**Russia and NATO in the Baltics**

**SUMMARY OF CASE**

In recent months, relations between Latvia’s ethnic Latvian majority and its ethnic Russian minority have grown more tense. An insurgent faction, Rodina, has arisen within Latvia’s traditional ethnic Russian political party, Harmony, and has reached out to nationalist groups within Russia. Strikes at several factories in Russian-majority towns have turned unexpectedly violent. When intelligence services receive information that a Russian special operations unit has crossed the border and established a command center in one of the factories, the Latvian prime minister declares a state of emergency and imposes martial law. Soon afterward, U.S. intelligence agencies detect the presence of significant Russian military concentrations on the Latvian border. The United States faces a seeming repetition of Russian actions in Ukraine, but the stakes for the United States and its allies are considerably higher in Latvia, a fellow member of the North Atlantic Treaty Organization (NATO) that the United States is bound by treaty to help defend. National Security Council (NSC) members must consider a number of variables as they meet to choose among potential responses, such as how to balance diplomatic and military action, work efficiently with Congress and NATO allies, develop effective public explanations of policy, and send Moscow a strong signal of Western determination without provoking Russian escalation.

**GENERAL CONSIDERATIONS**

This crisis involves the collective defense guarantee at the heart of NATO. Because NATO is both a central institution of U.S. foreign policy and a major strategic asset, the United States is likely to see any Russian military threat to Latvia as a test that it must—in some fashion—meet. Yet no decision on supporting an ally in trouble is a simple one, especially when the opposing power is a nuclear-armed state with considerable military and economic might. The reasons to stand up for an ally in danger are obvious. When it joined NATO in 2004, Latvia—Russia’s neighbor and one of Europe’s smallest states—made the same pledge that all members of the Atlantic alliance make to each other: to treat an attack on one as an attack on all. Latvia’s foreign policy is based on the assumption that the United States and other NATO allies will live up to this commitment, whatever the costs and risks involved. A global network of U.S. alliances rests on the same expectation. For many governments, the readiness of the United States to defend them against external aggression seems a basic principle of world order. To stand aside while an ally is threatened by Russia would do severe damage to American credibility. Alliance commitments in every region of the world would feel a severe jolt. U.S. policymakers in a crisis would not—at least not directly—question this proposition.

On the other hand, the costs and risks of a confrontation with a nuclear-armed Russia are also hard to overstate. Some might compare a crisis in Latvia to the 1962 Cuban Missile Crisis or to the spike of anxiety about nuclear war in the early 1980s. Even those who believe the current crisis is not yet as dangerous as that of 1962 may have other reasons to regret Russia’s continuing estrangement from the West. This estrangement might well make addressing other U.S. national security priorities more difficult, as Russia’s 2015 military intervention in Syria illustrates. Given these conflicting pressures, there is likely to be a good argument for a strategy that can—if at all possible—reconcile various concerns. Even if it favors a tough NATO stance in support of Latvia, the United States will hope to limit the immediate military risks. As U.S. policymakers search for a peaceful and diplomatic way out of the crisis, they will be mindful of the need to show full fidelity to long-standing alliance commitments. Every measure proposed for dealing with the Latvia crisis can be scrutinized in relation to these risks. NATO could, for example, offer to quietly reinforce Latvian military units to avoid inflaming the situation. However, the question of whether this would signal enough firmness to Russia remains. By contrast, NATO could announce that its Rapid Reaction Forces are preparing to deploy to Latvia. But Moscow could then come under pressure to act quickly, perhaps even before these forces arrive. If units from NATO countries take up positions too close to a Russian border, the alliance risks incurring early casualties.

However, if they remain too far from the border, Russia might doubt Western resolve. Diplomatic initiatives can be evaluated in the same way. Finding a channel through which to conduct a quiet dialogue with Moscow might have some advantages, such as the opportunity to gain a clear picture of Russian aims. But this must be weighed against the need to demonstrate a unified front within NATO and avoid going over the heads of U.S. allies. There is also the risk that diplomatic initiatives might give Moscow an opportunity to put the burden of resolving the crisis exclusively on the Latvians—for example, by suggesting that Riga revise its language or citizenship laws or grant Russian-majority towns greater political autonomy. More generally, Russia might seek to use any diplomatic opening to divide NATO members and undermine the alliance’s ability to act. NSC members will have to evaluate the risk that any policy option, even if it offers upsides, might help Russia achieve this aim.

