012, the medium-term plan for development of the National Armed Forces was adopted based on the assumption that defence financing would increase substantially. But the subsequent years saw only modest increases in defence spending. There was growing frustration about Russia's military modernization and NATO's inattention, but this did not translate into political will to spend more on defence. Even the law on defence financing which Latvia's parliament adopted in the summer of 2014 (well after the annexation of Crimea) prescribed only a gradual increase of defence expenditure. Defence spending was to reach 1.0% of GDP in 2015, 1.1% in 2016, 1.3% in 2017, 1.5% in 2018, 1.75% in 2019, and, finally, a full 2.0% of GDP in 2020 (Saeima 10 July 2014). Although the law stipulated that defence spending should be *no less* than the amount specified for each given year, it seemed that Latvia's decision-makers were not in a hurry to ramp up defence spending in the face of the growing Russian military threat.

The escalation of fighting in Ukraine and pressure from key allies, however, resulted in a revised timeline for increasing defence spending. The government decided in late August 2015 that Latvia should aim to reach the 2% mark as early as 2018, which would effectively mean that Latvia's defence expenditure would increase from 1.0% to 2% in

just three years (2016–2018). One consequence of these developments was that Latvia would increasingly develop self-defence capabilities which would be augmented by a stronger NATO footprint. Participation in international operations, though still important, was no longer regarded as a means to ensure national security. Questions remain, though, regarding defence spending targets. Estonia already spends more than 2% of GDP on defence, and it is likely that Lithuania may follow. Thus, Latvia may have to return to the debate on defence spending either in 2018 or once it reaches the recommended 2%.

Latvia's key priority is development of land forces both in terms of military capabilities and number of troops. Special operations forces are also among the main beneficiaries, as well as the National Guard, which is likely to be allocated a total of about 70 million EUR over a few years. Taking into account the possibility that much of the centralized military infrastructure would likely be severely damaged in the event of a Russian military aggression in the early phase of a conflict, the National Guard would be indispensable in engaging in armed resistance throughout Latvia (Romanovs 16 February 2017). To accomplish that, however, National Guard units have to be well-trained and equipped. There are doubts as to whether the National Guard constitutes a capable fighting force at the moment.

Funding for the Ministry of the Interior has also been increased, and there is better coordination between the Ministry of Defence and the Ministry of the Interior. Latvia has strengthened its anti-tank warfare capabilities by procuring man-portable fire-and-forget anti-tank guided missile systems ('Spike') as well as 'Carl Gustav' man-portable reusable anti-tank recoilless rifles. Latvia has also acquired four Sentinel tactical air defence radar systems through the European Reassurance Initiative (ERI), and is in the process of purchasing self-propelled howitzers from Austria. In terms of legislative changes, Latvia has taken steps that would oblige its military to defend the country under military attack even if the chain of command were broken. This strengthens Latvia's deterrent posture because defence becomes more auto-

matic. Simultaneously, Latvia has invested in infrastructure that would enable it to provide Host Nation Support (HNS). The Ministry of Defence allocated 24 million EUR for infrastructure in 2016, and considerably more funding (43 million EUR) has been made available for 2017 (Latvian MoD 28 December 2016).

One important aspect, however, has been largely absent from the debate on defence developments in Latvia – namely, the issue of conscription. Latvia abolished conscription in 2006, and has decided against reintroducing it in the wake of the crisis in Ukraine. This decision runs contrary to developments in other Baltic Sea region countries. Estonia never abolished conscription, while Lithuania abolished conscription in 2009 but reintroduced it again in 2015 because of insufficient numbers in the Lithuanian military. Sweden has also decided to reintroduce conscription. The position of the Latvian government, however, is that it needs a capable military and that reintroducing conscription would be a step in the wrong direction. It would be expensive because additional infrastructure would have to be built to accommodate conscripts. It would also deprive the professional military of experienced instructors. The argument goes that conscription may add very little if anything to a country's military potential because the length of military service is too short (it is four months in Denmark, and it used to be six months in Germany until 2011 when conscription was suspended). Also, a conscripted force is likely to be less motivated because some of them have been drafted as opposed to volunteering for military service. Drafting a number of ethnic Russians who have Latvian citizenship but may be sympathetic to Russia would also be a security concern.

