

LATVIA'S FOREIGN POLICY: 10 YEARS OF EU MEMBERSHIP

This article aims to address the impact of EU membership on Latvia's foreign policy since 2004. It looks at five key aspects of Latvia's foreign policy – relations with the EU's eastern neighbours, the development cooperation policy, relations with Russia, the cooperation of the Baltic States, and the diaspora policy – in order to assess the effects of EU membership. The article finds that the impact of EU membership varies. The influence is at its strongest with regard to Latvia's development cooperation policy, which was largely initiated by the EU membership. With regard to the European Neighbourhood Policy, it has strengthened Latvia's already present willingness to contribute to the development of countries such as Moldova, Georgia, Ukraine, and Belarus. While the EU membership initially had a restrictive effect on the cooperation of the Baltic States, it has become apparent over time that the Baltic cooperation is useful both within the EU context and outside of it. Massive outward migration, in large part a consequence of EU membership, has strengthened the need for a more coherent diaspora policy. The relationship with Russia is probably the element of Latvia's foreign policy that is the least affected by the EU membership, both because Russia prefers bilateral relations with Latvia over a multilateral approach and because of the significant hard security aspect present in Latvian-Russian relations.



1. INTRODUCTION

For Latvia, the ten years since joining the EU in 2004 have been a rollercoaster.¹ In terms of economic growth, Latvia has made a full circle. After becoming an EU member state, Latvia's GDP growth exceeded 10% for three years in a row (2005-2007) making it possible to become the fastest growing economy in the EU. However, the economic boom turned out to be short-lived, and very soon Latvia made headlines when its GDP shrank by more than 17% in 2009 alone.² It took several years of painful austerity measures and a loan from the IMF and the European Commission to survive the economic downturn, and by 2011 Latvia had re-

1 The rollercoaster analogy has been adopted from Ozoliņa, Ž. Latvia. In *Life in Post-Communist Eastern Europe after EU Membership*. OBeachain, D., Sheridan, V., Stan, S. (eds.). Routledge, 2013. pp. 139-162.

2 Eurostat data.

turned to a solid economic growth once again being one of the fastest growing economies in the EU. Moreover, the political party Unity, whose Prime Minister Mr. Valdis Dombrovskis was in power during the worst part of the recession, has just won the European election in May 2014 as they managed to clinch 4 out of 8 seats Latvia has been allocated in the European Parliament.

This article looks at Latvia's foreign policy since 2004. During the past ten years it has mostly been affected by Latvia's double membership in the EU and NATO and by the economic crisis (2008-2010). The economic downturn has impacted Latvia's ability to achieve its foreign policy objectives by significantly reducing the available financial means. Two of the most important ministries charged with the task to formulate and implement Latvia's foreign policy – the Ministry of Defence and the Ministry of Foreign Affairs – saw their budget decrease during the economic recession by 46% and 36% respectively.³ While the economic crisis had a largely restrictive impact on foreign policy, the EU and NATO memberships provided Latvia's foreign policy with new impetus.

Although the NATO membership has certainly been an important factor in shaping Latvia's security policy, the impact of the EU membership on Latvia's foreign policy, as the subsequent chapters will make it clear, has been no less profound.⁴ This article aims to assess the impact of the EU membership on five key aspects of Latvia's foreign policy: the European Neighbourhood Policy (later Eastern Partnership),⁵ the development cooperation policy, relations with Russia, the Baltic cooperation, the diaspora policy. All of the abovementioned foreign policy aspects are shaped by Latvia's EU membership in one way or another. Thus, the impact of the EU membership on the foreign policy of Latvia definitely merits further attention.

2. THE EASTERN NEIGHBOURS OF THE EUROPEAN UNION

In the run-up to the EU and NATO membership, the foreign policy of Latvia was largely focused on obtaining support from the 'old' member-states. This trend, however, began to change after the Prague (NATO) and Copenhagen (EU) summits late in 2002. Latvia would have probably decided to intensify relations with the EU's eastern neighbours anyway, but three additional factors made this shift in the foreign policy of Latvia almost a certainty. First, at the time of the EU enlargement in 2004, a new policy – the European Neighbourhood Policy (ENP) – was adopted by the EU. Being part of the EU external relations, this policy aimed

3 Data provided by the Latvian Ministry of Defence and the Latvian Ministry of Foreign Affairs.

4 This article does not address the hard security aspects of Latvia's foreign policy as these are mostly related to the NATO membership. Thus, Latvia's participation in Iraq and Afghanistan as part of a larger multi-national force is not covered by this article. It has to be noted though that NATO remains the cornerstone of Latvia's security policy. For further discussion on the Baltic States' NATO membership see: Rostoks, T. *Baltic States and NATO: Looking Beyond the Article V*. Working paper series, Finnish National Defence University, 2013.

