Sandra KAZIUKONYTE:[1] The Baltics: Security environment and practical responses to the security challenges stemming from the crisis in Ukraine

Executive summary

- Although a number of events weakened the Baltic States' security perception since 2007, the Russian aggression in Ukraine served as a turning point, which the triggered the introduction of important practical measures of increasing the security of Estonia, Latvia and Lithuania.

- All three countries have increased their defense budgets significantly. In addition to the acquisition of new hardware, the Baltic States have increased investments in the development of military infrastructure, logistics and rapid reaction forces.

- Since the outbreak of war in Ukraine, which was perceived by Western great powers as the collapse of the post-Cold War European security architecture, NATO and the U.S. have significantly bolstered their presence in the territory of Eastern European member states, and particularly in the Baltic region.

- The main objective for the Baltics, however, is to obtain guarantees of the permanent presence of Allied forces on their territory, because the U.S. is seen as a key ally, and NATO as the main guarantor of security in the region. At NATO's Warsaw Summit the Baltic States will also seek greater military presence of European NATO members on the Eastern Flank.

The **Russian aggression in Ukraine has caused anxiety among the former countries of the Soviet Union, especially in the Baltics, which share direct borders with Russia. However, the weakening sense of security of the Baltics is not inspired by a single factor but several events since 2007. The following study provides an overview of these factors while also introduces those counter-measures as well as military programs and reforms in the region which aimed to strengthen the Baltic States' security after 2014. The final section of this paper presents those assurance measures which were implemented by foreign partners in order to balance the threat posed by Russia.**

Introduction

The Russian aggression against Ukraine and the illegal annexation of Crimea are violations of international law. The annexation of Crimea is the first territorial annexation by Russia since World War II, and is considered to be acceptable and legal in the eyes of Moscow. These actions represent the greatest challenge to the European security architecture since the end of the Cold War. These developments have led to the deterioration of the security situation in Northern Europe over the past years. The Western world considers Russia's aggression in Ukraine, most notably, the annexation of Crimea and the escalation of the conflict in the Eastern and Southern parts of Ukraine as a threat to international security. For example, former NATO Secretary General Anders Fogh Rasmussen described Russia's illegal and illegitimate aggression as the "*greatest challenge to Europe's security in a generation*".[2] Other international leaders share a similar view: Barack Obama, President of the United States, said that Russia poses a "*threat to peace in Europe*",[3] while German Chancellor Angela Merkel emphasized that "*Russia regards one of its neighbours, Ukraine, as part of a sphere of influence. After the horrors of two world wars and the end of the Cold War, this calls the entire European peaceful order*

---

into question".[4]

Recent events have also caused anxiety among the former Soviet Union countries, especially in the Baltics, which share a border with Russia. In the words of the President of Estonia, Toomas Hendrik Ilves, neighbouring countries cannot remain calm as they see "*a collapse of the current security architecture in Europe, which relied on both the Helsinki Final Act and the Paris Charter*".[5] The President of Lithuania used even harsher rhetoric towards Russia, labelling the country "*a terrorist state*".[6] After the annexation of Crimea a number of researchers have discussed whether or not the Baltic States could be the next target.[7] However, Russia's willingness to use hard power tactics to achieve its political objectives, using the rights of ethnic Russians as a pretext, is not something novel or surprising. Even though the Baltic States have been independent for quite a long time, Russia still affects them. The long history of ongoing tensions has shaped the general Baltic mindset towards Russia as the main cause of insecurity and unpredictability in the region.

The security environment of the Baltics

In recent years, tensions have returned or escalated between Russia and the Baltic States over contested historical events and symbols. The weakening sense of security of the Baltics started with the riots concerning the planned relocation of the Soviet monument in Tallinn in April 2007, which involved the Russian minorities, supported by the government of Russia. The movement of the "Bronze Soldier" from the centre of Tallinn to a military cemetery on the outskirts of the city was viewed entirely differently by ethnic Estonians and ethnic Russians: to Estonians, the statue represented oppression by the Soviet Union, while to the Russian minorities – and Russia itself – it was a commemoration of the fallen Soviet war heroes and a celebration of the defeat of Nazi Germany in World War II.[8] On the day the Bronze Soldier incident began, a three-week wave of cyber attacks hit Estonia – the first known incident of such an assault on a European state. The attacks were widely believed to have originated in Russia,[9] though whether or not they were sanctioned by the Russian government is unknown; the Russian government denied any involvement. The cyber attacks lasted from April 25, 2007 until May 4, 2007 and resulted in several websites being inaccessible, including the sites of the Estonian presidency and the Riigikogu (parliament), nearly all Estonian government ministries, several national political parties, three of Estonia's six biggest news organizations and two of Estonia's largest banks. Lithuania was also a target of a major cyber attack in June 2008,[10] three days after a legislation was passed by the Lithuanian Seimas (parliament) banning the display of Soviet symbols. In this attack, over 300 websites were assaulted using methods similar to those used in the attack on Estonia a year earlier. The Baltic sense of security was diminished further as a result of the Russian-Georgian War in 2008, and the expanded doctrine of foreign affairs of the Russian Federation. The changes in the doctrine, made by President Dmitri Medvedev, included clauses that allowed Russia to unilaterally defend its citizens and business interests beyond its borders. The so called policy of "Protection of Compatriots living abroad"[11] actually justified Russia's intervention in sovereign states. Consequently, Russia's use of military power against Georgia and its recognition of the independence of the breakaway territories were perceived by the Baltic States as a signal that Moscow might be interested in taking more active measures to increase its influence in these countries as well. Such sequence of

---

[4] Speech by Federal Chancellor Angela Merkel at the Lowy Institute for International Policy, [online], 17 11 2014. Source: Bundesregierung.de [05 05 2016]

[5] Jeremy BENDER: Estonian President: Europe's Security Architecture 'Has Collapsed', [online], 19 09 2014 Source: Business insider [06 05 2016]

[6] Rayyan SABET-PERRY: Lithuania President calls Russia a 'terrorist state', [online], 20 11 2014 Source: The Baltic Times [05 05 2016]

[7] For example, speculations on a similar course of events happening in Narva and the Ida – Virumaa region of Estonia. For more, see: Thomas SCHENIDER, Thanakorn CHEUNG: The Crisis in Ukraine: An Estonian Perspective, [online], 2015 Source: Kas.de [05 05 2016]

[8] Sarah Jacqueline SCOTT: Conflicting Conceptions of Security in NATO: The Baltic Stance on Tactical Nuclear Weapons Reductions and its Impact on Alliance Cohesion and Strategy, [online], 2014 Source: Ruor.uottawa.ca [05 05 2016] p. 48.

