LITHUANIAN GRAND STRATEGY AND EU DEFENSE INTEGRATION
About the Author

Justinas Mickus is an Associate Analyst of Vilnius Institute for Political Analysis and a student at Princeton University (USA). Before joining Vilnius Institute for Policy Analysis Justinas had spent two years working at the research centre „Liechtenstein Institute of Self-Determination“ where he collaborated in the continuous project “Generational Perspectives on National and International Security”, analysing security dynamics in Europe and the Baltic region as well as interaction of corruption and security. In the years 2015-2017, while working as an assistant of European Union integration theorist Professor Andrew Moravcsik, Justinas prepared a review of Lithuanian foreign politics and the preferences shaping it. Both projects also inspired the insights presented in this study.
# Table of contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRODUCTION</td>
<td>4</td>
</tr>
<tr>
<td>CONTEXT</td>
<td>5</td>
</tr>
<tr>
<td>METHODOLOGY</td>
<td>10</td>
</tr>
<tr>
<td>Analytical perspective</td>
<td>10</td>
</tr>
<tr>
<td>Analytical model</td>
<td>11</td>
</tr>
<tr>
<td>LITHUANIAN GRAND STRATEGY</td>
<td>13</td>
</tr>
<tr>
<td>ANALYSIS OF LITHUANIAN POLICY</td>
<td>15</td>
</tr>
<tr>
<td>Political position</td>
<td>15</td>
</tr>
<tr>
<td>Specific involvement</td>
<td>18</td>
</tr>
<tr>
<td>Conclusion</td>
<td>21</td>
</tr>
<tr>
<td>THE FUTURES OF LITHUANIAN POLICY</td>
<td>22</td>
</tr>
<tr>
<td>RECOMMENDATIONS</td>
<td>26</td>
</tr>
</tbody>
</table>
One often hears that more has happened in the defence policy of the European Union over the past two years than in the past decade. Within two years after the EU institutions and member states renewed serious debates on greater defence integration in mid-2016, 23 member states launched 17 joint projects focused on developing defence capacity and defensive preparedness, the European Commission has pledged funding to joint defence research and capacity-building projects, while a newly-established permanent operational headquarters in Brussels plans and coordinates all EU-led civilian missions. Importantly, such initiatives to deepen and strengthen EU defence cooperation seem to reflect popular attitudes across Europe, where public support for joint EU defence policy ranges from 57% (Austria) to 90% (Cyprus).

The concrete EU defence integration initiatives implemented in the last two years have also prompted broader discussions about the future direction of EU defence and security policy. Encouraged but not sated by the steps taken so far, some EU-enthusiasts have renewed their call for a joint European military force or proposed “strategic autonomy” as the fundamental aim of EU defence policy. At the same time, the recent initiatives also touch on the hot-button issue of compatibility between EU defence cooperation and NATO and raise contentious questions about the desired pace and form of EU integration. It thus seems that even the relatively limited EU defence policy initiatives have triggered and continue to drive discussions on the fundamental questions of European politics.

This study aims to enrich these discussions with the Lithuanian perspective. More precisely, the present study considers what position Lithuania may take in future negotiations on EU defence integration. To assess what future policy is likely, the study analyses Vilnius’ long-term strategic thinking in the area of security and foreign policy, as well as its current manifestations in the context of EU defence policy – i.e., the Lithuanian involvement in the current EU defence integration initiatives. Based on this analysis, the study presents four scenarios for the likely Lithuanian policy towards further EU defence integration and provides recommendations for stakeholders.
It is best to begin the overview of the new projects with PESCO, which is arguably the broadest and the deepest of the four. PESCO has two functions: (1) within its framework, member states, for the first time in EU history, undertake binding commitments to strengthen cooperation in defence; (2) it provides a framework for member states to initiate and join specific defence integration projects based on their interests and competencies. In other words, PESCO provisions mandate common development of EU defence capacities while allowing differentiated integration on specific defence issues. Common commitments cover two dimensions of defence policy: (1) development and harmonisation of defence capacities and (2) development of operational preparedness and funding for joint EU missions. The first 17 specific joint projects approved within the framework of PESCO cover training, capacity building, and operational readiness. Every PESCO participant must undertake all of the binding commitments and must participate in at least one specific PESCO project.

The other three initiatives have narrower functions. CARD was developed by the European Defence Agency (EDA) to optimise its primary activity – coordinating defence capacity development for EU member states. Within the framework of CARD, the EDA maintains bilateral dialogues with each member state to identify their defence priorities and plans for defence capacity development. It then aggregates the data it accumulates and analyses the general trends observed to propose a list of opportunities for cooperation between member states and recommendations for action. The EDA implements this process in consideration of the provisions and commitments detailed in the NATO Defence Planning Process.

Similarly, the MPCC is also intended to optimise existing EU defence policy – its military support missions – by centralising the strategic planning of such missions in Brussels. This centralised institution was established in order to ensure the effective and economical execution of the EU’s military support missions. Previously, such missions were managed on-location, and a lack of centralised command led to problems in planning and execution, sometimes even putting EU soldiers at risk. The MPCC also facilitates communication of intelligence on mission execution to EU institutions and to member states, thus ensuring greater political accountability.

The EDF, meanwhile, has a narrow but new and unique function in EU defence policy. Proposed and set up by the Commission, the EDF is the first mechanism in EU history dedicated to funding joint defence projects.

One may justifiably claim that the defence integration processes unfolding today officially began on 15 December 2016, when the European Council signed three interrelated strategic documents: The EU Global Strategy (EUGS), the European Defence Action Plan (EDAP) and the EU-NATO Cooperation Plan on the basis of the Warsaw Declaration. Soon after ratification, the documents came to be collectively known as the EU “Defence Package.” To begin implementing its provisions, EU member states and the European Commission (EC) proposed four concrete defence integration initiatives: to initiate Permanent Structured Cooperation (PESCO) and the Coordinated Annual Review on Defence (CARD), as well as to establish a Military Planning and Conduct Capability centre (MPCC) and the European Defence Fund (EDF).
research and development in defence. The EDF funding is allocated for joint research and capacity building projects involving at least three member states. In the current EU budget cycle, i.e., up to the year 2020, almost 600 million euros from the EU budget have been allocated for EDF funding programmes, while an annual 1.5 billion euros have been allocated for the post-2020 programming cycle. While the Commission fully covers the research funding, defence capacity building projects will be funded jointly, with the member states and the Commission providing 80% and 20% of the project value, respectively. By providing partial funding of such projects, the Commission seeks to promote cooperation between national defence industries – the lack of which, based on the Commission’s estimates, costs the EU 25 to 100 billion euros annually.7

Even though the three narrower projects serve unique functions within the new EU defence policy, the full significance of each initiative can ultimately only be revealed by analysing its interdependence with PESCO. Broadly speaking, CARD, EDF, and MPCC are partially intended to support PESCO and maximise the value its framework generates for the EU. The annual recommendations by CARD set strategic guidelines for specific projects within the PESCO framework, thus ensuring that these projects meet the interests and policy priorities of member states and create value-added to both European and transatlantic defence. To help EU member states implement such strategic projects within the PESCO framework more easily, the EDF provides them with preferential funding. Finally, MPCC is an important step in fulfilling the PESCO-mandated common commitment to improve the operational preparedness of the EU, as it enables effective coordination of EU missions between on-the-ground deployments, Brussels, and member states. This multifaceted interaction between EU defence integration projects is illustrated in the table below.