5 The chapter on Latvia's relations with the EU's eastern neighbours also addresses the issue of economization of foreign policy to some extent. This is a phenomenon that reflects the growing interest of Latvia's business community in utilizing foreign policy in order to advance its economic interests. The economization trend of foreign policy became more pronounced during and after the economic crisis.

at avoiding new dividing lines in Europe and assisting development and democratization efforts in the EU's southern and eastern neighbours. Latvia saw this initiative as an opportunity both to contribute to the EU's external relations and to intensify relations with the EU's eastern neighbours. Second, the ENP was created at a time when fundamental change began to unfold in Georgia (the Rose revolution) and Ukraine (the Orange revolution), which increased interest in these countries from the European perspective considerably. Third, the EU membership meant that Latvia had to become a donor country and provide aid to developing countries (Latvia's development cooperation policy is further elaborated in the next chapter). The EU's eastern neighbours seemed to be a perfect choice for the emerging Latvia's bilateral development cooperation efforts because countries like Georgia, Moldova, Ukraine, and Belarus were also important partners for Latvia for security and economic reasons.

Latvia's contribution to the ENP and later to the Eastern Partnership (EaP) was seen as unproblematic as long as it did not provoke negative reactions from Russia. Initially, after the EU enlargement in 2004, Russia did not see the ENP as a threat to its influence in post-Soviet countries. There were concerns on the part of Latvia though that continued support for its eastern neighbours may conflict with Russia's interests in eastern ENP countries.⁶ Despite this worrying possibility, Latvia made supporting its eastern neighbours a key foreign policy priority. This trend had a number of tangible aspects. Latvia opened an embassy in Georgia in 2006 and in Azerbaijan in 2005. Latvia has provided development cooperation aid almost exclusively to eastern ENP countries. Latvia has, for the past 10 years, intensified its political dialogue and economic contacts with eastern ENP countries. The Eastern Partnership summit in Riga in the spring of 2015 is envisioned as the highlight of Latvia's upcoming EU Council Presidency.

Despite the commitment to facilitate progressive change in the EU's eastern neighbourhood, Latvia's approach to this group of six countries – Belarus, Moldova, Ukraine, Georgia, Armenia, and Azerbaijan – has not been idealistic. Latvia is fully aware that the EaP countries are a diverse group and that their domestic political dynamics are complex. Thus, Latvia has chosen to support the efforts of Georgia, Ukraine, and Moldova to develop closer ties with the EU. In relations with Azerbaijan, however, Latvia's economic interests have been more prominent. With respect to Belarus, Latvia has vacillated between a democratization agenda and its economic interests. It should be noted that Belarus is the only EaP country that Latvia shares a common border with. Thus, the lack of progress in terms of democracy and the weakness of political opposition in Belarus have been more salient for Latvia than in the case of other EaP countries because Belarus is a neighbour. After the initial attempts to engage in strengthening the democratic opposition in Belarus, Latvia has settled in favour of a more pragmatic policy, not least because of economic interests. For Latvia, Belarus is a far more important economic partner than any other EaP country; therefore Latvia has chosen to prioritize its economic interests over the commitment to promote democratic values. There is, however, little doubt that Latvia will be among the first countries to sup-

6 Rudzīte, K. The Intersecting of Latvian and Russian Interests in South Caucasus. In *Latvia-Russia-X*. Ozoliņa, Ž. (ed.). Zinātne, 2008.

port the democratization of Belarus when such an opportunity presents itself. The initiative to begin democratic reforms should come from Belarus though.

