

## Latvia and the United States: Revisiting a Strategic Partnership in a Transforming Environment

### EXECUTIVE SUMMARY\*

Among the many areas of issue constituting the strategic partnership between Latvia and the US, three are prioritized:

- 1) cooperation in security and defense;
- 2) economic ties, including transport and energy; and
- 3) people-to-people relations.

#### Cooperation in security and defense:

- In contrast to certain other European states, Latvia shares the US's assessment of the security environment in Europe and sees the US as a pivotal guarantor of European security.
- Cooperation in this realm is vital and developing, but arguably has not yet reached peak level.
- The Russia-Ukraine conflict underscores the importance of the US and its NATO allies tackling the multiple conventional and hybrid ways in which Russia poses threat to European, global and the United States' own security.
- Regardless of who is elected the next President of the United States, she or he must counter eroding public support for the US global leadership role, and uphold commitments to European Allies.
- Taking into account Latvia's strategic location, the US and Latvia have to invest in developing Latvia's military capacities, its traditional, energy and cyber infrastructure, as well as "dual-use" capacities. This should be done bilaterally and in the NATO framework. Additional European investments can be attracted.
- The US should become a sponsoring nation of the Riga-based NATO Strategic Communications Centre of Excellence.
- Latvia would benefit from a new US strategy towards the Baltic Sea Region, including improved cooperation between the US and NATO with Sweden and Finland, and a maritime presence.
- Against the background of perceived security "free-riding" by European NATO members, Latvia needs to actively communicate and continue implementing in practice its legal commitment to spend two per cent of the GDP on defense by 2018. This is a strategic step important for boosting its own immediate defense capabilities and securing continued US support.

#### Economic ties:

- Latvia's economic relations with the US have a significant potential for improvement, as demonstrated by expert assessment as well as achievements of other European Union Member States, including its Baltic neighbors.

- The impact of the Transatlantic Trade and Investment Partnership (TTIP) between the US and the EU will likely be positive for Latvia, resulting in increased trade, improved conditions for small and medium-sized enterprises (SMEs), new jobs and investments. According to the forecast by the American Chamber of Commerce in the EU, for Latvia the agreement will likely result in lower prices (0.2 per cent decrease), improved exports to the US (11.7 per cent increase) and the GDP (0.4 per cent increase). The TTIP has geopolitical significance for the Transatlantic community.
- Latvia-US cooperation on the Northern Distribution Network over 2009-2015 has already proved Latvia's capability to establish and run new and complicated transportation lines over Eurasia. In the future, Latvia's developed infrastructure system, especially railways, will be essential for military purposes and new transit projects connecting Eurasia; Latvia is particularly interested in capitalizing on the possibilities of the already highly efficient commercial transportation over the East-West corridor.
- As Latvia prepares to liberalize its energy market by 2017, it can deepen its strategic partnership with the US in the energy sector through importing Liquefied Natural Gas (LNG) for its own needs and potentially serving as a regional hub thanks to its unique storage capacities. For the US, Latvia is important as an ally that shares its vision about European energy security, including highly controversial projects such as Nord Stream 2.
- Latvia must reopen a specialized economic representation in the US. The representation should be entrusted with promoting Latvia's attractive business and investment climate to US partners as well as with assisting Latvian enterprises to establish themselves in the US market.
- The large, active and supportive Latvian diaspora in the US is a valuable resource for further developing business ties between the two countries.

### People-to-people relations

- Latvia's cultural presence in the US can be additionally strengthened through extra dedicated state/diplomatic resources, as well as methods such as university exchanges and tourism promotion.
- Continued dialogue at policy-maker and societal levels is crucial to ensure broad support for existing initiatives and the launching of rewarding new ones.
- The American Latvian diaspora must be strongly supported as a key partner in strengthening Latvian-US relations.

*\*This summary is not exhaustive, and the theses included here may not be shared by all authors. The aim of this document is to highlight the main and most innovative aspects raised in the book. The reader is invited to refer to the book for a more comprehensive analysis and recommendations.*