TABLE NO. 1: THE NEW EU DEFENCE PACKAGE

<table>
<thead>
<tr>
<th>STRATEGIC DOCUMENTS</th>
<th>EU GLOBAL STRATEGY</th>
<th>EUROPEAN DEFENCE ACTION PLAN</th>
<th>EU-NATO COOPERATION PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>INITIATIVES</td>
<td>PESCO</td>
<td>EDF</td>
<td>CARD</td>
</tr>
<tr>
<td>FUNCTION</td>
<td>Sets up 17 cooperation projects</td>
<td>Provides funding for defence research and defence capacity development projects</td>
<td>Optimises and extends the EDA system for coordinating the development of national defence capacities</td>
</tr>
<tr>
<td>INTERACTION WITH PESCO</td>
<td>Ensures preferential funding for PESCO projects and joint capacity building projects</td>
<td>Provides strategic guidelines for PESCO projects and commitments</td>
<td>Provides a centralised planning and conduct capability structure for the execution of military missions within the framework of PESCO</td>
</tr>
</tbody>
</table>

No assessment of the EU Defence Package can be meaningful without discussing the history of its central element. The timeline of PESCO, first introduced more than fifteen years ago, can be divided into two short periods of intense and productive effort separated by a decade of inactivity.8 The initial efforts resulted in the establishment of a legal framework for structured and differentiated integration in the area of defence. The idea that countries with higher ambitions and greater military capacities could seek closer cooperation in the area of defence was officially introduced in 2002,

---


in a report of Working Group VIII ‘Defence’ (16 December 2002); text, CVCE. EU by UNILU, December 19, 2013, https://www.cvce.eu/en_AT/recherche/unit-contents/-/unit/96b45e3b6d-7c1e-459e-8e56-d9b56da9-e4-4703-b1f1e-56d5f99d0c77/Resources.


10 “Consolidated Version of the Treaty on European Union,” October 26, 2012, 34. (Articles 42.6 and 46)

11 Fiott, Missiroli, and Tardy, “Permanent Structured Cooperation: What’s in a Name?”


thus was closer in intent to the French position.

As talks progressed, the dichotomy between ambition and inclusivity was resolved by transforming PESCO as a broad and inclusive process intended to become more ambitious overtime. This form of PESCO was proposed in July 2017, with a joint statement by the defence ministers of France, Germany, Spain, and Italy, which was immediately supported by Belgium, the Czech Republic, the Netherlands, and Finland.16 The two main proposals of the July statement – to set broad general commitments and to allow member states to voluntarily implement specific defence projects – went on to become the foundations of PESCO as we now know it. In this way, PESCO allowed to postpone higher ambitions and enabled more member states to take part in the project in the short term. In December 2017, 25 member states became participants of the initiative.

Still, the compromise between different long-term strategic visions that produced PESCO and the broader EU Defence Package cannot fully resolve the uncertainty surrounding future EU defence policy. It appears that, if successful, the recent initiatives could meaningfully strengthen EU security and increase its power in the long-term: together, PESCO, CARD, EDF and MPCC cover all dimensions of security and defence policy – from capability development to funding to operations. In the short-term, however, the relative lack of ambition presents a risk that the Defence Package initiatives will disappoint some member states and, in turn, will reduce the political will to actively pursue joint long-term projects. In other words, even though the new EU Defence Package sets a higher floor of ambition in defence cooperation and integration, it offers little clarity on the specific content of future EU defence integration.

For this reason, analysts today can do little beyond offering more or less productive models for projecting the future of EU defence policy. These models must take into account the likely evolution of the current projects, the probable further changes in the EU security environment, and the dynamic interests of EU institutions and member states. In attempt to contribute, however modestly, to the broader analytical discussion, this study assesses the likely scenarios for Lithuanian policy towards future EU defence integration. The methodology selected to achieve this analytical aim is presented in the next section.

### The Timeline of EU Defence Package

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 29</td>
<td>The Treaty establishing a Constitution for Europe is signed. The Treaty contains provisions for Permanent Structured Cooperation in defence (PESCO)</td>
</tr>
<tr>
<td>December 1</td>
<td>The Lisbon Treaty goes into effect, with PESCO provisions (Article 42(6))</td>
</tr>
<tr>
<td>June 28</td>
<td>Federica Mogherini presents the EU Global Strategy (EUGS)</td>
</tr>
<tr>
<td>July 8</td>
<td>EU-NATO signs a joint declaration &quot;to give new impetus and new substance to the NATO-EU strategic partnership.&quot;</td>
</tr>
<tr>
<td>November 14</td>
<td>EU foreign and defence ministers confirm the EUGS implementation plan on security and defence</td>
</tr>
<tr>
<td>November 30</td>
<td>The European Commission presents the European Defence Action Plan (EDAP)</td>
</tr>
<tr>
<td>December 6</td>
<td>The European Council adopts the conclusions of Implementation of the EU-NATO Joint Declaration, with 40 proposals in the 7 areas. These proposals are endorsed on the same day by the North Atlantic Council.</td>
</tr>
<tr>
<td>December 15</td>
<td>The European Council agrees on the core documents of the new EU Defence Package</td>
</tr>
<tr>
<td>June 7</td>
<td>The Commission launches the European Defence Fund (EDF), presents the proposal for the European Defence Industrial Development Program (EDIDP)</td>
</tr>
<tr>
<td>June 8</td>
<td>The European Council establishes the Military Planning and Conduct Capability (MPCC)</td>
</tr>
<tr>
<td>June 9</td>
<td>Jean-Claude Juncker makes his “sleeping beauty” speech about PESCO</td>
</tr>
<tr>
<td>July 13</td>
<td>France and Germany declare a common position on PESCO</td>
</tr>
<tr>
<td>July 21</td>
<td>France, Germany, Spain, and Italy submit a proposal for a “inclusive and ambitious” PESCO; the proposal is signed by Belgium, Czechia, Finland, and the Netherlands</td>
</tr>
<tr>
<td>October 19</td>
<td>The first trial of Coordinated Annual Review on Defence begins</td>
</tr>
<tr>
<td>November 13</td>
<td>23 EU member states sign a joint notification on PESCO</td>
</tr>
<tr>
<td>December 11</td>
<td>The European Council establishes PESCO and agrees on the initial list of 17 common projects</td>
</tr>
<tr>
<td>December 14</td>
<td>The European Council officially confirms the launch of PESCO, agrees to implement the EDIDP and to establish a new instrument for defence capability development after 2020</td>
</tr>
<tr>
<td>March 6</td>
<td>The European Council formally establishes the first 17 collaborative PESCO projects</td>
</tr>
</tbody>
</table>
Methodology

The aim of this study is to assess the likely positions Vilnius may take during the negotiations on the future of EU defence integration. Such an aim raises sets two conditions for meaningful analysis. First, the selected analytical perspective must cover and integrate all issues in reference to which Lithuania shapes its policy on EU defence integration. Second, the analytical model of the study must take into consideration all factors that shape Lithuanian policy on each of these issues. In other words, the aim of this study sets up a specific analytical objective – to analyse Lithuania’s strategic thinking with regard to EU defence integration. In order to meet this objective, the study will employ the liberal model of grand strategy. The reasons for selecting such an analytical approach are explained below.

Analytical perspective

In order to set the appropriate analytic scope of the study, the strategically significant issues that the EU defence integration raises for Lithuania must be identified first. These can be grouped into three categories:

1. The Europeanization of national security policy.
   What functions of defence policy planning and execution could/should Vilnius transfer to the EU level, if any? What value would greater EU defence integration create for Lithuania?

2. The impact of deeper defence integration on broader European integration.
   Will greater defence policy integration result in a broader consolidation of political power in Brussels, e.g., with regard to the regulation of the defence industry? How will the current model of differentiated integration influence broader relations between different member states or their groupings?