Latvia is also aware that most EaP countries are highly vulnerable to Russia's pressure. Late in 2013 vulnerabilities were brought to the fore when Russia used pressure against Armenia and Ukraine to prevent them from signing the Deep and Comprehensive Free Trade Agreement (DCFTA) with the EU. Russia's pressure worked in the case of Armenia, but in the case of Ukraine it split the country and plunged it into political and, increasingly, military turmoil.⁷ Although currently most attention is being paid to the crisis in Ukraine, Moldova is also vulnerable because of its break-away province Transnistria. Gagauzia may also harbour separatist sentiments. Besides that, Moldova is arguably the poorest country in Europe with a massive outward migration. Thus, the part of the region that Latvia cares about the most has been thrown into turmoil by the latest events in Ukraine, while the other part has little interest in an enhanced cooperation with the EU. In short, the future of the EaP is in doubt. This is bad news for Latvia's upcoming EU Council Presidency because in the worst case scenario there may not be much left of the EaP by early 2015. In the best case scenario, however, Latvia will monitor the progress in the implementation of the DCFTAs signed by Moldova and Georgia in 2014 and will try to accommodate the limited European aspirations of the other EaP countries. Latvia's pragmatic view of the EaP countries suggests that it is likely to do its best to achieve at least modest progress in terms of pulling the EaP countries closer to the EU.

3. THE DEVELOPMENT COOPERATION POLICY

The origins of Latvia's development cooperation policy date back to 2004 when Latvia joined the EU. Before then, Latvia had contributed to development aid through its annual contributions to the United Nations and *ad hoc* assistance to countries that have suffered from natural disasters. However, Latvia did not provide development aid on a bilateral basis. The relative absence of a development cooperation element in Latvia's foreign policy prior to the accession to the EU can be explained by two factors. First, Latvia did not have sovereign government structures during the Soviet era and, accordingly, could not have autonomous foreign policy. This factor explains Latvia's lack of experience in terms of providing assistance to developing countries. Second, after regaining independence in 1991, Latvia struggled economically and, thus, perceived itself as a recipient of aid rather than a country that is able to provide assistance to less developed countries. This perception is still a major factor because it is one of the poorest EU member states. Latvia was also hit harder by the economic crisis in 2009 than any other EU member state (including its Baltic neighbours Lithuania and Estonia). The Human Development Index (HDI) rankings, however, paint a different picture showing that Latvia is among the group of most developed countries in the world.

⁷ For further analysis of the Baltic states' approaches to Eastern Partnership countries see: Jurkynas, M., Rostoks, T. Should the Baltic States Initiate the Reform of the EU's Eastern Partnership Policy? In *Political State of the Region Report 2014*. Henningsen, N., Etzold, T., Opitz, C. (eds.). Baltic Development Forum, 2014. pp. 16-21.

According to the HDI, Latvia ranked number 50 in 2003⁸ before the accession to the EU and number 44 in 2012.⁹ Latvia's favourable position, when compared to the majority of countries, however, remains largely undetected by the general public because Latvia is situated in the vicinity of some of the most developed countries in the world such as Sweden, Finland, Norway, Denmark, and Germany. Thus, Latvia is usually compared with these countries, not with those whose HDI is much lower than Latvia's.

Since 2004, the development cooperation policy has become a significant part of Latvia's foreign policy. The bulk (more than 90%) of Latvia's development aid is multilateral (contributions to international organizations, but mostly to the EU). Much lesser financial means are devoted to bilateral aid, but it has been more contentious due to its supposedly voluntary character. The total amount of Latvia's development assistance (both multilateral and bilateral) rose from 6.8 million euro in 2004 to 18 million euro in 2013. Initially, there were three major choices that Latvia had to make regarding the bilateral development cooperation. First, Latvia had to decide which countries it was going to help. It was decided that Latvia would choose the eastern neighbours of the EU as aid recipients. Although initially Balkan countries were also mentioned among the possible aid recipients, it quickly became clear that Moldova, Georgia, and to a lesser extent Ukraine would receive the bulk of Latvia's development aid. At a later stage, Afghanistan was added to the list because of the participation of Latvian troops in NATO's ISAF mission. A more recent development has been development assistance to Central Asian countries. There is a pattern that Latvia's development aid has been synchronized with its foreign policy priorities.