Thus, conscription does not seem to be the right way forward for Latvia, but there is also awareness that the younger generation should receive at least some military training. Also, if Latvia is to turn the National Guard into a capable fighting force, it needs to recruit personnel from somewhere. Preferably, recruits should already have some military training when they volunteer for the National Guard. If there is no conscription, recruits would lack even the most basic military training.

The National Guard would have to spend more time and resources getting them to the required level of military preparedness. This, however, is just one part of the bigger question about what the Latvian government expects from society in case of a military conflict. The most recent defence-related efforts have mostly focused on defence acquisitions, but there are other issues such as the state of the civil defence system that should also be addressed in the coming years. Nonviolent resistance is another issue that the government may want to look into.

4.2. Latvia's view on NATO deterrence.

The second part of Latvia's two-pronged strategy was to work through NATO to increase NATO footprint in Latvia. NATO member states were not enthusiastic about the ensuring the military presence of the alliance in the Baltic states because the prevailing assumption was that Russia did not represent a threat to the Baltic states. Knowing full well that the issue of NATO military presence in the Baltics was too contentious, Latvia tried to ensure the presence of the United States' troops in some form on a bilateral basis, but these efforts were not successful. Also, Russia's military modernization slipped under NATO's radar, and repeated calls of the Baltic states to assess the implications of Russia's military exercises – ZAPAD 2013 being the most notable among them – fell on deaf ears.

A few years can make a difference though. Latvia had reasons to be pessimistic about NATO's ability to respond adequately to challenges posed by Russia in the spring of 2014. Latvia's concerns were to a great extent alleviated by the ensuing NATO summits in Wales (September 2014) and Warsaw (July 2016). The summit in Wales erased the red line which prevented the strengthening of the NATO footprint in the Baltic states. The decision to create NATO Force Integration Units (NFIUs) in six member states was a major step not only in terms of strengthening the presence of the alliance in the Baltic states but also in terms of facilitating rapid deployment of NATO forces to the eastern flank of the alliance. However, the signifi-

cance of the NATO Wales summit was far greater than simply establishing a small headquarters in six European frontline states. The Wales summit included important decisions to reverse declining defence expenditures in NATO member states, approve the NATO Readiness Action Plan to allow the alliance to respond rapidly to threats against the security of member states, establish the VJTF, and acknowledge that the alliance should be able to respond to hybrid threats. In addition to establishing NFIUs in six member states, which became operational in 2015, Latvia's allies ensured rotational presence of a small number of troops in the Baltic states. Approximately 150 American troops arrived in Latvia on 24 April 2014, and the rotational presence of US and other NATO member troops in Latvia has been permanent since then.

The NATO Warsaw summit was another major step forward in terms of pursuing the policy of deterrence. The contours of NATO deterrence vis-à-vis Russia have been laid out in the previous chapter and will not be repeated. It will suffice to mention that the decision taken in Warsaw regarding establishing EFP filled an important gap in NATO deterrence in the Baltic region. Although NATO deterrence is for the most part ensured by the alliance itself, not by its forward positioned troops, deployment of troops to the Baltic states and Poland is of great importance because it constitutes protection against a Russian *fait accompli* in the Baltic region. The combined military capabilities of the three Baltic states and the multinational battle groups should be sufficient to slow down the adversary, giving the alliance enough time to send reinforcements. Although it is difficult to estimate the combined deterrent effect of the Baltic militaries and multinational battalions, their presence makes it very unlikely that Russia would be able to make any military encounter with NATO in the Baltic region an isolated incident.

The presence of a multinational battalion, from a Latvian perspective, is seemingly contradictory: it is both an adequate minimum and everything that Latvia had hoped for. It is an adequate minimum because it is just a battalion with slightly more than 1 100 troops from six countries (soon to be eight in 2018), and its potential from a pure-

ly military standpoint is limited. It is, however, as much as Latvia had hoped for because just a few years ago it was hardly conceivable that NATO would dispatch troops to the Baltic states to deter Russia. Thus, this modest deployment is a sign of a sea change within the alliance. Also, it seems that the size of deployment will be conditional on Russia's behaviour; that is, NATO's forward presence may increase over time if NATO-Russia relations continue to deteriorate. If that happens, a battalion may eventually turn into a brigade. Deployment of a battalion-size force does not prevent NATO from sending more troops to the Baltic states temporarily, which is, indeed, very likely to happen when Russia holds its ZAPAD military exercise in mid-September 2017. An unrelated but nevertheless practical argument is that it would be very difficult for Latvia to accommodate a brigade-sized deployment of allied troops because of insufficient military infrastructure. The effort to accommodate a larger number of troops would also sap resources that are needed for improving combat capabilities of the Latvian military.