**POLICY DECISIONS**

The stakes for the United States and its allies are considerably higher when these moves occur in a country that, unlike Ukraine, is a member of NATO. National Security Council (NSC) members need to consider a number of variables as they meet to choose among potential responses:

* How to send Moscow a strong signal of Western determination without provoking Russian escalation, encouraging new clashes inside Latvia, and making an already dangerous situation completely unmanageable.
* How to balance diplomatic initiatives that might ease tensions with military measures that would make it possible to defend Latvia if deterrence fails.
* How to work with the U.S. Congress and friendly foreign governments (especially those of NATO allies) without adding so many voices to the debate that decisions are delayed and policy loses focus.
* Finally, how to develop effective public explanations of policy at a time when Russian propaganda—and some Western commentators—are blaming Latvia for the crisis.

As a first step, the United States must decide, along with its NATO allies, whether Russia’s actions constitute an armed attack on Latvia under Article 5 of the North Atlantic Treaty. If NATO members agree that it does, the United States will, under the treaty, be obligated to assist in Latvia’s defense. Any U.S. action seen as halfhearted under these circumstances may cause allies in Europe and beyond to question U.S. commitment to their security. If, on the other hand, NATO members do not invoke Article 5, U.S. policymakers may have more flexibility. However, Latvians and others will still seek strong signals of U.S. resolve.

Regardless of whether Article 5 applies, the United States has a variety of potential policy tools to be considered in the context of the questions and considerations described above. NSC members will need to examine the costs and benefits of various choices, as well as ways to combine them. The sequencing of policy tools matters as well. For example, should diplomatic solutions be tried before military ones, or will diplomacy have credibility only if backed by more forceful measures from the outset? NSC members could also advise taking none of these steps if they consider that U.S. interests are best served by staying completely out of the crisis, perhaps because they believe that Latvia’s own policies have brought the problem on itself. This option has costs and benefits like any other. The basic policy tools available for consideration are as follows.

***• Military measures***

If they believe Latvia’s status as a treaty ally calls for a strong show of support, policymakers will review a range of options, including immediate deployment of U.S. rapid-reaction troops, mobilization of a larger multinational NATO contingent, and positioning naval forces off the Latvian coast. In considering these steps, officials will ask whether it is better to reinforce Latvian defenses in a low-key way (so as to not inflame the situation) or to take a more visible approach (to signal firmness). Forces that can be put into position at once will be weighed against those that take longer to assemble. Deployments close to the Russia-Latvia border (which may risk Russian escalation) will be compared with those that keep NATO forces at a great distance (which may convey uncertain resolve).

***• Diplomatic initiatives***

Around the table in the Situation Room, interest in solving this crisis peacefully will be strong. Measures to be considered might include calling an emergency session of either the UN Security Council (of which both the United States and Russia are permanent and veto-wielding members) or of the NATO-Russia Council (which has not met since the 2014 Ukraine crisis). Dispatching a high-level U.S. representative to Moscow— perhaps preceded by a U.S-Russia presidential phone call—will also be considered. Policymakers are sure to debate whether diplomatic steps should be tried before military ones, or whether they will be more effective if pursued in parallel.

***• Economic measures***

Sanctions played a large role in Western strategy during the confrontation over Ukraine and may again be considered by U.S. officials in responding to pressure on Latvia. As was true in the Ukraine case, sanctions can be applied in many forms: against individual Russian leaders, particular Russian companies, or entire sectors of the Russian economy. Like other diplomatic responses, they will be seen as one way to show Western opposition but at reduced risk of a direct military confrontation.

***• Internal mediation***

Because the crisis has arisen out of clashes inside Latvia, policymakers may consider whether it is useful and appropriate for the United States to involve itself in trying to ease tensions between majority and minority ethnic groups. The appointment of a special mediator might serve this purpose, perhaps one with a mandate from either the UN or the OSCE. U.S. policymakers will seek ways to limit the risk that such steps will undercut the Latvian government or legitimize Russian interference and threats.