Second, Latvia had to decide how much bilateral development assistance (in financial terms) it was willing to provide. Successive Latvian governments have opted to allocate as little as possible to bilateral development aid. The amount of bilateral development aid gradually increased from 140 000 euro in 2005 to 825 000 euro in 2008. The economic crisis brought Latvia's development cooperation to a standstill, and bilateral development amounted to as little as 383 € in 2011. Aid financing has somewhat recovered since then, but the recovery has been painfully slow. As a result, Latvia's development aid allocation for 2014 stands at 130 000 €, which is far below the level reached in 2008 (and even further below Latvia's international commitments).¹⁰

Third, Latvia had to decide what type of assistance it was willing to provide to recipient countries. In general, development cooperation projects range from large scale infrastructure undertakings to small scale consultancy projects. Due to its small financial contribution, Latvia could not afford to implement major infrastructure projects in recipient countries. Thus, Latvia has decided to focus on passing its reform experience to countries that are still in the process of reforming. This choice was also convenient from the perspective of recipient countries, most of which wanted to develop closer relations with the EU. Thus,

8 Human Development Report 2004. UNDP, 2004.

9 Human Development Report 2013. UNDP, 2013.

10 Data provided by the Latvian Ministry of Foreign Affairs.

Latvia's government reform experience was exactly what was needed by the recipient countries such as Moldova, Georgia, and Ukraine.

In general, Latvia's development cooperation policy has been only partially successful. On the one hand, Latvia's possession of recent reform and EU integration experience has been an advantage. On the other hand, insufficient and unstable development cooperation funding has made it difficult to carry out this policy consistently. Thus, it is ironic that Latvia has been allocated the post of development commissioner – Mr. Andris Piebalgs – in the European Commission between 2009 and 2014. There are several other influences that have hampered Latvia's development cooperation efforts. First, there is lack of political interest in this policy. Although the idea of using Latvia's reform experience as a tool to facilitate relations with EaP countries seems attractive to political decision-makers, the idea that Latvia should allocate considerable funding in order to assist the development of other countries has not taken root yet. Second, there is lack of public support for Latvia's development cooperation efforts. The public accepts the idea that developed countries should provide aid to developing countries but is split on the issue whether Latvia itself should help other countries develop. There is some readiness to provide development aid to former Soviet republics, but this moderate willingness to help others does not extend to countries in Africa, Asia, and Latin America.¹¹

4. RELATIONS WITH RUSSIA

Relations between Latvia and Russia have had ups and downs over the past 20 years, and there is little doubt that Russia is a major influence on the foreign policy calculations of Latvia's decision-makers. In fact, Russia's presence was one of the main motivations for Latvia to join the EU and NATO while Russia was relatively weak and could not prevent that. One general observation about the importance of Russia for Latvia is that it extends well beyond foreign policy into domestic realm. Latvia has a sizeable community of Russians and Russian-speakers therefore the dynamics of relations with Russia inevitably have repercussions in Latvian domestic politics. Also, Russia's presence is a source of concern both when relations are good and when relations are bad. Improving relations with Russia have a positive effect on economic relations. This, however, provokes the concern that Russia's economic presence in Latvia becomes too sizeable and can be used by Russia to manipulate Latvia when relations deteriorate at a later stage. Also, hard security concerns come to the surface.

Latvian-Russian relations were largely frozen in the pre-accession period when Russia was adamantly opposed to Latvia's NATO membership (the integration into the EU was seen as a somewhat lesser problem by Russia). Relations improved after 2004, but were then periodically derailed in 2008 (the Russian-Georgian war) and in 2014 (the Ukrainian crisis). Over the past 10 years since Latvia's accession to the EU, the two aspects of Latvian-Russian relations – political and economic – have evolved in different ways. On the one hand, trade re-

11 Rostoks, T. Cilvēkdrošība Latvijas attīstības sadarbības: izpratne ir, atbalsta nav [Human security in Latvia's development cooperation policy: understanding, but no support]. In *Cilvēkdrošība Latvijā un pasaulē: no idejas līdz praksei*. Ozoliņa, Z. (ed.). Zinātne, 2013.

lations between Latvia and Russia have grown considerably. Also, the border agreement was signed in 2007. On the other hand, there have been constant tensions over the Russian minority in Latvia and the interpretation of history.¹² Indeed, the history of the 20th century was used and abused by both Russian and Latvian officials in order to accuse each other of 'whitewashing' the past (e.g. the Stalinist repressions and the fact of Latvia's occupation in 1940) or 'revising' history (public events with the aim to honour Latvian Waffen SS Legion soldiers seen as 'glorifying' Nazism).¹³ Russia's conflicts with Georgia and Ukraine have provoked security concerns in Latvia, and these have been key reasons why Latvia has been a staunch supporter of NATO solidarity and the continued EU integration. Latvia's dependence on Russia's energy (mainly gas) supplies has also been a matter of concern.