[9] Paul BELKIN, Derek E. MIX, Steven Woehrel: NATO: Response to the Crisis in Ukraine and Security Concerns in Central and Eastern Europe, [online], 2014, Source: Fas.org [05 05 2016] p. 10.

[10] SCOTT, p. 48.

[11] Official statement by Chief Counsellor (Department for Relations with the Compatriots Abroad) Smirnova T.: "State policy of the Russian federation in respect of compatriots living abroad" [online], 2013, Source: Iom.int [05 05 2016]

events strongly reinvigorated the Baltics' traditional security concerns and raised the relevance of hard security challenges. In addition to the use of economic[12] and political means, Russia has demonstrated its readiness to employ military force in order to reach its political goals. At that time, Estonia perceived the Georgian war as a turning point in history, and warned that it would eventually lead to an increase in Russian foreign activities.[13]

The continuous concerns regarding Russian military exercises and troop presence near the borders, even after the Baltic States' accession to NATO, provided another appropriate example of the growing feelings of insecurity. In 2009, the Russian military conducted the largest military exercises near NATO borders since the Cold War: Zapad 2009 and Ladoga 2009. At least 30,000 soldiers participated in the exercises,[14] which stretched along the entire Russian border with the three Baltic States and Finland. The Zapad 2009 exercise ended with a simulated first use of nuclear weapons on Poland, following the hypothetical failure of Russia's conventional defenses against NATO forces. The Zapad 2013 exercise, which encompassed 12,000 Russian and Belorussian troops,[15] was also perceived as an aggressive stance against NATO in the Northern European region, and particularly against the Baltic States.

Moreover, the strategic and military importance of the Kaliningrad exclave must also be emphasized in the context of the Baltic States' anxiety of their insecurity. In November 2011, then Russian President Dmitry Medvedev announced that he intended to deploy nuclear-capable short-range Iskander ballistic missile systems to the Kaliningrad oblast in order to counter – if necessary – NATO's planned ballistic missile defence (BMD) shield in Europe.[16] The Kaliningrad exclave has a direct border with Lithuania and the 500 km range of these missiles cannot only reach all three Baltic States but would also allow Russia to target the entire territory of Poland, and parts of Germany and the Czech Republic.[17] Although at that time, the missiles were not deployed, the current situation in the Kaliningrad oblast is troublesome. It is reported to be one of Europe's most militarized places today. A NATO official said that Moscow is stationing "*thousands of troops, including mechanized and naval infantry brigades, military aircraft, modern long-range air defence units and hundreds of armoured vehicles in the territory.*"[18] Military drills in Kaliningrad in December 2014 and March 2015 were conducted without no prior notification to the West, and the above mentioned Iskander missiles were reported to have been deployed at least temporarily. The size of the drills has been impressive with some 9,000 troops and 55 naval ships taking part.[19]

It must be mentioned that there have been numerous violations of the territorial integrity of the Baltic States (it is noted that Russia has violated Estonia, Latvia and Lithuania more than 377 times combined by breaking the boarders in air and on water[20]), and the most recent incident (September 5, 2014) massively boosted the official Estonian threat perceptions. Russian security services abducted an officer of the Estonian security police, Eston Kohver, in a sting operation on the border between the two countries. Estonia claimed that Russian operatives crossed the border to seize Kohver in a move unprecedented anywhere in the post-Cold War era,[21] which was viewed as an act of aggression and an element of hybrid warfare. NATO consultations pursuant to Article 4 were considered. Estonia took measures to unilaterally demarcate the border in order to make it clearly visible and properly monitored, and to make it more difficult for Russia to repeat similar provocative actions in the future. This incident took place immediately after President Barack Obama's visit to Tallinn, and during the NATO Summit in Newport. All these actions can be interpreted as an intention to cre-

---

[12] For example, an economic pressure, such as a trade embargo on food products. For more, see: Juris KAZA, Liis KANGSEPP: Baltic Countries Fear Impact of Russian Food Sanctions on Business, [online], 07 08 2014, Source: Wsj.com [05 05 2016]

[13] Elisabeth BRAW: Bully in the Baltics: The Kremlin's Provocation, [online], 2015, Source: Worldaffairsjournal.org, [05 05 2016] p. 2.

[14] SCOTT, p. 45.

[15] Raimonds RUBLOVSKIS: Latvian Security and Defense Policy within the Twenty - First Century Security Environment, [online], 2013-2014, Source: Degruyter.com [05 05 2016] p. 180.

[16] Sᴄᴏᴛ, p. 45.

[17] János DEÁK: The Military Significance of Kaliningrad, [online], 2009, Source: Uni-nke.hu [05 05 2016] p. 24.

[18] Tony WESOLOWSKY: Kaliningrad, Moscow's Military Trump Card, [online], 19 02 2015, Source: Rferl.org [05 05 2016]

[19] Ibid.

[20] BRAW, p. 1-3.

[21] Ahto LOBJAKAS: Estonia, [online], 2015, Source: eu-28watch.org [05 05 2016] p. 1.

ate the impression that regardless of their membership in the Western alliances, the Baltic States are weak and unable to guarantee the security of their citizens.