3. The direction of EU security and foreign policy.
   Is the new Defence Package a step towards strategic autonomy of the EU? How will it affect the role of member states as members of NATO? How can it change the global role of the EU?

The set of questions presented above makes it clear that study requires an analytical perspective that could explain the highest level of strategic thinking in Vilnius. During discussions on future EU defence policy, Lithuania will inevitably confront fundamental questions about the potential role of the EU in the world, the transatlantic alliance, and the future development of European integration. What is more, questions related to broader EU integration are at the same time questions about how, by whom, and where Lithuanian politics life will be conducted – i.e., questions about the future of Lithuania as a political subject.

Taking into account the scope of the issue at hand, this study will employ the grand strategy perspective. As formulated by Basil Liddel Hart, the British military historian who coined the term, “the role of grand strategy is to coordinate and direct all the resources of a nation (or a band of nations), towards the attainment of … the goal defined by fundamental policy.”17 Put simply, grand strategy is about the use of state power, broadly conceived, to achieve fundamental political ends. It is important to note that Hart’s idea of grand strategy does not presume any specific goals – their exact content is also a question of grand strategy. Because EU defence integration raises existential questions for Lithuania, whatever position Vilnius assumes in future European negotiations will depend on the answers it finds these fundamental political questions. For this reason, Lithuanian policy on future EU defence integration is a question of Lithuania’s grand strategy.

The chosen analytical approach requires identifying the grand strategy of Lithuania. A country’s grand strategy is typically seen as its highest-ranking strategic foreign policy document or a set of documents. While this approach is not entirely misleading, it unnecessarily narrows our understanding of grand strategy. Grand strategy, first and foremost, is a way of thinking of the state – or, as grand strategy scholar G. John Ikenberry puts it, the conceptual logic for how a political entity projects power and tries to shape the world according to its interests and values.\(^\text{18}\) Such a logic can be incorporated into official documents; however, as pointed out by British diplomat and scholar Alyson Bailes, it can also be identified as a “persistent set of ideas within the nation about national identity, survival, aims, and possibly values”\(^\text{19}\) that directs policy. The analysis below is based on precisely such an understanding of grand strategy.

### Analytical model

The analysis of this “set of ideas within the nation” and its influence on state policy below uses the liberal understanding of grand strategy. The liberal theory views international politics as the effort of states to manage their interdependence.\(^\text{20}\) This rests on two interrelated assumptions: (1) policy arises from and reflects the dominant configurations of societal preferences and (2) these preferences are externally constrained by preferences of foreign societies. As every society exhibits different types of preferences in varying degrees of intensity, their dominant configurations are determined by the prevailing political institutions and processes of the state. Thus, though it too speaks of state interests, the liberal theory understands the state as a certain filter of underlying societal preferences rather than a primary actor in international politics.\(^\text{21}\)

Because of this, the liberal approach provides a parsimonious but powerful model for describing how states develop their grand strategies and for predicting what concrete policy states may implement based on their grand strategies. From the liberal perspective, the “set of ideas within the nation” described by Bailes can be understood simply as the historically dominant configuration of societal preferences. The grand strategy of a state, then, is the established logic based on which political leaders and institutions align political means to the ends defined by this configuration of preferences.

This insight of liberalism contradicts the widely-held belief that grand strategy is fundamentally geared towards ensuring national security and survival. This traditional perspective derives from the realist theory of international relations, which holds that state interest and behaviour are structurally determined by the international system. More precisely, because they view the international system as fundamentally anarchic, realists claim that every state pursues the same fundamental goal – to maximise its security.\(^\text{22}\) Conversely, because the liberal theory views the international system also as interdependent and takes societal preferences as its basic analytical unit, it does not a priori accord any “ultimate” goal to state policy.

Even though the realist approach also offers a parsimonious model for interpreting grand strategy, its explanatory power is quite limited. First, because realism ignores the specific societal preferences driving state policy, it cannot adequately detail the factors causing states to cooperate, engage in conflict, or develop its security policy. Second, the realist theory cannot explain historical changes in security policy. In viewing the maximisation of security as the constant aim of state policy, realists ignore the fact that, historically, various societal transformations have regularly changed both the understanding of security and the content of security policy.\(^\text{23}\) Third, as realism only differentiates

---

21 Depending on regime type, this “filter” may be more or less restrictive.
23 Moravcsik, “Taking Preferences Seriously.”
states on their relative power, it view smaller states as fundamentally vulnerable and condemned to seeking survival at any cost. For this reason, the realist approach cannot explain the historical reality that some small states manage to escape their position of structural vulnerability and seek unique and normative strategic goals.24

The liberal theory covers all of these issues and enables us to analyse the broader questions that realism considers irrelevant. By focusing on ever-changing societal preferences rather than permanent structural interests, the liberal theory can explain why, when, and how states choose to develop their security policy (or not to develop it), as well as how their security policy transforms over time. Further, focusing on societal preferences also enable explaining why different states aim for different types of peace, i.e., why they seek different structures for international cooperation. Finally, societal preferences can explain a smaller state’s decision to choose the path of integration, which fundamentally transforms their security situation.

In short, this study employs the liberal model of understanding grand strategy it enables a multi-faceted assessment of the Lithuanian policy towards European defence integration. Following the methodology described above, the discussion below is divided into three parts. The first contains a brief overview of the dimensions of Lithuania’s grand strategy – i.e., the historical dominant societal preferences driving national policy. The second presents a detailed analysis of the Lithuanian policy towards the EU Defence Package, covering both the fundamental political position Vilnius took during the negotiations and its concrete involvement in the specific projects within the Defence Package. The third synthesizes the analysis of the long-term Lithuanian grand strategy assesses and the recent state policy towards the EU Defence Package to assess the likely scenarios of future Lithuanian involvement in EU defence integration initiatives.

The main primary source of information for this study is the original data collected over twelve interviews with current and former decisionmakers. The interview subjects hold or have held senior positions in the Presidential Office, the Government Office, the Ministry of Foreign Affairs (URM), the Ministry of Defence (KAM) and the Parliament (Seimas). The study also consults the usual primary and secondary sources: official documents of relevant political entities, scientific literature, think tank reports, and media publications.

---

Lithuanian grand strategy

Even a brief presentation of the dimensions of Lithuanian grand strategy requires an overview of the long-term Lithuanian foreign and defence policy. Because the limited scope of the present study makes in-depth historical analysis infeasible, the analysis below takes interview data and the fundamental state documents and political party agreements on foreign and security policy as the basis for identifying the main features of Lithuanian grand strategy. By consulting these sources and related secondary literature, this section presents the most stable societal preferences driving Lithuanian state policy – i.e., the grand strategy of Lithuania.

Even though some interview subjects expressed discomfort with the term ‘grand strategy,’ all of them agreed that Lithuanian policy can be explained by a certain persistent strategic logic. With little variance among them, interview subjects identified two essential and interrelated principles of Lithuanian foreign and security policy: integrating into the Western political space and ensuring national security. The interview subjects associated these principles with the preservation of the fundamental aspects of the Lithuanian state and society – Lithuania’s borders, language, culture and democratic rule. Most subjects emphasised that these principles are upheld by all of the primary figures of state; as one subject put it, even though “the discourse in most countries is much broader”, the principal strategic guidelines of Lithuanian national policy “go unquestioned.”