***• Public messaging and political support***

Because successful diplomacy often depends on a favorable media environment, officials will also ask how to communicate their decisions publicly. Should the president give a speech to explain U.S. policy to the public and Congress? Should the secretary of state—or the secretary of defense—be sent to NATO for urgent consultations? Will calls for diplomatic mediation put Moscow on the defensive or open new opportunities for Russian propaganda? Only by managing the deeply held sentiments on all sides of the crisis can the United States develop a coherent strategy.

**Issue Background**

Latvia, which has a population of almost two million people and a territory the size of West Virginia, is one of three small states wedged between Russia and the Baltic Sea. The other two are Estonia, to Latvia’s immediate north, and Lithuania, to its south. Together they are often referred to as the Baltic states (or—colloquially—the Balts).

The Baltic states occupy an outwardly secure geopolitical position. They are enthusiastic members of the European Union (EU) and the North Atlantic Treaty Organization (NATO), the two multinational institutions that anchor the Western order in North America and Europe. The EU remains, despite many stresses, the world’s most tightly integrated political and economic bloc; NATO, which includes the United States, is its most capable military alliance.

Despite the protection and solidarity that NATO and EU membership provide, the three Baltic states retain a sense of uncertainty and vulnerability. They are territorially small and militarily weak, and their economies, though prosperous, are tiny compared with other members of NATO and the EU. Part of the Soviet Union for decades before it collapsed in 1991, the countries also include significant ethnic Russian populations.

Ever since Russia’s seizure of the Ukrainian peninsula of Crimea in 2014 and its military support for insurgencies in eastern Ukraine, Western governments have worried that Russia might exploit the vulnerabilities of the Baltic states. Article 5 of the North Atlantic Treaty, the founding document of NATO, commits NATO members to come to each other’s defense if any of them is attacked. Pressure on the Baltics would thus bring into play the most basic of U.S. diplomatic commitments—the pledge to defend a treaty ally against threats to its sovereignty and security. In such a confrontation, U.S. choices would be complicated not only by Russia’s military might—and the weakness of its tiny neighbors—but also by the intricate interethnic relations that characterize the domestic politics of many post-Soviet states.

**Decision Point**

U.S. policymakers need to decide how to respond to worsening relations in this scenario between Latvia’s ethnic Latvian majority and its ethnic Russian minority—and to Russia’s intervention in the conflict. In recent months, ethnic relations in Latvia—rarely cordial but almost never violent—have grown steadily tenser. An insurgent faction has arisen within the political party known as Harmony, which has traditionally represented ethnic Russian voters. This faction, calling itself Rodina (Russian for Motherland), has reached out to nationalist groups within Russia itself. Rodina enjoys a measure of support in Latvia’s big cities—some of which are almost half Russian. More radical splinter groups have appeared in towns on the Russian border, where the percentage of ethnic Russians is higher still.

U.S. and European leaders initially believed that the Latvian government would be able to manage the problem and avert a crisis. In recent weeks, however, strikes at several factories in Russian-majority towns turned unexpectedly violent. Rodina and local groups rushed to support the strikers and appeared to invite confrontations with police. Parliamentarians in Moscow embraced the workers’ cause. The television channel RT (Russia Today) and other parts of the Russian propaganda machine gave the story around-the-clock coverage.

The Latvian government concluded that a true national crisis was at hand when Latvian intelligence services received information that a Russian special operations unit had crossed the border and established a command center in one of the striking factories. These forces, Latvian officials feared, were the same “little green men” made famous during Russia’s annexation of Crimea in 2014. Declaring a state of emergency and imposing martial law in areas along the Russian border, the Latvian prime minister called for national unity against foreign interference. Many ethnic Russians in Latvia interpreted her remarks as impugning their loyalty, and after her speech Rodina managed to hold the largest rally in its history—in downtown Riga, Latvia’s capital. (A Beatles tribute band stirred the crowd with an angry version of “Back in the USSR.”) A new and more intense phase of the crisis had now begun.

Soon after the declaration of martial law, U.S. intelligence agencies detected the presence of significant Russian military concentrations, including heavy armor units, on the Latvian border. This information, which Washington shared with Riga but did not announce publicly, soon appeared on Latvian television and social media, heightening the national alarm. North Atlantic Treaty Organization (NATO) governments responded with immediate expressions of concern and support for their Latvian ally. Russian spokesmen downplayed the information, insisting that the massing of forces was a routine exercise. Routine or not, the maneuvers also involved active patrols by Russian aircraft and naval vessels in the entire Baltic region. The chairman of the Russian parliament’s foreign affairs committee noted publicly that “volunteers” who had served in eastern Ukraine might soon be dispatched to Latvia.