All of these ongoing tensions with Russia and the numerous incidents have a huge impact on the Baltic perspective on the security of the region. Despite their membership in the Alliance (all three countries became members of NATO on March 29, 2004), the Baltic States have continued to perceive Russia as a direct military threat to their sovereignty. The Baltic perspective on security has been shaped by their size,[22] geostrategic location, historical experiences, capabilities, energy dependence,[23] and the ethnic composition of the population (Latvia[24] and Estonia[25] have minority populations of ethnic Russians, 26.2% and 24.8% respectively – a significant element in their threat calculations).

Such a perception is not only reflected in the statements by the politicians and in the main strategic documents, but it is also echoed by the societies, as well. For example, in a 2007 survey, 44% of the inhabitants of big cities responded that Russia posed the biggest threat for Lithuania.[26] A public opinion survey of 2012 revealed that the majority of Lithuanians (60% of the male population, and 32% of females) would go to defend Lithuania if it was threatened, while 73% believed that Lithuanian citizens must be trained to defend their own homeland.[27] As tensions escalated between Russia, and the U.S. and its NATO allies over the situation in Ukraine a Gallup World Poll was carried out in summer, 2015 in Eastern European countries, and it revealed the general perception that Russia was the greatest foreign threat in the region. More specifically, 58% of Estonians, 46% of Lithuanians and 42% of Latvians said that they see Russia as the greatest potential threat to their country.[28]

Rhetoric vs. practical measures against insecurity

The chronological analysis of the development of the main security and defense documents[29] of the Baltic States reflect the importance of the above mentioned factors in their preservation of sovereignty and territorial integrity in light of the continuous tensions with Russia. In response to the cyber attacks on Estonia in 2007, the Baltic States included non-traditional threats into their security discourse. Moreover, Estonia has become one of the leading countries in the world in creating and implementing e-government solutions and cyber security measures. The NATO Cooperative Cyber Defense Centre of Excellence was also established in Estonia in 2008.[30] An informal cyber defense cooperation network started to take shape within the Kaitseliit (Estonian Defense League) volunteer corps immediately after the massive attacks in 2007, and led to the establishment of the Cyber Defense League in 2010, bringing together volunteer competence in IT security. Estonia was also given the opportunity to lead cyber defense cooperation within the European Defense Agency in November

---

[22] All three Baltic States are considered to be "small" in terms of their size of territory and population, as well as military and economic capabilities.

[23] Estonia, Latvia and Lithuania are exceedingly reliant on Russian energy – they each depend on Russia for approximately 90% of their oil and 100% of their natural gas imports. They remain heavily dependent on Russian energy because of a lack of domestic resources within their territories, and due to the legacy of the Soviet era infrastructure of pipelines, electricity and gas grids, all of which remain connected to Russia. For more, see: Agnia GRIGAS: *Legacies, Coercion and Soft Power: Russian Influence in the Baltic States*, [online], 01 08 2012, Source: Chathamhouse.org [05 05 2016]

[24] For example, language issues have caused recent tensions between Russia and Latvia. In 2012, the constitutional referendum rejected naming Russian as Latvia's second official language, although it is the first language for about one third of the population. For more, see: *Latvians reject Russian as official language*, [online], 19 02 2012, Source: theguardian.com [05 05 2016]

[25] Most notably the Narva region, a township on Estonia's border with Russia, whose population is 96% Russian-speaking.

[26] *Apklausa: 44 proc. Didmiesciu gyventoju mano, kad didžiausia gresme Lietuvai kelia Rusija* [Survey: 44% of the population thinks Russia poses the greatest threat], [online], 07 10 2007, Source: Delfi.lt [05 05 2016]

[27] *Apklausa: Lietuva gintu 60 proc. šalies vyru* [Survey: 60% of the male population would defend Lithuania], [online] 03 01 2012, Source: Delfi.lt [05 05 2016]

[28] *Gallup World Poll*, [online], 2015, Source: Gallup.com [05 05 2016]

[29] National Security Concept of Estonia (2010), National Defense Strategy of Estonia (2010); State Defense Concept of Latvia (2008), The National Security Concept of the Republic of Latvia (2011), State Defense Concept of Latvia (2012); The Lithuanian National Security Strategy (2005), The Military Strategy of the Republic of Lithuania (2004), Lithuanian Defense Policy White Paper (2006), Lithuanian National Security Strategy (2012), The Military Strategy of the Republic of Lithuania (2012).

[30] Riina KALJURAND: Security Challenges of a Small State: the Case of Estonia. In: Raimonds RUBLOVSKIS, Margarita ŠEŠELGYTĖ, Riina KALJURAND: *Defense and Security for the Small: Perspectives from the Baltic States*. Centre for Small State Studies, Institute of International Affairs, 2013. p. 69.

2012, and the European Commission has asked Estonian President Mr. Toomas Hendrik Ilves to chair the Steering Board of the European Cloud Partnership.[31]

However, after the Russian-Georgian war in 2008 –a renewed emphasis can be observed on the increased probability of traditional military threats. In June 2009 in Lithuania new guidelines were issued by the National Minister of Defense. They envisaged the creation of a new high readiness battalion – a unit size fit to react to any violation of Lithuania's sovereignty. It is also worth mentioning how the wording of the Lithuanian National Security Strategy has changed. For example, the 2006 Lithuanian Defense Policy White Paper stated that non-democratically ruled armed forces, failed states and frozen regional conflicts pose serious threats to Lithuania, and the document pointed out that "*in the long run, force demonstration and military conflicts remain a potential threat*".[32] The new National Security Strategy, which was adopted in 2012, added: "*though the probability of direct military confrontation in the region is low, yet the increasing military power of certain regional states, tendencies towards the demonstration of power and threats to use it and also cases of the use of that power, do not allow a possible military threat to Lithuania in the future to be ruled out*".[33]

Despite the perception of Russia as a direct threat, and the taken measures in response to the increased tensions and the growing unpredictability of the security environment, the Baltic States heavily rely on the security guarantees from their membership in NATO, and in particular on Article 5 of the Washington Treaty. The security policy of all three countries is based on three fundamental principles: comprehensive security strategy, collective defense (awarding NATO with a special *primus inter pares*[34] security provider status) and bilateral strategic partnership with the U.S. Baltic countries belong to the group of 'new Atlanticists', and they are very enthusiastic to advocate in favour of NATO, and primarily of the special role of the U.S. in European security. They consider NATO as the main security partner, precisely because of the U.S. participation in it. All three countries underline that strategic partnership with the U.S. in the field of defense has fundamental importance for their very statehood. However, their main strategic ally, has repeatedly criticized the low level of their national contributions to the Alliance, which actually do not reflect the rhetoric about the increased insecurity of the region.