Accordingly, the interview subjects also provided highly similar responses when asked about the application of fundamental strategic guidelines. The majority of respondents emphasised the interest or need for selective leadership within the NATO and/or the EU on certain issues regarding the relations between Russia and the West, e.g., on seeking greater energy independence for Europe (and Lithuania) or on helping former soviet republics integrate into the Western political system. Different respondents associated this aim both with ideational preferences (e.g., to fulfil a moral obligation, “to help [Eastern Partnership countries] to replicate our success”) and geopolitical or geo-economic interests (e.g., “create a band of successful states around Russia”). Speaking of conditions for selective leadership, several respondents accentuated the importance of coalition building, while others emphasized the necessity “to be dutiful and exemplary members of [NATO and the EU] ... To show our solidarity.”

The interview answers are echoed in the government programmes of the past decade, in the political party agreements for 2008-2012 and 2014-2020 foreign, security, and defence policy guidelines, as well as in the 2018 party agreement on defence policy guidelines. All of these documents identify membership in the Euro-Atlantic political structures as a fundamental Lithuanian interest, agree to support the integration of Ukraine, Georgia, and Moldova into these structures, and identify Russian aggression as a significant threat to Lithuanian security. The principal political agreements

25 E. g., some interview respondents talked about the “national idea,” “the stable and foundational principles,” etc., to denote exactly what the present study considers grand strategy (Respondent E, Interview 2, March 5, 2018; Respondent E, Interview 5, March 20, 2018, respectively).
26 Respondent E, Interview 5, 5.
27 Respondent A, Interview 1, March 2, 2018; Respondent G, Interview 7, March 26, 2018.
also recognize the strategic partnership with the US, stress the importance of a common economic and energy policy for the EU, and call for cooperation in the Nordic-Baltic region. The consulted documents connect these interests and goals with the fundamental principles of a democratic Lithuanian society, the welfare of the Lithuanian people, Lithuania’s territorial integrity, and constitutional order.29

The clear direction and stability of the attitudes held by political elites are a result of long-standing and persistent societal preferences. Except for a few marginal groups, the Lithuanian society recognises the current territorial boundaries of the Lithuanian state, identifies with the Lithuanian political identity based on democratic capitalism. The majority of the country’s residents state that they generally support the current direction of national foreign and security policy.30 Lithuanians also recognise the role of NATO and the EU in the area of security: 84% of the population view NATO membership favourably and as many as 85% favour a common EU defence and security policy.31 63% of Lithuanians also support the idea that more political decisions in general should be made at the EU level.32

In other words, the individual senior officials, the guiding political agreements, and the dominant societal preferences all support a consistent strategic direction for Lithuanian foreign and defence policy. Thus, even if individual political leaders attempted to bring about serious change in the strategic policy of the state, their freedom to significantly alter it would be very limited within the current constitutional democratic order. For this reason, the historically dominant configuration of societal preferences within the Lithuanian state – the grand strategy of Lithuania – inevitably frames all short or mid-term decisions Vilnius takes regarding EU defence integration. The next section analyses how this framework determined the specific Lithuanian involvement in the new EU Defence Package.

---


When the EEAS, and the Franco-German duo initiated negotiations on the new EU Defence Package in 2016, the renewed talks about European defence integration received cautious scepticism in Lithuania. By the end of 2017, when the European Council submitted the declaration on establishing PESCO, Lithuania was one of its founders, the leader of a flagship PESCO project, and a participant or observed in four additional projects. Vilnius also joined two EDF programs, began participating in the CARD system, and welcomed the establishment of MPCC. Given Lithuania’s cautious initial attitude and the relatively active, if selective, ultimate involvement in the Defence Package, the analysis below must answer two analytical questions. First, what explains the perceived development of Vilnius’ political position towards EU defence integration? Second, what factors determined Lithuania’s selective involvement in the specific Defence Package initiatives?

**Analysis of Lithuanian policy**

In order to explain how the political position of a state develops on a particular issue, one must first identify the political actors (interest groups, politicians, and political institutions) and the processes that shape it. As is the case for Lithuanian foreign and security policy in general, public interest groups had little direct interest shaping Vilnius’ position on the new EU Defence Package. Instead, it was the President working in close cooperation with URM and KAM who played the decisive role in formulating Lithuanian policy. The primacy of the President in shaping Lithuania’s position during the negotiations reflects both the long-term tendencies in the country’s foreign policy making, and the Constitutional role of the Presidency as the main strategic actor in Lithuanian foreign policy.

Although the liberal theory of international politics postulates that decision-makers mainly reflect broader societal preferences, it recognizes that certain qualities of political leaders may also be analytically significant. Thus, it is important to note that some interview respondents emphasized that both President Dalia Grybauskaitė and the Minister of Defence Raimundas Karoblis exhibit favourable attitudes towards deeper EU integration. Nonetheless, one should be careful not to overestimate the enthusiasm the President and the KAM leadership has shown towards EU defence integration. In September 2016, shortly after France and Germany made their first statements on the topic of renewed EU defence integration, D. Grybauskaitė emphasized that she would block any European initiatives that would duplicate NATO structures or “would deny NATO’s existence”. In other words, the position Vilnius occupied throughout the negotiations on European defence cannot be explained solely by the individual stances of Lithuanian leaders; it is thus necessary to clarify essential interests that drove state policy.

Before proceeding to a more detailed analysis of Lithuania’s position towards new EU Defence Package, it is also important to note that Vilnius was not the initiator of these negotiations and its position is largely a reaction to the positions and proposals of other EU member states. As noted by all interview

---

**Political position**

33 Respondent A, Interview 1.
respondents, France and Germany played the key role in determining the course of the entire negotiations. Two particular consequences of Franco-Germany dominance are of note. First, the enthusiasm of both Paris and Berlin to rejuvenate EU defence policy was interpreted in Vilnius as a sign that the negotiations would not end in the affirmation of the status quo. Second, the differences between the French and the German positions determined the negotiation space in which Lithuania sought to fulfil its interests.

“In the negotiations on the EU Defence Package, Vilnius pursued two fundamental interests: to supplement NATO and to remain in the core of the EU integration”

Every interview respondent distinguished two major interests that defined Vilnius’ position regarding the new EU Defence Package. First, Lithuania sought that the EU defence integration would supplement NATO. It should be noted that this interest is not the hard-line position against NATO duplication expressed by the President. It would be inaccurate to call her position an interest - non-duplication is a fundamental condition for Lithuania’s participation in the negotiations about the future of EU defence. Second, Lithuania wanted to make sure it would remain in the core of EU integration. Although during the negotiations in question only defence integration was discussed, this interest is related to a broader stance that Lithuania should at all costs avoid being left in the “periphery” or the “second-tier” of EU integration.

Even though these two interests do not necessarily contradict one another, a certain course of the negotiations on the new EU Defence Package would have raised a serious political dilemma for Lithuania. The strong interest to remain in the core of EU integration meant that Vilnius would have felt the need to participate in the EU defence integration, irrespective of whether it supplemented NATO. Most interview respondents admitted that the possibility of confronting this forced choice was clearly understood in the negotiations on PESCO and EDF (MPCC and EDA were intended to improve existing defence policy structures and thus did not present this dilemma). Accordingly, the desire to avoid this forced choice determined the fundamental political position of Vilnius – that the core of the new EU Defence Package should consist of projects that supplement NATO.

It is important to emphasize that interview respondents exhibited a flexible understanding of EU-NATO complementarity. Representatives of the three main institutions that shaped the Lithuanian position on PESCO – the Presidency, URM, and KAM – all discussed three distinct ways in which EU defence policy could supplement the Alliance. First, it could do this directly, through projects that enhance or optimise NATO operations in Europe (e.g., Military Mobility). Second, EU initiatives that help its member states develop their national defence capabilities (e.g., public procurement regulation, joint capacity building or research funding) would also indirectly strengthen NATO defensive capacity. Third, the EU would assist NATO role in ensuring transatlantic security through projects covering sub-conventional threats, such as disinformation, cyber-attacks, or attacks against critical infrastructure – threats against which NATO today has a relatively limited toolbox.