Although Russia is a cause of concern for Latvia at all times, the positive aspects of post-2004 relations with Russia are manifold. On the economic front, during the last 10 years Latvian exports to Russia have grown from 8% to 10%.¹⁴ The inflow of foreign direct investment from Russia has also increased considerably since 2004. Concerning political issues, during period of 2006 up to 2010 a number of Latvian-Russian agreements were signed: the economic cooperation (2006), the transport of nuclear fuel (2007), the border treaty (2007), the status of cemeteries in both countries (2008), the operation of customs points at the border (2008), readmissions (2009), and the cooperation on social security (2010). The culmination of this upward trend was the historical visit of Latvian President Mr. Valdis Zatlers to Moscow in 2010, which also resulted in further practical achievements such as signing the package of 9 treaties. Most importantly, the issues related to double taxation were solved.¹⁵

Nevertheless, post-2004 relations have been also marked with serious concerns about Russia's increasing influence in Latvia. Russian media outlets, especially Russian TV channels are widely available for consumption in Latvia. The crisis in Ukraine has vividly displayed differences in information selection and presentation between Russian and Western media. Seen in this light, a key concern of Latvian decision-makers is the existing and potential impact that Russian media may have on the worldview of Russians and Russian-speaking parts of the Latvian society. According to a recent public opinion survey conducted in the early spring of 2014, nearly 43% of Latvia's population mostly watches Russian TV channels. Moreover, the respondents' trust in Russian state-controlled channels only slightly lags behind Latvian and Western TV channels.¹⁶

It seems that the continuous exposure to Russia's media outlets has had an impact on parts of Latvia's society. This realization has become a matter of concern for Latvian deci-

12 Muižnieks, N. *Latvian-Russian Relations: Dynamics Since Latvia's Accession to the EU and NATO*. University of Latvia, 2011. p.10.

13 Muižnieks, N. *History, Memory and Latvian Foreign Policy In The Geopolitics of History in Latvian-Russian Relations*. Muižnieks, N. (ed.). Academic Press of University of Latvia, 2011. p.7.

14 It should be noted though that in terms of absolute volume of Latvia's trade with Russia and EU countries has grown considerably, especially after the economic crisis in 2008-2010. Ziņojums par Latvijas tautsaimniecības attīstību [Report on the state of Latvian economy]. Latvian Ministry of Economics, 2013. pp. 24-26. Retrieved from: http://www.em.gov.lv/images/modules/items/tsdep/zin_2013_1/2013_jun.pdf (Last accessed on 13.06.2014.)

15 Muižnieks, N. *Latvian-Russian Relations: Dynamics Since Latvia's Accession to the EU and NATO*. University of Latvia, 2011. p.25.

16 SKDS survey data, 2014.

sion-makers because Russian-speakers' views on the interpretations of history, Latvian-Russian relations, and current issues in international relations are considerably different from the views held by Latvians. According to public opinion surveys, 49% of Russians expressed their support for Russia's actions against Georgia in 2008.¹⁷ Also, 43% of Russians found Russia's annexation of Crimea in the spring of 2014 justified.¹⁸ In the light of the Ukrainian crisis, in the spring of 2014 Latvian authorities suspended the retranslation of the Russian 'Rossija RTR' TV channel in Latvia for three months. However, despite certain minor measures taken in order to taper Russia's influence on Latvian society, the neutralisation of Russia's adverse foreign influence on the Russian-speaking minority is likely to remain one of the biggest challenges for the Latvian authorities. It is also likely to become a major stumbling block in Latvian-Russian relations.