The Baltic States are among the militarily weakest members of NATO, with only Estonia reaching the expected 2% of the GDP expenditures on defense, the other two states spend around or below 1% of their GDP on the military. For example, the Lithuanian defense budget was reduced from 1.4% of GDP in 2004 to only 0.8% in 2013, which is among the lowest in NATO, and inconsistent with NATO's defense spending target of 2%. Such a reduction of the GDP portion for defense immediately after Lithuania became a member of NATO apparently indicated only occasional, political "concerns" for defense in seeking to become a member of the Alliance. It must be mentioned that the 2008 global economic crisis hit the Baltic States hard. The period after 2008 is characterized by budget cuts. In Estonia, these were gradually increased over a period of three years. In Latvia and Lithuania, on the other hand, defense expenditures declined quickly and sharply.[35] However, Estonia's recovery from the crisis was relatively less painful than that of its Baltic neighbours (Latvia was hit so hard that it has been forced to seek €2 billion emergency aid from the IMF[36]), and its political commitment to NATO's 2% of the GDP for defense requirement (making the country one of the three NATO countries in Europe, alongside Greece and the United Kingdom) remained steady.[37] At the end of 2010, Estonia even managed to officially become a full member of the Organization for Economic Co-operation and Development (OECD). Besides, despite the fiscal hardships, it is worth mentioning that Estonia also managed to adopt the Euro in 2011. (See: Figure 1.[38])

---

[31] Ibid.

[32] Lithuanian Defense Policy White Paper, [online], 2006, Source: Kam.lt [05 05 2016]

[33] Lithuanian National Security Strategy, [online], 2012, Source: Kam.lt [05 05 2016]

[34] MARGARITA Šešelgytė: Lithuania. In: Heiko BIEHL, Bastian GIEGERICH, Alexandra JONAS (Eds.): *Strategic Cultures in Europe: Security and Defense Policies Across the Continent*. Potsdam: Springer, 2013, p. 217-228.

[35] Eric J. De BAKKER, Robert BEERES: A Comparative Financial Analysis of Military Expenditures in the Baltic States, 2000-2010, [online], 2012, Source: Baltic Security and Defense Review [05 05 2016] p. 11.

[36] Ibid. p. 8.

[37] Financial and Economic Data Relating to NATO Defense, [online], 2011, Source: Nato.int [05 05 2016]

[38] Piotr SZYMAŃSKI: Between continuation and adaptation: The Baltic states' security policy and armed forces, [online], 2015, Source: aei.pitt.edu [05 05 2016]

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Lithuania													
% of GDP	1,2%	1,2%	1,2%	1,1%	1,1%	1,1%	0,9%	0,8%	0,8%	0,8%	0,8%	1,1%	1,5%
U.S.$ mln.	418	455	504	550	567	428	357	345	345	357	378	425	574
Latvia													
% of GDP	1,7%	1,7%	1,9%	1,7%	1,7%	1,4%	1,1%	1,0%	0,9%	0,9%	0,9%	1,0%	1,6%
U.S.$ mln.	382	444	559	609	597	379	287	297	273	293	307	254	322
Estonia													
% of GDP	1,7%	1,9%	1,9%	2,1%	2,1%	2,3%	1,8%	1,7%	2,0%	2,0%	2,0%	2,05%	2,07%
U.S.$ mln.	317	395	444	538	519	470	366	389	455	470	496	412	449

Figure 1: Military expenditures in the Baltic States in the years 2004-2016 (% of the GDP and nominal value in U.S.$), according to the SIPRI Yearbook and figures from the Defense Ministries

Furthermore, it is interesting to explore the considerably different allocations of budget among the Baltic States over the various spending categories: personnel, infrastructure, military systems and O&M (operations and maintenance).[39] The expenditures for personnel have varied considerably – for Lithuania, this expenditure was more than 60% of the 2010 budget.[40] At the same time, infrastructure procurement has been relatively stable. Expenditures for O&M and for the procurement of military systems are much more volatile because these expenditures can be increased and decreased more easily at the order of the government. The high percentage of personnel costs in the overall budgets has made it difficult to implement major budget changes. Inevitably, the burden of cuts falls most heavily upon the services' materiel costs. This imbalance is harmful for military operations, and eventually rethinking defense priorities and addressing the deferred material requirements of the defense forces of the three Baltic States will have to be a top priority.

Another important issue that must be addressed is the military potential of the Baltic States. The Baltic States have a small military potential and have no capability to independently engage in the regular defense of their own territory. This is mainly due to the small size of their armed forces (see: Figure 2.[41]) and the fact that they are poorly equipped.

	Estonia	**Latvia**	**Lithuania**
Active military forces	5,250	5,870	7,880
Reserve military forces	11,500	11,000	4,600

Figure 2: The composition of the armed forces of the Baltic States

Due to budgetary constraints, the air forces of the Baltic States do not have combat components (their tasks are limited to transport and training), and their land forces have no tanks. The land forces are the main military branch in the Baltic States (in each of them, an infantry brigade constitutes the core of the army), and

---

[39] BAKKER, BEERES, p. 17.
[40] Krašto apsaugos ministerijos 2010 m. veiklos ataskaita [Report on the activities of the Ministry of National Defense for 2010], [online], 2010, Source: Kam.lt [05 05 2016]
[41] Jane's Sentinel Country Risk Assessments Central Europe and Baltic States. United Kingdom: *HIS Global Limited*, 2011/27.