Outside of Lithuania, the flexible approach to EU-NATO complementarity is not new – indeed, it is the long-standing position of EU representatives on transatlantic cooperation. Moreover, the broad understanding of NATO-EU complementarity became the official position of NATO after the 2016 NATO summit in Warsaw, where EU and NATO leaders issued a joint declaration on long-term cooperation. In 2018, the leaders of both organizations issued a joint declaration confirming that PESCO and EDF are helpful instruments in seeking greater security in Europe and in strengthening NATO. It is likely that the enhanced cooperation between EU and NATO in recent years and the welcoming approach to the EU Defence Package exhibited by NATO leadership granted Lithuanian political leaders confidence to more actively engage in the new phase of EU defence integration.

Pursuing the interest that EU defence policy should supplement NATO and guided by the flexible

36 Some mentioned more, but these were mentioned by all.
37 Respondent A, Interview 1; Respondent J, Interview 10; Respondent H, Interview 8; Respondent I, Interview 9, March 28, 2018.
38 Jean-Claude Juncker, Donald Tusk, and Jens Stoltenberg, “Joint Declaration by the President of the European Council, the President of the European Commission, and the Secretary General of the North Atlantic Treaty Organization” (Joint Declaration, July 8, 2016), http://www.nato.int/cps/en/nato秘q/official_texts_133163.htm.
39 Jean-Claude Juncker, Donald Tusk, and Jens Stoltenberg, “Joint Declaration on EU-NATO Cooperation by the President of the European Council, the President of the European Commission, and the Secretary General of the North Atlantic Treaty Organization” (Joint Declaration, July 10, 2018), http://www.nato.int/cps/en/nato秘q/official_texts_156626.
understanding of EU-NATO complementarity, Lithuanian decision-makers sought to expand the scope of PESCO and EDF during the negotiations. Vilnius held that an inclusive form of PESCO would create more opportunities to supplement NATO than a highly specialized initiative, even if the latter were more ambitious. Several interview respondents stated that they also sought an inclusive PESCO because it would eliminate the possibility of multi-speed integration.  

Vis-à-vis EDF, Lithuania held the position that funding various defence research and capability development projects would create more possibilities to increase defence preparedness of different EU countries (and thus would indirectly supplement NATO) than a specialized funding program for specific projects (e.g. EU fighter plane or a tank). It was also important for Lithuanian representatives to ensure that every participant of the EU Defence Package could be meaningfully involved in EDF projects, so that it would not become a mere subsidy mechanism for the strongest European defence industry centres. These interests determined that Berlin – or, more precisely, the coalition of member states that supported the German position on PESCO – became a natural partner for Lithuania during the negotiations. Unlike France, Germany did not claim that the EU defence policy should be geared towards attaining strategic autonomy and instead supported consistent and gradual EU defence integration, involving all willing EU members and in line with their commitments to NATO. Berlin was also the primary proponent of the so-called modular PESCO, which consists of specific capability development projects that could be joined by all interested PESCO members. 

Most the EU member states supporting the German position also shared Lithuania’s position on the question of third party-participation in the new Defence Package initiatives. 10 EU member states supporting Berlin’s position supported the proposal to make PESCO projects open for third party involvement, whether in effort to ensure that Britain could participate in EU defence policy or to include Ukraine or even the United States in EU defence policy. Members of the German coalition were also against the idea of restricting procurement of defence capabilities form non-European countries, which was extremely contentious in Lithuania. Just like Lithuania, these countries acquire a significant part of their capabilities from the US or other countries outside of the EU, e.g., Israel. 

Ultimately, the compromise between the French and German visions, which produced the modular PESCO we see today, satisfied Lithuanian interests. As several interview respondents noted, the French contribution to the so-called “ambitious and inclusive” PESCO – the binding commitments to strengthen defence and operational preparedness – was also acceptable to Vilnius. Indeed, these commitments were perfectly compatible with the flexible approach of EU-NATO complementarity Lithuania had adopted during the negotiations. Meanwhile, the modular form of PESCO helped avoid possible divisions between different member states based on their involvement in EU defence integration, as PESCO commitments bind each participating member state. In short, during the negotiations on the EU Defence Package, Lithuania was able to avoid the undesirable dilemma between its interests to supplement NATO and to remain in the core of EU integration. 

Clearly, Vilnius was fortunate in that Germany’s positioned was a priori compatible with Lithuanian interests, as well as that many other member states came to support Berlin during the negotiations and for a basis for the ultimate compromise on the Defence Package. It is thus interesting to note that several interviewees acknowledged that Vilnius would have joined the new EU Defence Package even if it had been less oriented towards supplementing NATO. In other words, the fundamental decision to participate in the new phase of EU defence integration came before the specific form of the EU Defence Package was known. This suggests that the interest of staying in the core of EU integration was the first and the primary goal during the negotiations on the new EU Defence Package.

40 Respondent I, Interview 9; Respondent H, Interview 8.
41 Respondent A, Interview 1; Respondent J, Interview 10.
43 Respondent A, Interview 1.
44 Respondent A; Respondent J, Interview 10; Respondent G, Interview 7.
Specific involvement

Analysing Lithuania’s factual involvement in the selected projects of the new EU Defence Package reveals the tactics Vilnius had chosen for pursuing its fundamental political goals described above. As limited financial and human resources prevent Lithuania from participating in a wide variety of different projects, the decisions Vilnius has taken reflects the conceptual logic according to which it prioritizes its foreign and security policy targets and according to which it distributes available resources.

Lithuania is involved in five out of seventeen PESCO projects and participates in two out of five confirmed EDF financing projects. Vilnius is the leader of the EU Cyber Rapid Response Teams project, a participant in the Military Mobility project, and an observer in the European Medical Command, the Network of Logistic Hubs in Europe, and the Cyber Threats and Incidents Response Information Sharing Platform projects. Vilnius also participates in the EDF-funded maritime-surveillance technology development project (OCEAN2020), and the Adaptive Camouflage Technology Development project (ACAMSII). Below, the factors that influenced Vilnius’ involvement in these specific projects of the new EU Defence Package are discussed in greater detail.45

<table>
<thead>
<tr>
<th>INITIATIVE</th>
<th>PESCO</th>
<th>EDF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involvement</td>
<td>1. EU Cyber Rapid Response Teams</td>
<td>1. OCEAN2020</td>
</tr>
<tr>
<td></td>
<td>Project leader</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Military Mobility</td>
<td>2. ACAMSII</td>
</tr>
<tr>
<td></td>
<td>Participant. Project leaders: Germany and the Netherlands</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. European Medical Command</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Observer. Project leader: Germany</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. Network of Logistic Hubs in Europe</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Observer. Project leader: Germany</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. Cyber Threats and Incidents Response Information Sharing Platform</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Observer. Leader: Greece</td>
<td></td>
</tr>
</tbody>
</table>

Note: both EDF projects are exercised within the PADR framework; EDIDP financing program is not yet approved.

It is convenient to start the analysis with what was perhaps the easiest decision for Lithuania – joining the Military Mobility (or “Military Schengen”) project initiated by the Netherlands. As this initiative aims at eliminating barriers to the movement of EU and NATO military units within the territory of the EU, it directly supplements NATO and thus is fully in line with Lithuanian interests. As the project received support from all EU member states participating in PESCO, it also met Lithuania’s other principal interest to remain in the core of EU integration. Therefore, this project did not create any strategic dilemmas for Lithuania’s security policy-makers and gained widespread public approval.