5. THE BALTIC COOPERATION

Due to their similar size and shared history, it is frequently supposed that the three Baltic States have much in common. But there is also a joke, that the only thing that Estonians and Lithuanians have in common is Latvians.¹⁹ Since the mid-1990s, the three Baltic States sought integration into the EU and NATO, but apart from that there have been many differences, many of which have surfaced after 2004. Latvia has been the staunchest supporter of the Baltic unity, while Estonia has identified itself as 'Nordic'. Lithuania, being the biggest of the Baltic States and due to its common history with Poland, appears to have extensive linkages to Central Europe.²⁰ In the past 10 years since the accession to the EU, the Baltic cooperation has suffered significant setbacks, but it also seems that their trilateral cooperation is built upon a solid foundation as proven by the frequent official and unofficial meetings of high-ranking Baltic States' government officials.²¹

The first symbolic challenge to the Baltic unity after the accession to the EU became apparent in early 2005. Despite the identical interpretation of the consequences of World War II and the availability of the institutional framework for cooperation, none of the three presidents of the Baltic States – Vaira Vīķe-Freiberga, Arnold Rüütel, and Valdas Adamkus – managed to express a unified stance of the three Baltic States towards Russia's invitation to attend the 60th anniversary of the end of World War II in Moscow on May 9, 2005. The Latvian and Lithuanian presidents decided to attend the event (though led by two different logics), but the Estonian president chose not to.

17 SKDS survey data, 2008.

18 SKDS survey data, 2014.

19 Latvia is geographically situated between Estonia in the North and Lithuania in the South.

20 Galbreath, D.J. A Baltic Star Catches Western Eyes: The Latvian Guide to "Making Friends and Influencing People". *Diplomaatia* 39, 2006. Retrieved from: <http://www.diplomaatia.ee/en/article/a-baltic-star-catches-western-eyes-the-latvian-guide-to-making-friends-and-influencing-people/> (Last accessed on 11.06.2014.)

21 There have also been attempts to merge the trilateral Baltic cooperation framework with the Nordic cooperation framework. Although merging both cooperation frameworks has not been possible, there is extensive cooperation between Nordic and Baltic countries in various spheres and frameworks.

Another contentious area of cooperation has been the issue of energy. On the one hand, various external factors compel the Baltic States to cooperate. Lithuania, Latvia, and Estonia are an 'energy island' within the EU which means that their energy infrastructure is heavily linked to Russia and lacks connections to other EU member states. They are bound by the EU common energy policy, relevant EU laws and directives.²² The EU has created financial incentives for cooperation, and there are various agreements and energy projects where the three Baltic States are involved. Under the Baltic Energy Market Interconnection Plan (BEMIP), the implementation of various electricity grid projects steadily moves forward.

The Baltic states have common energy security concerns, but they frequently seek individual rather than common solutions. The most vivid examples are two regional projects that are currently deadlocked. The first example is the nuclear power plant in Visaginas NPP. Clearly the Visaginas NPP is a high priority project for Lithuania, but not for Latvia and Estonia due to high investment costs, questionable cost-effectiveness, and the lowered competitiveness that is likely to be affected by Russian and Belarussian plans to build nuclear power plants in Kaliningrad and Belarus. The second example is the regional LNG terminal project, which is supported by the EU. However, the Baltic States could not reach an agreement on where it should be situated. As a result, Lithuania has chosen to build its own LNG in Klaipeda (not least because its gas imports from Russia increased by 60% after the Ignalina NPP was closed by the end of 2009), and it is not clear where this leaves Estonia and Latvia with regard to efforts to diversify their natural gas supplies. This is another sign that the trilateral cooperation in energy security struggles and there is no unified approach towards the common problems in this field.²³

Nevertheless, positive examples of Baltic cooperation exist, and there are many of them. The Baltic states are close economic partners due to their trade and investment interdependence. Also, the Baltic states have an extensive military cooperation. Much has been done in order to meet NATO pre-accession conditions (e.g. interoperability and NATO-compatibility). Various institutional mechanisms for cooperation have been created both before and after the accession to NATO: the Baltic Military Committee (BMC), a joint Baltic Air Surveillance System (BALTNET), and the Baltic Naval Squadron (BALTRON). With external assistance the Baltic states have created a joint military education institution, the Baltic Defence College (BALTDEFCOL) in Tartu, Estonia.