they possess limited anti-tank and air defense capabilities. Despite their limited capabilities, the three Baltic States actively participated in international expeditionary NATO missions (most notably in Afghanistan and in Iraq). Their involvement actually defined the direction, in which Lithuania and Latvia modernized their armed forces. They were professionalized (Latvia abandoned the conscription system in 2006, while Lithuania did it in 2008) and developed their expeditionary potential at the expense of the capability to defend their own territories. In both countries, the reforms also involved a downsizing of the number of troops, reservists and territorial defense forces (TDF in Lithuania were incorporated into the land force in 2003) and investments were made in the navy and special forces.[42] Estonia adopted a more reserved stance with regards to the doctrinal changes within NATO (while actively participating in foreign missions). The country has retained the Finnish defense model (the principle of total defense, armed forces based on conscription, but with a professional component) and maintained a classic TDF, organized into units corresponding to the country's administrative divisions.[43]

The Baltic States are constantly facing the dilemma of how to balance territorial defense, expeditionary contributions and limited resources. In spite of the emphasized Russia threat, their armed forces were reformed to shift away from the concept of territorial defense to quickly deployable forces, which could be effective for the range of international missions, which are undertaken by NATO. The participation in international military operations was gradually increasing and, even in the face of the severe financial crisis, international deployments have not been reduced,[44] which has imposed a major burden on the national budgets.

Because of their geographic location, the limited armed forces and the lack of their own fighter aircraft potential, the Baltic countries rely on their NATO allies for policing and defending their airspace. The so called Baltic Air Policing Mission has been carried out on a rotational basis since 2004 (based at an airbase in Šiauliai, Lithuania) and is intended to protect the sovereign territory and airspace of the Baltic States. The visibility and credibility of NATO is especially significant against the backdrop of an assertive Russia. In response to the previously mentioned military power demonstrations by Russia, NATO tried to bolster security in the region and reassure the Baltic States of the validity of commitments towards all members of the Alliance. For example, NATO NRF Live Exercise Steadfast Jazz 2013 was conducted in November 2013. 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.[45]

Turning point: The war in Ukraine

Although there is a continuous anxiety among the Baltic States about their security and already the Russian – Georgian war was perceived as a turning point in the security environment, the major reassessments of threat perceptions and military strategies were caused by the political and military crisis in Ukraine. It is important to mention that in light of the changed security environment, the Parliament of Latvia passed a new National Security Strategy in 2015[46] and Lithuania adopted a new Military Strategy on March 18, 2016.[47] In the new strategic documents, the unconventional threats and the possibility of the radicalization of the societies are mentioned, due to the experiences of the events in Georgia and Ukraine. As the Lithuanian Minister of National Defense, Juozas Olekas said: *"The military strategy of 2012 was no longer relevant in terms of security issues and the consequent new tasks for the Lithuanian Armed Forces."*[48] The outbreak of war in Ukraine, and the annexation of Crimea have come out as a catalyst to the Baltic States to finally step up the efforts to implement practical decisions to strengthen their military capabilities. Significant changes concerning the security policies and the armed forces of Lithuania, Latvia and Estonia have included increases in defense spending,

---

[42] SZYMAŃSKI, p. 2.
[43] The Estonian Defense League Act, [online], 2013, Source: riigiteataja.ee [05 05 2016]
[44] Margarita ŠEŠELGYTĖ: A Midget Warrior: Security Choices of Lithuania. In: Raimonds RUBLOVSKIS, Margarita ŠEŠELGYTĖ, Riina KALJURAND: *Defense and Security for the Small: Perspectives from the Baltic States.* Centre for Small State Studies, Institute of International Affairs, 2013. p. 34.
[45] RUBLOVSKIS, p. 184-185.
[46] Saeima adopts National Security Concept, [online], 26 11 2015, Source: Saeima.lv [05 05 2016]
[47] The Military Strategy of the Republic of Lithuania 2016, [online], 2016, Source: Kam.lt [05 05 2016]
[48] Lithuania approves new military strategy, [online], 2016, Source: Army-technology.com [05 05 2016]

the number of soldiers and the members of volunteer Territorial Defense Forces, speeding up modernization programmes, and – in the case of Lithuania – the reintroduction of conscription.

Increased military spending

In 2014, reacting to the Russian intervention in Ukraine, Lithuania and Latvia committed themselves to gradually increase their defense budgets to reach 2% of the GDP by 2020 (currently, both governments are planning to accomplish this objective in the year 2018[49]). In 2014, Lithuania spent 0.8% and Latvia 0.9% of their GDP on defense. Estonia has maintained its defense spending at the level of 2% of the GDP since 2012, in compliance with NATO recommendations. Budgets for 2015 show a continued increase in military spending in all three countries (compared to 2014): a 7.3% increase in Estonia, a 14.9% increase in Latvia and, most dramatically, a 50% increase in Lithuania.[50] For the first time after the independence and a decade of the reduced defense spending, it clearly shows that threats from Russia are taken seriously. The implementation of the ambitious plans to raise defense to 2% of the GDP by 2018 appears to be on track: the 2016 defense budget in Latvia was increased by 45% and it will reach 1.6% of the GDP;[51] Lithuania's defense budget was raised by a third and it reached 1.5% of the GDP.[52] Estonia increased defense spending by 9% in 2016, and it already exceeds the 2% commitment.[53]