As this crisis unfolds, the United States faces a seeming repetition of Russian actions in Ukraine—the exploitation of a neighbor’s internal divisions, the infiltration of special operations forces, a build-up of regular units on the border, and a potential Russian seizure of neighboring territory.

**Recent History:**

Russia’s actions in Ukraine in and after 2014 convinced Western leaders that they had to be better prepared for possible follow-on moves by Moscow. In the year after the start of the crisis in Ukraine, North Atlantic Treaty Organization (NATO) governments forged a consensus on the need for all members, including the Baltic states, to increase defense spending. As of mid-2018, only five NATO countries meet the alliance-wide standard of allocating 2 percent of GDP to defense, with Latvia becoming the most recent country to meet this goal. Lithuania, Poland, and Romania are estimated to reach 2 percent by the end of 2018. For its part, the alliance doubled the number of planes (from four to eight) performing “air policing” over Baltic territory. NATO has also significantly increased the size of its military exercises in the Baltic region following Russia’s involvement in Ukraine. In 2015, NATO tripled the size of summer military exercises held in the Baltic region, which included six thousand troops from fourteen allied nations. Russia has responded in kind, conducting larger exercises of its own. In the fall of 2018, both NATO and Russia conducted their largest exercises since the early 1980s within months of each other. Moreover, the United States has greatly increased funding for new support to NATO. Following Russia’s annexation of Crimea in 2014, President Barack Obama created the European Reassurance Initiative (ERI), which bolsters U.S. military capabilities in Europe to support NATO’s efforts in deterring Russian aggression. Its funding has more than quadrupled in recent years; the Donald J. Trump administration requested $6.5 billion for the initiative in fiscal year 2018 and renamed it the European Deterrence Initiative.

Without formally scrapping the 1997 policy against permanent deployments on the territory of new members, NATO began to whittle away at the edges of this principle:

* It deployed a battalion-sized alliance contingent (three hundred to eight hundred troops) in each of the three Baltic states on so-called heel-to-toe continuous rotational assignments.
* It decided to pre-position heavy tanks and other weaponry in Eastern Europe, including the Baltic states.
* It formed a five-thousand-strong rapid-reaction “spearhead” force.
* It also established a small Force Integration Unit in six east European member nations, including all the Baltic states. This command center is made up of forty representatives of the host country’s armed forces and allied military personnel. Each unit is charged with coordinating joint NATO operations in emergency situations.

Beyond these preparations—both material and symbolic—NATO put sharply increased rhetorical emphasis on its Article 5 commitment to Baltic members. Senior alliance officials and those of member governments periodically, and repeatedly, underscored their promise to come to Latvia’s defense. Publicly and privately, singly and collectively, they warned Russia against a policy of pressure against NATO members analogous to the policy it has pursued in Ukraine. President Barack Obama visited Tallinn, the capital of Estonia, in 2014 and underscored NATO’s commitments in a well-received public speech. In July 2016, the alliance held its biennial summit in Warsaw, issuing a communique that cited “Russia’s aggressive actions, including provocative military activities in the periphery of NATO territory and its demonstrated willingness to attain political goals by the threat and use of force.” The communique also highlighted recent increases in military spending by allies but noted that “there is still much work to be done,” a reflection of frustration, especially in Washington, with unequal contributions to allied security. Despite his criticism of NATO allies, Trump has reaffirmed the U.S. commitment to the alliance, and Defense Secretary Jim Mattis has called it “ironclad.” Baltic leaders have joined in these expressions of solidarity. “We will stay united,” said Raimonds Vejonis, Latvia’s defense minister, before he assumed the presidency in 2015, “because if we don’t, NATO will die.”

Since 2014, Western governments have not only taken the risk of conflict with Russia more seriously but also revised their operational thinking about how to deal with a potential crisis. In Europe and the United States, military planners and senior officials heard their Ukrainian counterparts express regret about the slowness of their response to the appearance of “little green men” in Crimea in 2014—and their government’s failure to suppress this mini-invasion before it gained mass support and Russian President Vladimir Putin’s public embrace. The little green men were in fact Russian military operatives, but they wore uniforms without insignias. Because it was difficult to confirm their identity, Russia had a way, however implausible, to deny direct involvement.