The Baltic states share a common perception of threats to their security. Russia's military engagement in Georgia (2008) and, most notably, the annexation of Crimea have led to increased activity in the field of collective security. For example, recent years have witnessed an increase in joint military exercises with the three Baltic States testing the interoperability of their forces together with troops from other NATO member states. Also, on 26 May 2014 in Tallinn, Latvian, Estonian, and Lithuanian defence ministers agreed that the Baltic Battalion will participate in the NATO Response Force as of 2016 and announced the development of cooperation in planning and command operations.²⁴ There is also an idea to estab-

22 Dudzinska, K. Energy Policy in the Baltic States—United or Separate? PISM Policy Paper 37, 2012. Retrieved from: https://www.pism.pl/files/?id_plik=11583 (Last accessed on 11.06.2014.)

23 Dudzinska, K. Energy Policy in the Baltic States—United or Separate? PISM Policy Paper 37, 2012. Retrieved from: https://www.pism.pl/files/?id_plik=11583 (Last accessed on 11.06.2014.)

24 Dudzinska, K. Energy Policy in the Baltic States—United or Separate? PISM Policy Paper 37, 2012. Retrieved from: https://www.pism.pl/files/?id_plik=11583 (Last accessed on 11.06.2014.)

lish a common Baltic Russian media outlet with an aim to counter disinformation spread by the Russian media and popularise Western views in Russian language for the Russian-speaking population of the three Baltic states.²⁵ This idea went even further when Baltic media leaders, together with Finland, asked the European Commission in a joint letter to consider establishing the 'Voice of Europe', a Russian-language TV channel that would cover all of Europe, including such countries as Germany, Finland, and Great Britain.²⁶ All in all, although the Baltic cooperation has suffered a number of setbacks over the past 10 years, there are signs that it has been revitalised by the growing security concerns of all three Baltic states.

6. THE DIASPORA POLICY

The EU membership has brought Latvia a number of benefits, but it has also had a number of problematic aspects. Arguably, the massive outward migration since 2004 to the so-called 'old' member states has been the most prominent negative concern. Latvia's demographic situation deteriorated during the 1990s when the fertility rate steeply declined, and this problem was exacerbated by the freedom of movement of labour within the EU after 2004. The main destinations for Latvians were Great Britain and Ireland. The economic crisis in 2008-2010 produced another wave of emigration. Since the beginning of the 21st century, successive waves of emigration have swept away approximately 9 % of Latvia's population which translates into roughly 170 000 – 200 000 individuals.²⁷ Latvian authorities had to adapt to this new reality and devise a feasible diaspora policy, which is still very much work in progress. The diaspora policy has become a part of Latvian foreign policy because the Ministry of Foreign Affairs is the only government institution that has permanent diplomatic representations in most countries that host significant numbers of Latvians. Thus, it plays a special role in the formulation and implementation of this policy.

The Latvian diaspora is diverse and has emerged in different historical contexts.²⁸ The so-called 'old diaspora' settled in Northern America and Western Europe in the aftermath of WWII. It was well-organised and politically mobilised. The 'old diaspora' lobbied for the non-recognition of the Soviet occupation in various Western governments and served as a vital platform for the restoration of Latvian independence in 1991. After the collapse of the Soviet Union, though small in number, 'returnees' played a prominent role in westernizing Latvia, took active roles in national legislature, assumed a number of ministerial posts, represented Latvia abroad in various international organisations, headed a number of state institutions and have been prominent in various NGO's, academia and media circles, as well as in the economy.²⁹ The 'new diaspora' is in many aspects different because it was driven

25 The Baltic Times. Baltics continue discussions to counter Russian propaganda TV. 21.04.2014. Retrieved from: http://www.baltictimes.com/news/articles/34743/#.U5t7GV76_M6 (Last accessed on 12.06.2014.)

26 Estonian Public Broadcasting (News.err.ee) Media Figures Petition EC for Creation of Unbiased Russian-Language Outlet in Europe. 11.04.2014. Retrieved from: <http://news.err.ee/v/society/3e80a002-9d5d-4f31-af25-d0d3651b3bca> (Last accessed on 11.06.2014.)

27 Hazans, M. Emigration From Latvia: Recent Trends and Economic Impact. In *Coping with Emigration in Baltic and Eastern European Countries*. OECD, 2013. pp. 65-102.

28 Muižnieks, N. Responsibility in Latvia's Relations with the Diaspora. In *Latvia. Human Development Report 2008/2009: Accountability and Responsibility*. Rozenvalds, J., Ijabs, I., (eds.). ASPRI, 2010. p. 132.

