

Normalized Relations with Russia Can Improve Baltic Economies During Pandemic

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In 2020, Lithuania's and Latvia's gross domestic product (GDP) will decrease by seven per cent, according to a European Bank for Reconstruction and Development [report](#) published only days ago. Estonia's GDP is projected to decline by six percent. A six to seven percent contraction is the biggest in the European Union, and it certainly can be partly blamed on the current coronavirus pandemic that has shut down entire industries. The total decline in the economies of the Baltic and Central European countries in 2020 will be an average of 4.3 percent, and in 2021 it is forecasted to be a 4.5 percent growth.

Quarantine is in place in Lithuania until May 31. However, the government is lifting more and more previously imposed restrictions. These include the obligatory wearing of masks in public places, work in the entertainment sector, as well as other industries. According to the latest data, more than 1,510 cases of coronavirus were detected in the republic, and 54 patients died. The figures are not all too different in the other Baltic countries.

According to the influential [RAND think-tank](#), some NATO members are concerned that some members are deliberately escalating the confrontation with Russia, fearing that Russia's threat to the Alliance would otherwise be underestimated. It is clear that Russia's relations with NATO have been in a deep crisis recently, and anti-Russian tendencies has dominated a lot of the West – primarily the U.S. even though China has now become the main target.

Baltic states are trying to keep the focus on Russia however, fearing that Russia's threat to the Alliance will otherwise be underestimated, and that they will be left alone in a hypothetical war. According to the study, due to the current mutual mistrust, poor communication, clear lack of understanding of the other side's position and possible incorrect strategic and tactical conclusions, any minor incident could lead to a military conflict, which Russia and many NATO members themselves do not want.

A study by [the Atlantic Council](#) claims that Chinese investment in European infrastructure, like ports and in the telecommunications sector, could have a significant impact on military mobility in Europe. Generally speaking, access to critical infrastructure needs to be restricted as it could disrupt military mobility at a crucial moment. It is written in small print at the bottom of one page that NATO members – especially Poland and the Baltic states – must destroy Russian railways and replace it with a European one and deal with bridges on the border with Russia so that Russian heavy military equipment cannot pass them.

Lithuanian President Gitanas Nausėda, speaking recently with NATO Secretary General Jens Stoltenberg, emphasized that despite the epidemic, Lithuania would continue to devote 2% of the country's GDP to defense and will continue to implement its other NATO

commitments through its operations in Iraq and Afghanistan. Nauséda also noted that Lithuania sees Russia's so-called efforts to spread disinformation through the pandemic, and is supposedly concerned about Russia's continuing military activity in the east and other regions, such as Syria and Libya.

Therefore, the President stressed to the NATO Secretary General that the best way to respond to Moscow's aggressive actions is to implement defense strengthening measures consistently and quickly, as well as strengthening air defense in the Baltic region, the rapid adoption of NATO military forces and developing necessary defense plans.

Unfortunately for the U.S. and the Baltic countries, constructive dialogue with Russia is still alive in a lot of Europe, and at a serious level, with the different parties trying to understand each other's position and reach some kind of compromise that would increase European security. For this reason, the Baltic countries who will be the worse hit from the economic fallout caused by the coronavirus need to re-establish positive relations with Russia for their own economic benefit.

As much as 19.8% of Lithuanian, 16.2% of Latvian and 11.4% of Estonian [exports were directed to Russia in 2013](#). Despite this huge economic relationship, Latvia, Lithuania and Estonia were some of the first states to call for tougher EU sanctions against Moscow when it reunited with Crimea in 2014. Russia can be a major market for Baltic made products and Russia in turn can offer cheap energy sources, alleviating a lot of the financial pressure causing by the coronavirus pandemic. Despite these advantages, the Baltic states continue only to want to serve NATO interests contrary to their own benefit and interests.

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