Conclusion

The annexation of Crimea and the military conflict in Ukraine forced NATO to increasingly look at its relations with Russia through the prism of deterrence. This development has been embraced by Latvia, although Latvia's decision-makers would have preferred if the alliance had started paying attention to Russia's military modernization and the potential consequences thereof sooner. The use of deterrence has made it necessary to apply military logic to NATO-Russia relations. The ratio of forces in the Baltic region is clearly in Russia's favour, and therefore the key issue for NATO is how to devise an effective deterrent against Russia without resorting to futile and politically destabilizing efforts of achieving military parity in the Baltic region. The path chosen by NATO has three major components in terms of forces: the Baltic states' militaries, multinational battalions stationed in the Baltic states, and forces outside the Baltic theatre that would be moved quickly to the Baltic states in case of military conflict. NATO's deterrent posture has to be credible in terms of

sufficiency of military forces in the Baltic states, in the sense that such forces would be sufficient to slow down the adversary early on, and in terms of readiness to move the VJTF and NRF to the Baltic states in case of Russia's military aggression even in the face of heavy resistance from the adversary. Taking into account Russia's formidable military, this is hardly a simple task.

This report also concludes that defence-related developments in the Baltic Sea region and in Europe more generally may add to NATO's deterrent potential. Recent years have witnessed the reversal of declining defence expenditures not only in most NATO member states, but also in Sweden. Although the Baltic states cannot safely rely on Finland and Sweden to provide military assistance in case of an armed conflict with Russia, both Nordic countries have pursued closer ties with NATO, though stopping short of alliance membership. Also, Sweden and Finland have recently joined the UK-led high readiness force – the Joint Expeditionary Force – of which the three Baltic states are also part.

Latvia's approach to security and defence has undergone profound changes from reliance on participation in international operations as an insurance that NATO would protect Latvia from external military aggression to a greater reliance on self-defence capabilities. The position that Latvia would take part in international operations and that its NATO allies would in turn protect it from Russia became untenable as the result of Russia's military modernization. Perhaps this position was always unrealistic. It was increasingly evident that neither Latvia itself nor its NATO allies would be able to defend against a Russian military attack. Moreover, it would be very difficult to reclaim Latvia from Russia were it defeated and occupied. Thus, Latvia's own efforts in recent years have primarily focused on increasing defence financing, strengthening its military capabilities, and working with NATO allies to ensure that NATO deterrence efforts with regard to Russia are sufficient and credible.

Latvia's view of NATO's approach to Russia has evolved from profound pessimism in early 2014

to a more optimistic outlook after the implementation of decisions that were made at the NATO summits in Wales and Warsaw in 2014 and 2016 respectively. Latvia's calls upon its NATO allies before the annexation of Crimea to pay more attention to Russia's military modernization lacked credibility because the Baltic states were regarded as biased against Russia and because Latvia's own defence spending had slipped below the 1% of GDP mark. Attempts to accomplish a stronger presence of NATO allies in the Baltic region had also been unsuccessful. The NATO Wales summit broke the taboo that NATO's presence in the Baltic region should be as little as possible. NFIU – a small headquarters that represents a visible NATO presence in Latvia – became operational in 2015. In the meantime, there was rotational presence of military units from other NATO member states which added to the visibility of NATO's presence in Latvia. The arrival of the multinational battalion within the NATO EFP framework alleviates Latvia's security concerns even further by increasing NATO military potential in the Baltic region. Moreover, it is encouraging that the approach which the alliance has adopted in response to Russia's challenge to Europe's security has been one of flexibility – that is, NATO's presence in Latvia is conditional on Russia's behaviour.

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Imprint

Friedrich-Ebert-Stiftung | Riga Office
37-64 Dzirnavu street | Riga, LV-1010

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ISBN 978-3-95861-938-8