29 Ibid., pp. 132-133.

by economic motives (e.g. the lack of economic opportunities in Latvia). It was motivated by the free movement of labour within EU, reduced migration costs, and established social networks (e.g. friends and relatives abroad). What makes maintaining relationships with the 'new diaspora' problematic is that it is alienated from the Latvian authorities. The 'new diaspora' distrust the government and are disappointed in Latvia.³⁰

Although the Latvian government has become more active in formulating its diaspora policy in recent years, the origins of this policy date back to 2004 when the 'Latvian Diaspora Assistance Programme 2004-2009' was first created. However, this programme was never implemented both because it was not among the top government priorities and later because of the economic crisis. Since then, the diaspora policy has been addressed in a number of government documents. The diaspora issue was reflected in the 'Cabinet declaration' of Prime Minister Valdis Dombrovskis' government (2011) and in the 'National identity, civic society and integration policy guidelines for 2012-2018' (2011). Latvia's National Development Plan (2014-2020) also posits the diaspora in the list of topical issues and calls for establishing a communication platform with the diaspora.³¹ The most recently adopted Re-emigration Plan (2013) outlines actions that government institutions should take in order to facilitate the re-emigration of Latvians currently living abroad. The economic crisis was a turning point in reconsidering the diaspora policy in a more strategic fashion. Nowadays the diaspora policy, at least rhetorically, is deemed essential and directly connected with preserving the Latvian identity, promoting a more active civic participation, improving Latvian demography, facilitating the re-emigration, and turning the 'brain drain' effect into 'brain circulation'.

The implementation of the Re-emigration Plan requires a concerted action of Latvian authorities. For the time being, however, facilitating a mass re-emigration is not possible. Thus, the Ministry of Foreign Affairs is likely to remain the key institution for maintaining relations with the diaspora. Its functions include organizing opportunities for the Latvian diaspora to cast their vote in national elections and managing day-to-day relations with the diaspora. Moreover, there is little trust in the Latvian government among members of the diaspora; therefore, the Ministry of Foreign Affairs should perform functions that are usually seen as public diplomacy. The difference, however, is that in this context public diplomacy is not only about managing relations with citizens of a different country, but instead with disillusioned Latvian citizens living abroad.

7. CONCLUSION

Latvia will hold its first European Council Presidency in the first half of 2015. This is likely to become a milestone in Latvia's EU membership and will probably mark the end of Latvia's self-perception as being a 'new member state'. The elements discussed in this article provide ample evidence that the first 10 years of EU membership were largely about adaptation to the new situation. In the case of the ENP (which later partially morphed into the

30 Ibid., p. 134.

31 Lappuķe, R., Special ambassador of Ministry of Foreign Affairs. Dialogs ar latviešiem ārzemēs: Diasporas politika Latvijā (Dialogue with Latvians living abroad: Latvia's diaspora policy). Presentation at the conference on demography at the University of Latvia, 11-12.02.2014.

EaP), Latvia had to find out what could be achieved with the help of this policy and how much support it could garner from other member states. Accepting the development cooperation policy for Latvia was part of the EU socialization process. Becoming a donor country has not been easy, and there are still wide disparities in Latvia in terms of the extent to which various actors involved in the foreign policy decision-making process have internalized the notion that being a 'good international citizen' also means providing assistance to developing countries. The Ministry of Foreign Affairs and non-governmental organizations have been the first to accept and internalize this norm while political parties and the general public have found it hard to accept it. The need to develop a coherent and viable diaspora policy has been another important consequence of Latvia's EU membership. Probably, this has been the toughest lesson of all because emigration and the demographic problems that it has caused touch upon the core aspect of sovereign statehood. Thus, it is hardly surprising that demography has been elevated to the status of a national security issue.

Perhaps the element of Latvian foreign policy least affected by the EU membership was relations with Russia. There is little doubt that Latvia's EU membership created important preconditions for the normalization of Latvian-Russian relations. Moreover, the EU has provided a number of tools that have made it possible to taper Russia's influence over Latvia (for example, energy security and transport infrastructure). However, the security element, which undoubtedly exists in Latvia's relations with Russia, has prevented the EU-ization of these relations. As a result, Latvia mostly sees its relations with Russia in terms of hard security and its NATO membership. However, in addition to military security, Latvia sees a number of soft security elements in its relations with Russia. Thus, it remains to be seen whether the EU membership can further address at least some of these concerns.