Baltic leaders and strategists took these lessons to heart. They concluded that they had to be able to respond quickly to the first signs of similar pressure from Russia against their own countries. To the government in Riga, this meant paying the keenest attention to signs of cross-border support for more radical Russian nationalist groups within Latvia. Latvian officials worried that even a few hotheads would have a destructive impact.

All these developments occurred against a background of economic uncertainty. The Russian economy experienced a downturn starting in 2014, due to both falling global oil prices and U.S. and European sanctions imposed on Russia in response to its actions in Ukraine. In turn, the weak Russian economy reduced demand for Latvian exports, and wealthy Russians had less money for vacations—and vacation homes—on the Baltic coast. Consequently, Latvia also faced high unemployment, particularly among blue-collar ethnic Russians. Despite these challenges, however, both the Russian and Baltic economies have begun to recover somewhat. In June 2016, the OMX Baltic stock market index was up more than 12 percent from a year earlier; the European Union has forecast GDP growth for Latvia of 3.3 percent in 2018.

**Root Causes:**

Both the clash between Latvia’s ethnic majority and its largest minority and the broader stand-off between Russia on the one hand and Latvia and its Western allies on the other have multiple origins.

***1. The Legacy of Ukraine***

Relations between Russia and the West had been deteriorating even before 2014, but the crisis over Ukraine crystallized hostility and mistrust on both sides. Lasting damage was done to trade, financial ties, energy cooperation, diplomatic interaction, and—above all—to expectations of partnership and cooperation. The North Atlantic Treaty Organization (NATO) has felt obliged to treat the security commitments made to its east European members with greater seriousness. In this charged atmosphere, members of the alliance solemnly reaffirmed their vows of collective defense. This reaffirmation has surely increased NATO’s ability to deter challenges but at the same time could mean less flexibility in responding to challenges when they arise.

The Ukraine crisis left its mark on Latvian domestic politics as well. Ethnic Russian nationalists in Latvia had more opportunities to reach out to angry counterparts in Russia. And they stirred more anxiety among other Latvians when they did.

***2. Lack of Russian Membership in Major Western Institutions***

Since the end of the Cold War, every U.S. president has sought to forge a cooperative relationship with Russia. Yet finding a way to give Russia a large role in the major multilateral institutions of the West, such as NATO and the European Union (EU), proved extremely difficult. Numerous reasons explain this failure to integrate Russia fully into the Western-led order, but most Russians have accepted a narrative of Western hostility and Russian grievance. From senior commentators to government insiders to people on the street, they argue that Russia enjoyed too little respect from the West after the Soviet collapse. Their country’s strategic orientation and national identity seemed up for grabs in the 1990s. Had the United States and its allies treated Russian interests more sensitively in those years, such thinking goes, Russia could have evolved into a reliable, democratic, Western-oriented partner. To many observers, that goal now seems out of reach, perhaps indefinitely.

***3. Russia’s Political Evolution***

Russian President Vladimir Putin’s revanchist outlook has had lasting effects on Russian domestic politics. To be a credible force in Russian politics has come to mean adopting a nationalist vocabulary. The extreme chauvinism that appeared early in the Ukraine crisis might over time be tempered somewhat. Yet many Russian commentators expect the nationalist mood to linger. Its effects could include increased damage to the reputation of any leader who is seen to back down from confrontation with the West (and greater payoffs for one who is seen to have avoided displays of weakness), greater caution and self-censorship among advisors who might otherwise be inclined to question bellicose policies, and greater incentives for government officials and other public figures to stoke international tensions with provocative statements and actions.

***4. Political Repercussions of Europe’s Economic Difficulties***

In twenty-five years of independence, Latvia has generally enjoyed strong growth. It pursued economic reforms as a candidate country of the European Union for many years, and then as a full-fledged member of the EU after 2004. But the economic downturn of 2008 and 2009 was significant, and the EU has not yet fully recovered, economically or politically. As an institution, it remains under acute stress and disenchantment with the European Union is growing within many member countries. Latvia’s challenges are made still greater by proximity to Russia’s troubled economy. Latvia had enjoyed considerable success in muting ethnic tensions, but these tensions have hardly disappeared. The slower economic growth of recent years risks reanimating them.