In addition to joining the widely popular “Military Schengen,” Vilnius also proposed and currently leads another flagship PESCO project – the EU Cyber Rapid Response Teams. The project aims to establish teams of cybersecurity experts that would provide support to national and EU institutions, as well as other partners to the project, when dealing with cyber incidents and developing cyber resilience capacities. Currently, eight member states besides Lithuania are full members of this project, and another four participate as observers.46

45 Because MPCC and CARD did not raise any questions on the desired specific involvement, they are not discussed in this section.
46 Participants: Estonia, Spain, Croatia, Poland, Netherlands, France, Romania, Finland; observers: Belgium, Greece, Slovenia, Germany
Several factors help explain what led Vilnius to initiate this specific project. First, this project is an opportunity to “transpose national expertise to EU level,” a perpetual interest for Lithuania. This objective was confirmed by a senior official at the Presidency, who explained that, initially, Vilnius was considering initiating a different project focused on energy security, corresponding to Lithuania’s long-term specialization in the field. However, as it became clear that integrating the energy security project into the planned framework of PESCO, Vilnius chose to Europeanize its expertise in cybersecurity.

The proposed project was a continuation of Lithuania’s national cybersecurity strategy. Reacting to the growing numbers of cyber incidents in the country, Vilnius identified enhancing cyber resilience as one of the main interests of national security. In 2015, Lithuania established the National Cyber Security Centre to coherently implement all national cybersecurity programs and help oversee the development of cyber-defence capabilities. Officials from KAM, URM, and the Presidency all confirmed the connection between the Lithuania’s national cybersecurity strategy and the selected PESCO project. For example, a senior KAM official said that “cyber [sic] was one of the areas … where we demonstrate relative leadership, do a lot at the national level, and can offer to carry out certain projects together.”

Historically, the aspiration to transpose national expertise onto the international level is a common strategy of small countries. There are many examples in the history of international relations when exclusive expertise in a specific area of global politics enables small or medium powers to shape the dynamics of the international system despite their limited military and financial resources. Confir- ming that this logic was relevant when Vilnius was deciding what project to initiate within PESCO, the same official at the Presidency said that the cybersecurity project enables Lithuania to pursue its broader interest to develop common standards of EU cybersecurity legislation on the basis of the Lithuanian legal system.

Second, Vilnius’ decision to initiate the cybersecurity project the way it did was also influenced by political circumstances. As a considerable portion of Lithuanian security policy elite was still sceptical towards EU defence integration, its proponents had to find ways to secure the necessary support for Lithuania’s involvement in the new Defence Package. The scepticism towards the new proposals for EU defence integration was a result of both the traditional transatlantic approach to security, the disappointment by the historically lacklustre EU defence policy, and the fact that many of the new Defence Package initiatives were too long-term and quite vague. With this in mind, officials involved in PESCO negotiations decided to create a project with a clearly-defined function and a limited scope, believing that this way it could quickly deliver tangible value for its participants and would strengthen trust in PESCO both within Lithuania and among other member states. The Lithuanian initiative was also attractive to many stakeholders in the country and across Europe because, during PESCO negotiations, cybersecurity resilience system had not yet been developed within the transatlantic security framework.

“In Vilnius, Cyber Rapid Response Teams aiming to create a project with a clearly-defined specific function aimed at quickly delivering tangible value to its participants”

In addition to Lithuania, Greece also leads a PESCO project dedicated to cybersecurity – the Cyber Threats and Incidents Response Information Sharing Platform. However, as the Greek project focuses only on information sharing, Vilnius did not see either much value in joining it as a full member, nor a threat of two similar projects duplicating each other’s functions. As both countries did not find it in their interest to bring the two initiatives together and did not want to allocate their scarce resources to both projects, Greek and Lithuanian politicians agreed to participate in each other’s projects as observers.

47 Respondent I, Interview 9.
48 Respondent I.
49 Respondent H, Interview 8.
50 Schroeder, “Historical Reality vs. Neo-Realist Theory.”
51 Respondent I, Interview 9.
52 Respondent A, Interview 1; Respondent H, Interview 8; Respondent I, Interview 9.
53 Respondent J, Interview 10; Respondent A, Interview 1.
Lithuania is an observer in two additional PESCO projects, both led by Germany – European Medical Command and Network of Logistic Hubs in Europe. According to a KAM official who was responsible for involvement in PESCO projects, Lithuania “has already had some experience cooperating with Germany in these areas” and the two goals of developing a military medical system and the expansion of logistics network to Northern Europe are very important to Lithuania. The respondent also noted that, over the past years, Vilnius has been strengthening its cooperation with Berlin in all political areas. However, as none of the projects had clearly-defined implementation plans, Lithuanian decision-makers were not sure how many resources full involvement in these projects would require and thus chose to participate as an observer. In other words, the decision to join the two German PESCO projects was made in order to keep direct access to the potentially relevant projects of European defence integration without costly commitment, as well as to continue developing a close relationship with Berlin.

Before analysing Lithuania’s involvement in EDF projects, it is purposeful to briefly discuss the currently established EDF financing programs. The Preparatory Action on Defence Research program (PADR) was launched in 2017 and is already financed from the EU budget within the EDF framework. PADR covers five defence research projects and the overall amount of 90 million euro is in line with the original EDF offer. Meanwhile European defence Industrial Development Program (EDIDP) will start providing EU budget allocations to specific projects in 2019. The overall funding of 500 million euro confirmed in the official EDIDP launch documents (approved in July 2018) is in line with sum listed in the original EDF. However, 200 million euro are still not allocated to any specific funding project.55

According to a senior official at KAM, EDIDP projects are not relevant to Vilnius because Lithuania’s defence capability development projects are pre-planned for five years ahead and there are no freely available funds until 2023. The respondent also added that even in case funding was not an issue, an active Lithuania’s involvement in EDIDP projects would not be likely as the main needs for Lithuanian defence capabilities - heavy combat vehicles, anti-aircraft defence systems and other similar territorial defence equipment - will probably not be relevant to many other member states or the EDF financing program in general.56

Lithuania joined the two PADR projects for distinct reasons. OCEAN2020 – a project for implementing unmanned systems to secure effective surveillance missions on European seas – meets Lithuania’s long-term interest to monitor and react to any unwarranted activity of Russia’s naval and air forces in or over the Baltic Sea. As OCEAN2020 is a broad European project with 15 participating member states, taking part in it allows Lithuanian military forces to deepen security cooperation with such strategically important EU partners Sweden, which leads project implementation in the Baltic Sea region.56 While ACAMSII is a more technical project, it is an opportunity for Lithuania to leverage its expertise in advanced technologies at the EU level. Certainly, as both projects are entirely funded by the EU, the BPTI and FTMC were also interested in joining the projects for their commercial opportunity too.

Overall, Vilnius’ choice for involvement in selected PESCO and EDF projects reveals several important aspects of Lithuanian strategy towards EU defence integration. First, involvement in specific projects has mirrored Lithuania’s overall political position that the new EU Defence Package initiatives should supplement NATO. Today, Vilnius participates in projects that directly (Military Mobility, OCEAN2020) or indirectly (cyber-security projects, European Medical Command, Network of Logistic Hubs in Europe) complement transatlantic alliance. Second, by Europeanizing its expertise in cyber-security, Lithuania has pursued a traditional small state strategy of seeking selective leadership in certain areas of international politics. Finally, when choosing projects in which to participate, Lithuania was seeking to deepen its cooperation with its primary (strategic) partners in the EU (Germany, Sweden).