The development of the armed forces

The conflict in Ukraine has also triggered discussions about the reform of the Territorial Defense Forces. In Estonia, there is broad consensus that the country should keep its conscription system, and not change the nature of the Kaitseliit as a traditional volunteer formation.[54] Estonia has not amended its original plans for the development of its national defense by 2022. The outlined priorities include the increase of the organisation's size to 30,000 members and the replacement of battalion-size units by more mobile companies, to be recruited from local communities. Also, the number of members, who are authorized to keep personal weapons and ammunition at home, has been increased (the target proportion is 70%[55]), in order to shorten the TDF's reaction time. In Latvia, the reform and modernization of the Zemessardze is one of the Defense Ministry's priorities. That is because in previous years the organization has been underfinanced and Latvia has plans to expand its reserve force. By 2018, 18 Zemessardze units with higher combat readiness and increased rapid response capabilities are to be established in Latvia.[56] The TDF rapid reaction units will be better equipped and trained. The structural changes are expected to entail an increase of the number of regular troops from 5,300 to 6,000 in 2018 and the number of volunteer TDF from 8,000 to 12,000 members by 2020.[57] Lithuania's response to the rising uncertainty in the region has included forming a rapid reaction force. At the end of 2014, Lithuania was the first NATO country to create such forces: 2,500 troops were assigned to a rapid reaction component of the armed forces (the two best equipped battalions of the land forces, 800 troops each, with air force and special force support and logistics backing).[58] The Lithuanian Defense Ministry has stated that some units are ready for deployment within two hours of receiving orders. The decision to create this formation was motivated not only by fears that the process of building the NATO spearhead might be prolonged, but also by the willingness to demonstrate to NATO that Lithuania is ready to take greater responsibility for its own security and

[49] Bengt-Göran BERGSTRAND: Military Expenditure Trends in the Baltic Sea States, *FOI MEMO 5544*, 2015.
[50] Military spending in Europe in the wake of the Ukraine crisis, [online], 2015, Source: sipri.org [05 05 2016]
[51] Alessandro MARRONE, Olivier De FRANCE, Daniele FATTIBENE (Eds.): Defense Budgets and Cooperation in Europe: Developments, Trends and Drivers, [online], 2016, Source: Iai.it [05 05 2016] p. 13.
[52] Ibid. p. 14.
[53] Ibid. p. 13.
[54] Estonian Long Term Defense Development Plan 2009-2018, [online], 22 01 2009, Source: Kmin.ee [05 05 2016]; National Defense Development Plan 2013-2022, [online], 24 01 2013, Source: Kaitseministerium.ee [05 05 2016]
[55] Home guard wants more servicemen to store weapons at home. *ERR*, 04 02 2015.
[56] 18 rapid response units to be created in National Guard, [online], 30 07 2014, Soure: News.err.ee [05 05 2016]
[57] Piotr SZYMAŃSKI, Justyna GOTKOWSKA: The Baltic states' Territorial Defense Forces in the face of hybrid threats, [online], 2015, Source: Osw.waw.pl [05 05 2016] p. 4.
[58] Lithuania starts forming rapid response force, [online], 03 11 2014, Source: En.delfi.lt [05 05 2016]

that of the region. In the debate on the creation of rapid response forces, the importance of territorial defense units has been emphasized, including voluntary units operating locally – these are considered more effective in estimating the level of threat in its initial phase. Also, it is important to mention that in 2014 Lithuania amended its law on the use of the military force in peacetime.[59] Should foreign military troops appear on Lithuanian territory, the president may authorize the use of the armed forces (i.e. introduce martial law) without seeking the parliament's approval. Moreover, in February 2015, the compulsory military service for a period of five years was reintroduced, a move that will see 3,000 personnel aged 19-27 to serve for nine months.[60] This decision will enable to increase the number of troops (to double the present number by 2021), rebuild the reserve system and form a second infantry brigade.

The importance of rapid reaction forces for the Baltic States, after the success of hybrid warfare tactics in the Ukrainian conflict, is clearly increasing. The task of these troops is to react to all types of provocative acts, including nationalist-motivated conflicts; attacks of groups of armed individuals, wearing unmarked uniforms; the seizure of public administration buildings; attacks against critical infrastructures; infiltration by armed groups across borders; the violation of military transport procedures; as well as certain threats emerging in neighbouring countries, without the need to involve regular troops.

Modernization programs

Higher defense spending will enable the Baltic States to sep up investments in new armament and military equipment. In 2014-2015, the Baltic States acquired heavy equipment: Estonia (allocated around €40 million to purchase new weapons, equipment and ammunition[61]) bought 44 CV-9035NL infantry fighting vehicles from the Netherlands.[62] Latvia bought 123 CVR (T) armoured vehicles from the United Kingdom and has also purchased anti-tank weapons and logistics vehicles, as part of a wider investment in the army.[63] Lithuania acquired 21 PzH 2000 self-propelled howitzers from Germany and GROM man-portable air-defense systems from Poland.[64] Furthermore, the Baltic States have increased their investments in early warning systems and stronger airspace surveillance. Latvia has decided to purchase new air-surveillance radars: three medium-range TPS-77 Multi-Role Radars (MRR) in 2015.[65] After 2016, three next generation 3D long-range radars will be installed in Lithuania,[66] to replace the post-Soviet radars. Estonia has two Ground Master 403 long-range radars (purchased jointly with Finland in 2009).[67] It is also important to mention the cooperation between Latvia and Lithuania: in July 2015 they agreed to jointly pursue a new air defense system.[68]

In addition to the above mentioned purchases, the Baltic States have increased investments in the development of military infrastructure and logistics. The main work included the modernization of air bases (Šiauliai, Lielvārde, Ämari), military barracks and depots, and the expansion of military training areas (Pabradė, Rukla, Ādaži, Kuusalu, Tapa).[69] The conflict in Ukraine has led to an acceleration of the implementation of key projects, most notably an additional air base in Ämari, and Estonia was opened for the needs of the Baltic Air Policing mission.

Even with considerably increased defense expenditures, the purchase of armament and military equipment, and the recruitment of new soldiers, the Baltic States will not be able to fully compensate for the negative changes in their security environment. The dynamics of the changes within the Baltic States' armed forces will

---

[59] New Statute on Use of Military Force will allow to immediately use Armed Forces in response to non-conventional threats in peacetime', [online], 16 12 2014, Source: Kam.lt [05 05 2016]
[60] Lithuania to reinstate compulsory military service amid Ukraine tensions, [online], 24 02 2015, Source: Theguardian.com [05 05 2016]
[61] SZYMAŃSKI, p. 5.
[62] Ibid, 4.
[63] The Military Balance Chapter Four: Europe, Routledge, *IISS*, London 2016. p. 114.
[64] SZYMAŃSKI, p. 5.; The Military Balance Chapter Four: Europe, p. 116.
[65] SZYMAŃSKI, p. 5.
[66] It is funded by the NATO Communications and Information Agency, and the NATO Support and Procurement Agency, as part of the strengthening of the NATO Integrated Air Defense System. For more, see: SZYMAŃSKI,
[67] SZYMAŃSKI, p. 4.
[68] The Military Balance Chapter Four: Europe, p. 116.
[69] SZYMAŃSKI. p. 4.

largely depend on the economic situation, which will in turn determine the size of defense budgets. Demographic trends must also be addressed in this context. The ongoing phenomenon of depopulation will also be an important factor, limiting the Baltic States' ability to man their military units. Nonetheless, the Russian aggression in Ukraine has contributed to a significant boost in the defense investments of the Baltic States.