**Role of the United States**

In recent years, U.S. policymakers have focused on the Middle East more than any other region. Latvia and the other small Baltic states rarely seemed to merit high-level U.S. attention (other than the occasional visit by senior officials). Now, however, major decisions cannot be avoided.

Because the North Atlantic Treaty Organization (NATO) is both a central institution of U.S. foreign policy and a major strategic asset, the United States is likely to see any Russian military threat to Latvia as a test that it needs to—in some fashion—meet. Yet no decision on supporting an ally in trouble is a simple one, especially when the opposing power is a nuclear-armed state with considerable military and economic might.

As a first step, the United States needs to decide, along with its NATO allies, whether Russia’s actions constitute an armed attack on Latvia under Article 5 of the North Atlantic Treaty. If NATO members agree that it does, the United States will, under the treaty, be obligated to assist in Latvia’s defense. Any U.S. action seen as halfhearted under these circumstances could cause allies in Europe and beyond to question U.S. commitment to their security. If, on the other hand, NATO members do not invoke Article 5, U.S. policymakers would have more flexibility. Although allies of the Baltics may be wary of trade-offs, Latvians and others will seek strong signals of U.S. resolve.

Apart from the question of whether Article 5 applies, the United States has a variety of policy tools to choose from to support Latvia. NSC members will need to examine the costs and benefits of these tools, as well as ways to combine them. They could also advise taking none of these steps if they consider that U.S. interests are best served by staying completely out of the crisis, perhaps because they believe that Latvia’s own policies have brought the problem on itself.

**Other Interested Parties**

For the United States, the central actors in this crisis are Russia, Latvia, and the North Atlantic Treaty Organization (NATO), of which Latvia has long been a member. But other countries, and groups of countries, believe that their interests are at stake. They will consider whether and how to interject themselves in efforts to address the confrontation.

***European Union:*** The first, and perhaps most significant, other actor is the European Union (EU). The EU, which Latvia joined the same year it joined NATO, has for many years sought a more prominent role in European security issues. It is EU sanctions that have affected the Russian economy the most during the Ukraine crisis; it was EU peacekeepers who took over for NATO forces after initial interventions to halt conflicts, protect civilians, and build peace in the Balkans in the 1990s. Yet numerous obstacles have usually blocked a decisive role for the EU on issues of war and peace. It makes decisions slowly, is often divided on issues involving Russia, is not a true defense alliance, has no military command structure, and lacks the United States as a member. The EU does have a high representative who functions as its foreign minister in multilateral negotiating formats (such as the nuclear talks with Iran). Therefore, although the military dimension of a response to the situation in Latvia will likely center on NATO, the EU could play a central role in devising and implementing diplomatic and economic measures.

The Latvia crisis directly affects the interests of a number of other European countries that do not belong to NATO.

***Finland and Sweden:*** Finland and Sweden, which were neutral throughout the Cold War, have become closer to NATO in recent years, including by taking part in military exercises. (The participation of Swedish forces in Baltic exercises in the spring of 2016 was a first.) Both countries have also deepened their defense cooperation with the Baltic states, whose views of Russia they tend to share. Although past policy suggests that Sweden and Finland will not want to be drawn into the current confrontation, they will consider it highly relevant to their own security strategies.

***Ukraine:*** Ukraine’s reading of the crisis will be particularly anxious. Officials in Kiev will monitor it closely for signs of possible increased Russian pressure on eastern Ukraine. The Ukrainian government might believe that the crisis offers a renewed opportunity to work more closely with NATO.

Other states of the former Soviet Union will also wonder whether Russian pressure on Latvia portends greater danger to themselves.

***Georgia:*** Public support for NATO membership is strong in Georgia. Following a war with Russia in 2008, two regions of Georgia were detached and recognized by Moscow as independent states. Georgia’s leaders may hope that a crisis of this kind offers a chance to advance their own relations with the United States and Europe.

***Belarus:*** As a near-neighbor of the Baltic states, Belarus—which has long been criticized by other European governments for its authoritarian politics—could now see an opportunity for better relations with them and the United States.

***Kazakhstan:*** Kazakhstan—whose own ethnic Russian minority is a source of concern to Kazakh leaders—could also seek to enhance Western ties without, if at all possible, provoking Moscow.