56 Respondent A, Interview 1.


Conclusion

The foregoing analysis provides a holistic picture of Lithuanian strategic thinking on EU defence integration at all levels of politics; in other words, it offers a picture of Lithuanian grand strategy with respect to European security policy. Overall, it reflected two-fold long-term interests – membership in a powerful NATO and integration in the EU – described above. Lithuanian policy choices also exhibited elements of traditional small state strategy, such as striving for selective leadership and strengthening its positions through participation in organizations of international cooperation.

However, the flexible approach towards NATO-EU complementary that Lithuanian policymakers assumed during the negotiations reveal a certain shift in the conceptual logic underlying Vilnius’ foreign and security policy. Today, Vilnius sees EU defence policy as a credible supplement to NATO: as R. Karoblis puts it, if “EU defence policy helps member states to develop their national capacities, it also strengthens transatlantic security.” Even though the NATO non-duplication postulate remains strong, the Minister admits that, “in certain areas of defence politics (for instance, ‘procurement, regulation, new [development] programs’) and in strengthening resilience to certain threats (cyber, information or other sub-conventional threats) the role of the EU can be crucial and even more important than the role of NATO.”

Second, one can notice a certain shift in the way Lithuania understands its fundamental political interest of deeper integration in the EU. Specifically, most of the respondents defined it as “staying in the core of the Union” – a goal much stricter than the long-term position of being “a normal member state”. This position came about as response to the discussions that in the future, European integration may become even more differentiated, leading to a ‘multi-speed Europe.’ Though Lithuania’s fundamental position is that such a scenario should be avoided altogether, Vilnius maintains that it must stay in the core of the EU should it indeed take place. It should be further noted that Lithuania’s position on EU integration became stricter and more ambitious when its position on the EU-NATO relationship became more flexible. The next section considers what this shift may mean for the future development of Lithuanian strategy with respect to European defence integration.

59 Interview conducted by the Author for a separate forthcoming publication.
60 Respondent C, Interview 3, March 12, 2018; Respondent A, Interview 1.
To understand how the observed shift in Lithuanian strategic thinking may affect further state policy vis-à-vis EU defence integration, one must first identify the main factors that determined the shift itself. First, the more positive approach to EU’s defence initiatives can be associated with the changing security paradigm, where sub-conventional threats have an outsize role. Namely, the EU is considered as the most effective and the principal security guarantor against such modern threats as cyber-information attacks or economic warfare. Having in mind that these threats will likely grow stronger in the short-to-medium term, common EU security policy will remain an attractive instrument for managing these threats.

Second, Lithuanian strategic thinking is also changing because the societal preferences that inform and ground it are responding to gradual changes in the international system associated with the behaviour of its most powerful players – the US, China, and Russia. More specifically, Lithuania faces new strategic challenges related to the fact that these powers are, each in different ways and to a varying extent, destabilizing the so-called post-war international order, i.e., the norms and institutions that shape global politics and that form the basis upon which Lithuanian politics have been developing after the restoration of its independence. If the new security threats are relatively well understood, it is necessary to discuss the ongoing transformation of the international system in greater detail.

Although broad concerns about the stability of the international order intensified in the past two years, the foreign policy of the three powers has served as a destabilizing factor in global politics for at least a decade. After the 2008 global financial crisis, the US citizens became louder in their calls for Washington to decrease its involvement in solving global problems; in response, the US politicians began an inconsistent but unquestionable disengagement from active leadership of the post-war system. Such behaviour, although differently expressed, reflects in both Barack Obama’s ‘leading from behind’ strategy, and in Donald Trump’s doctrine “America – First.” Under Obama, Washington used multilateral policy instruments to decrease direct involvement in solving global problems. With Trump, the US tries to unilaterally step back from any international cooperation institutions that limit political and commercial interests of the USA.

Compared to the US, China and Russia have been more coherent, more active, and more destructive. Each country, seeking to revise the postwar settlement and transform the postwar institutions to its needs, is promoting a strict primacy of national sovereignty in the international system. Pursuing their proclaimed sovereign interests, such as protecting their territorial claims (China) or their nationals abroad (Russia), Beijing and Moscow are expanding regional and global influence, often by violating the established international norms and, sometimes, aggressively.

“The Lithuanian's decision to participate in the new phase of EU defence integration can be explained as a reaction to increased instability in international politics”

The declining global role of the US and the aggressive behaviour of the regional powers has significantly increased instability and insecurity across the world. For Europe, the impending departure of the UK – one of only two European countries possessing a nuclear arsenal and the second strongest economy in Europe – further heightens the sense of the mounting challenges to its future. Every interview respondent identified Brexit as an important factor when discussing the decision to begin the new phase of EU defence integration. Together, Brexit and the disruptive great power behaviour have strengthened the understanding that, if they fail to devise a common response, EU member states might not develop power instruments necessary for protecting their interests in the context of the changing international system.

In other words, Lithuania’s decision to participate in the new phase of EU defence integration can be explained as a reaction to increased instability in international politics.

---

international politics. Vilnius’ behaviour demonstrates that EU defence integration is seen as an effective response to the new security threats and that active membership in the EU is seen as the fundamental condition for Lithuania’s security. Beyond defence, Lithuania’s commitment to a united EU trade during the ongoing tariff dispute with the US, as well as the decision to launch a EU-level Chinese foreign investment screening program suggests that Vilnius tends to follow and support EU policy in other areas of international politics. Thus, if future international politics is similarly marred with uncertainty and great power conflicts, the recent perceived shifts in Lithuanian strategy on EU defence integration may signal the beginning of broader long-term changes in Vilnius’ foreign and security policy.

It is possible that changes in Lithuania’s political leadership could alter the political trajectory described above. However, such a change could only be possible in medium-to-long-term. As the currently dominant configuration of societal preferences is historically stable and widely acceptable, it is difficult to meaningfully alter the direction of Lithuanian foreign and security policy – at least in the current democratic constitutional structure of the country. In other words, the existing agreements of the political elite, as well as various institutional restrictions, do not permit a drastic change in Lithuania’s Euro-Atlantic strategic direction.

Here it should be mentioned that certain actions of the Lithuanian Farmers and Greens Union (LVŽS), which supports the current Government and the Prime Minister Saulius Skvernelis, raise questions about the sustainability of such agreements and constraints. The LVŽS decision to link a budget amendment, which aims to secure the 2% GDP defence funding, with exclusive financing to political parties, has politicized the amendment that would otherwise be adopted consensually in Lithuania. The LVŽS initiative to change the supervision and the governance of the Lithuanian National Radio and TV is widely seen as threatening press freedom, while the proposal to lower the vote threshold for party lists is historically stable and widely accepted, it is difficult to meaningfully alter the direction of Lithuanian foreign and security policy – at least in the current democratic constitutional structure of the country. In other words, the existing agreements of the political elite, as well as various institutional restrictions, do not permit a drastic change in Lithuania’s Euro-Atlantic strategic direction.

However, today it is still impossible to predict whether such changes are possible or how they would influence the direction of state policy. Further, as any direct attempt to change the democratic capitalist political system would generate intense political resistance, any modifications could only arise through a long-term and uneven process. Thus, in the medium term, internal politics may affect only the specific nature of Vilnius’ involvement in EU defence policy but not Lithuania’s political position on EU defence integration in general.