Reassurance by international partners

During the crisis in Ukraine, which was perceived by the leading powers as the collapse of the peaceful European security architecture, NATO has significantly bolstered its presence in its Eastern European member states, and particularly in the Baltic region. It is important to mention that in light of Russia's actions, the Baltic States have pled for permanent presence of allied forces in the territory of their countries. In May 2015, the commanders-in-chief of the Baltic States' armed forces called on the Supreme Headquarters Allied Powers Europe to deploy brigade-sized forces on their territories (one battalion per country),[70] despite the fact that the NATO-Russia Founding Act bans a permanent presence of NATO forces in Eastern and Central Europe. However, since there are no plans to establish any permanent NATO bases in the Baltic States, there were numerous other measures taken by the allies to reassure the Baltic States of the validity of NATO commitments.

The United States has been a key driver of NATO response, and has taken additional military measures intended to reassure its allies and partners in Central and Eastern Europe. Obama's visit to Estonia in September 2014 was heralded as a symbol of the U.S.'s commitment to the Baltics in case the region would ever be under threat.[71] It dismissed fears arising in the previous years because of the Pacific region evolving as the first priority of the U.S., leaving Eastern Europe and the Baltic region of marginal importance to Washington. The U.S. moved to reassure its Central and Eastern European partners, for which the European Reassurance Initiative of up to $1 billion was launched, with measures,[72] such as:

- Increasing exercises, training and rotational presence across Europe, but especially on the territory of new NATO member states;
- Increasing the responsiveness of the U.S. forces to reinforce NATO, by exploring initiatives such as: the prepositioning of equipment and improvements to other reception facilities and infrastructure in Europe;
- Increasing participation by the U.S. Navy in NATO naval force deployments, including more persistent deployments to the Black and Baltic Seas.

Practical measures taken to reassure the Baltic States include: more tanks have been sent to Latvia by the U.S.,[73] in order to support the American military resources that were already present. This was followed by another increase in military assets in the shape of soldiers; and NATO sent another 5,000 soldiers.[74] For Estonia, the U.S. allocated $24.7 million for the expansion of the infrastructure at the Ämari Air Base.[75] Moreover, additional six F-15 fighter jets to the Baltic Air Policing Mission were deployed, and 150 paratroopers were stationed in Poland, Lithuania, Latvia and Estonia each.[76] The Defense Department has also enhanced U.S. naval presence in the Black and Baltic Seas, including four minesweepers and a support vessel.[77]

Furthermore, the NATO Wales Summit, which took place in September 2014, was a historic one because "*for the first time in a quarter century, the alliance is increasingly reverting its gaze eastward*".[78] The NATO Readiness Action Plan, which provides a coherent and comprehensive package of necessary measures to re-

---

[70] Richard MILNE: Baltics Urge NATO to Base Permanent Force in Region, [online], 09 04 2014, Source: Ft.com [05 05 2016]; Ilves calls for permanent NATO force in Estonia, [online], 13 04 2015, Source: bnn.news.com [05 05 2016]

[71] SCHNEIDER, CHEUNG.

[72] Fact Sheet: European Reassurance Initiative and Other U.S. Efforts in Support of NATO Allies and Partners, [online], 03 06 2014, Source: Whitehouse.gov [05 05 2016]

[73] Additional tanks and armoured vehicles to arrive in Latvia from USA, [online], 04 03 2015, Source: bnn.news.com [05 05 2016]

[74] NATO to double its response forces, [online], 28 04 2015, Source: bnn.news.com [05 05 2016]

[75] Fanny LUNDGREN: The Baltic States Perception of Russia, [online], 2015, Source: BA Thesis, Linnaeus University [05 05 2016] p. 29

[76] BELKIN, et al, p. 4.

[77] Adrian CROFT: NATO to Send Ships to Baltic to Bolster Defense of Eastern European Allies, [online], 17 04 2014, Source: Reuters.com [05 05 2016]

[78] Matthias BIERI: NATO after Wales: Dealing with Russia – Next Steps, [online], 2014, Source: Css.ethz.ch [05 05 2016]

spond to the changes in the security environment on NATO's Eastern borders, was agreed upon with concrete measures,[79] such as:

- Preparation of more detailed contingency plans that would be reviewed and upgraded regularly, taking into account the newly emerged security threats;
- The establishment of permanent command and control assets, and the deployment of vehicles, weapons and other equipment for the High Readiness Joint Task Force in Poland, Estonia, Latvia, Lithuania, Romania;
- The creation of the "spearhead" Very High Readiness Joint Task Force of 4,000 troops, which would be combat-ready within two to five days.

The shared sense of threat also contributed to the greater willingness of NATO allies and partner countries to participate in the increased number of military exercises. For example, the largest ever military training, "Iron Sword 2014" took place in November 2014 in Lithuania, with 2,500 troops from 9 allied countries in total.[80] In March 2015, the U.S. and Estonia planned the biggest joint military exercise, which was perceived by Estonian Air Force Chief, Colonel Jaak Tarien as: "*a clear sign that our allies, the United States, have included a presence in Estonia in their long-term plans, and similar exercises will start taking place here on a regular basis*".[81] Finally, the most impressive example of joint military exercises must be mentioned: on June 5-20, 2015 some 49 ships, 61 aircraft, one submarine and 5,600 military personnel from Belgium, Canada, Denmark, Estonia, Finland, France, Germany, Georgia, Latvia, Lithuania, the Netherlands, Norway, Poland, Sweden, Turkey, the UK and the U.S. participated in the multinational maritime exercise BALTOPS 2015 – staged in Poland, Sweden, Germany and the Baltic Sea.[82]

Russia's increased military presence and activities, especially in the Baltic Sea region underline the importance of an enhanced Nordic-Baltic defense cooperation and security policy dialogue. The Nordic solidarity with the Baltic States is evident in the political statement in April 2015, when the Nordic countries declared that Russia is a major threat, and agreed to cooperate with and to support the Baltic States, if they required it.[83] It was not the first step towards the Nordic-Baltic cooperation – in 2012, for the first time, the Baltic States have been invited to participate in a meeting of the NORDEFCO military coordination committee. However, serious limits remain for closer and enhanced cooperation. The most important factor is that six out of the eight countries are already members of NATO. NATO is seen as the primary organization for military solidarity and collective defense in Europe, and – consequently – none of these countries want the NORDEFCO cooperation to become a substitute for NATO. From the perspective of the Baltic States, the Nordic-Baltic security and defense cooperation could be very useful, if it is only supplementary to the wider NATO Alliance, and the United States commitment to defend the Baltic States.

Nevertheless, there are a few examples of valuable regional Nordic-Baltic cooperation. For example, the joint defense college BALTDEFCOL, which was initiated and supported financially by the Nordic states, is one of the most successful cooperation projects.[84] Also, with regards to the increased Russian propaganda and military presence in the region, significant efforts were made to establish the secure lines of communication between the nations,[85] in order to improve the transparency and understanding of the security situation in the region. Moreover, a new project concerning information-sharing has been initiated at the political level. There have also been good experiences with joint cross-border training (CBT), where the Nordic air forces train together on a weekly basis. The concept is open for the participation of non-Nordic countries, as well. For example, in 2015, the United States participated in CBT on several occasions. After a decision on the political level, Germany, the Netherlands, Poland and the United States were invited to participate in 2016.[86] The

---

[79] NATO Wales Summit Declaration, [online], 05 09 2014, Source: Nato.int [05 05 2016]

[80] Iron Sword 2014, [online], 06 11 2014, Source: Kariuomene.kam.lt [05 05 2016]

[81] Estonian Air Force's biggest ever joint exercise with US set to begin, [online] 19 03 2015, Source: Baltictimes.com [05 05 2016]

[82] Jan Joel ANDERSSON: Defense: Solidarity, Trust and Threat Perception, [online], 01 07 2015, Source: Iss.europa.eu [05 05 2016]

[83] Nordic countries: Russia has become the largest threat to Europe's security, [online], 10 04 2015, Source: bnn.news.com [05 05 2016]

[84] Arunas MOLIS: Standpoint of the Baltic States towards NATO and ESDP: The Russian Factor, [online], 2008, Source: Lithuanian Foreign Policy Review [05 05 2016]

[85] NORDEFCO Annual Report 2015, [online], 2016, Source: Government.se [05 05 2016] p. 8.

[86] Ibid. 9.

shared sense of threat contributes to a greater willingness for the enhanced security and defense cooperation, however, it is still controversial, and prospective progress remains to be seen in the future.

Conclusions

The changes that have transformed the security landscape in and around Europe since 2014 have been significant. Although Russia's aggression in Ukraine poses an international security challenge, it also opens up a window of opportunity for necessary reforms to reduce the vulnerabilities. In other words, the security crisis can be regarded as a positive catalyst, as it creates incentives for the involved countries and the relevant international organizations to pay more attention to the issues related to security. The fears of the Baltic States are focused particularly on two issues: the escalation of hostile actions by Russia, and NATO's preparedness to grant support to the Baltic republics within the Alliance. Although a direct military attack from Russia is still considered unlikely, the possibility of hybrid war remains an important challenge for the Baltic States. Due to this, Lithuania, Latvia and Estonia have been investing in their special forces, the rapid reaction of which may prevent an escalation of conflict in the event of provocation or sabotage.

Russian aggression in Ukraine has also contributed to other decisions to strengthen their military potential, that otherwise would be very politically difficult and socially unpopular to carry out. The revived commitment to increased military spending, and a boost in defense investments are evident. Lithuania, Latvia and Estonia at present have the political will to systematically develop their military potentials, and there is also rising public interest in national security issues (which has been manifested in the expansion of the volunteer territorial defense forces, for example). The changes currently observed in the armed forces of the Baltic States will be persistent, at least within the timeframe of the coming decade, even if the Russian-Ukrainian conflict deescalates.

Moreover, the historical experience connected to the Baltic States' relations with Russia, and the shared sense of threat contributed to a step-up of trilateral military cooperation between the Baltic States – however, only to a limited extent. On the one hand, the Baltic States have been developing closer cooperation in some areas, such as cyber security, information sharing, and in 2016 a joint battalion of the Baltic states (BALTBAT, intended for peacekeeping operations) will come on duty as part of NATO Response Force.[87] On the other hand, the financial shortages and disparate priorities, according to which individual Baltic countries have been developing their armed forces, limit the scope for co-operation between the three countries. Cooperation in co-ordinating the three states' armed forces modernization programmes, and joint acquisitions of armament and military equipment is lacking, as demonstrated by the tendering procedures now in progress. The Baltic States have been mechanizing their infantries in cooperation with different Western partners, which offer various types of armoured vehicles. They have also made separate acquisitions of man-portable air defense systems, and other types of equipment. Currently, the cooperation between the Baltic States has been visible mainly at the level of EU institutions and NATO responses, where their policies have been largely convergent.

The main objective for the Baltics, however, is to obtain guarantees of the permanent presence of allied forces on their territory, because the U.S. is seen as a key ally, and NATO as the main guarantor of security in the region. In the future, the Baltic States may also seek greater military presence of European NATO members.

---

[87] SZYMAŃSKI, p. 6.