Thus, Lithuania’s medium-term strategy on EU defence integration will primarily be determined by external factors; two are particularly important. The first is the short-term success of the current – modular – EU Defence Package initiatives. The current PESCO model assumes that, by participating in specific projects that meet their interests, EU member states will become interested in pursuing yet greater value through deeper defence integration. As such, if the current projects prove effective by all measurable criteria (savings, completed research, developed capacities, etc.), it can encourage a more ambitious involvement in the future. However, if they prove ineffective, it will likely deepen scepticism and dampen hopes for member state involvement in projects requiring greater resources. Should this happen, the EU Defence Package would cease to perform any additional function in member state foreign and security policy.

The second factor has to do with the further actions France and Germany, as the strongest EU member states, may take regarding future EU defence policy. Upon the adoption of the modular, i.e., the “German” version of PESCO, Paris started developing the so-called European Intervention Initiative (EI2). At first sight, it seems to reflect the original “French” ideal for PESCO: EI2 is comprised of only nine member states, and has an objective –  modular – EU Defence Package initiatives. The current PESCO model assumes that, by participating in specific projects that meet their interests, EU member states will become interested in pursuing yet greater value through deeper defence integration. As such, if the current projects prove effective by all measurable criteria (savings, completed research, developed capacities, etc.), it can encourage a more ambitious involvement in the future. However, if they prove ineffective, it will likely deepen scepticism and dampen hopes for member state involvement in projects requiring greater resources. Should this happen, the EU Defence Package would cease to perform any additional function in member state foreign and security policy.

However, today it is still impossible to predict whether such changes are possible or how they would influence the direction of state policy. Further, as any direct attempt to change the democratic capitalist political system would generate intense political resistance, any modifications could only arise through a long-term and uneven process. Thus, in the medium term, internal politics may affect only the specific nature of Vilnius’ involvement in EU defence policy but not Lithuania’s political position on EU defence integration in general.

The second factor has to do with the further actions France and Germany, as the strongest EU member states, may take regarding future EU defence policy. Upon the adoption of the modular, i.e., the “German” version of PESCO, Paris started developing the so-called European Intervention Initiative (EI2). At first sight, it seems to reflect the original “French” ideal for PESCO: EI2 is comprised of only nine member states, and has an objective “to develop a shared strategic culture, which will enhance our ability, as European states, to carry out military missions and operations under the framework of the EU, NATO, the UN and/or ad hoc coalition.” In other words, France remains
committed to seeking a European instrument for military missions. Germany has also joined EI2; if Berlin believes in this value of this project, the question of establishing common intervention forces and integrating them into the EU Defence Package may end up on agenda. If this happens, it would be impossible to avoid the question of “strategic autonomy,” which would certainly be politically sensitive to Lithuania and other transatlantic EU member states.

Taking into account the possible configurations of such factors, it is possible to outline four different scenarios for Lithuanian strategy vis-à-vis future EU defence policy integration.

Scenario 1: More of the same
This scenario assumes that the modular EU Defence Package projects are successful and are popular with the member states but the question of the integration of the intervention forces into the EU Defence Package does not receive much attention. In this case, more joint defence development projects can be expected, and Lithuania would selectively participate in certain projects corresponding to its national interests. Vilnius would continue developing its leadership in cyber-security and would continue negotiating for further involvement of the US, the UK, and the Eastern Partnership countries in joint EU projects. The nature and intensity of Vilnius’ involvement would depend significantly on its new political leadership, which would also determine the quality but not the basic goals of participation. Because of the financial limitations and the looming change in political leadership, Lithuania would probably not get involved in additional PESCO projects or EDF programs in the short-to-medium term. It is likely that Vilnius would pay more attention to the already established projects with Germany, in which Lithuania currently participates as an observer. Finally, Lithuania would not join EI2.

Scenario 2: Stagnation
This scenario assumes that most of the PESCO projects and EDF programs fall short of member state expectations and that there are no serious debates about integrating intervention forces into the Defence Package. In this case, common EU defence policy would remain unattractive to the countries with greater ambitions and would disappoint countries that are looking for tangible benefits from specific projects. In other words, in this scenario, the common EU defence policy would not be an attractive or useful tool for protecting national interests of EU member states. It is likely that in this situation, Lithuania would shift to executing its defence policy solely within the NATO framework and would continue strengthening its national defence. Potentially, Lithuania would join EI2.

Scenario 3: Strategic autonomy
This scenario assumes that the modular EU Defence Package projects are successful and that serious discussions on the integration of intervention forces into the EU Defence Package begin in this case, more ambitious initiatives in EU defence policy could be possible: the success of the initial projects would encourage member states to support a wide-ranging deep integration project in line with the current EI2 goals. Lithuania would be cautious with this idea as a push for European “strategic autonomy,” as such policy may have negative implications on NATO. However, the broad coalition of EU member states seeking further integration would put pressure on Lithuania to join as well. In this context, Vilnius would try to prevent or manage the conflict between NATO and EU defence policies, would demonstrate commitment to transatlantic unanimity but would most likely also join the new and more ambitious Defence Package. However, Lithuania’s commitment would probably be minimal because its financial limitations and then still recent changes in top political leadership.

Scenario 4: Fragmentation
As the first three scenarios, this is also based on two assumptions: first, the modular Defence Package is unsuccessful; second, serious talks on integrating intervention forces into the EU Defence Package begin. The inefficiency of the current modular format would inspire some member states to pursue an ambitious integration project with limited membership. However, the differences in national security interests and threat assessments would prevent reaching an easy compromise and the risk of vetoed initiatives would increase (including Lithuania). It could also be considered that such a situation would result in establishing several intensive cooperation clubs within the EU framework, in which different countries would jointly implement initiatives of common interest (e.g. Mediterranean Sea Club, Baltic Sea Club). However, instead of joining one of such clubs, Lithuania would probably seek to develop regional cooperation within the NATO framework.
It becomes clear that none of the scenarios presented above predict or require a fundamental change in Lithuania’s grand strategy. It is also obvious that any deeper Lithuanian involvement in EU defence integration initiatives will be quite limited. However, one must note that only one scenario foresees Lithuania opposing further EU defence integration initiatives altogether – that would happen in case talks would shift to the question of establishing a limited membership project of intensive military cooperation (including missions). In other words, these scenarios mean that Vilnius would only block EU defence integration if it threatened both the postulate of NATO non-duplication and the interest of a united EU moving at equal speeds. Conversely, a more ambitious agenda for EU defence integration, as long as it remains inclusive, would gain Lithuania’s support.

This is the crucial finding of this research. Even though Lithuania’s strategy towards EU defence integration has not fundamentally changed, the preceding discussion reveals certain new dynamics in Lithuanian foreign and security policy. During the negotiations for the new EU Defence Package, Vilnius has developed a more flexible approach to NATO and a stricter approach to EU integration. This suggests that further Lithuanian strategy on EU defence integration will not be determined solely by how compatible the new initiatives are with Vilnius’ NATO commitments. Lithuania has joined the new EU Defence Package following its interest to promote inclusive EU integration or, failing that, to remain in its core.

“Lithuania has joined the new EU Defence Package following its interest to promote inclusive EU integration or, failing that, to remain in its core.”
Recommendations

The overview of the four scenarios makes it obvious that they are not equally attractive to Lithuania or equally compatible with its interests. Scenario 2 (Stagnation) predicts that efforts to develop and enhance a common EU security policy would cease, which means that Lithuania would lose important tools for managing sub-conventional threats, cost-effectively developing defensive capacities, or harmonizing logistical networks across the continent. While it is possible that such security needs could be met within NATO, the likelihood of this happening is low because of both technical (the scope of the Alliance) and political (American disengagement, the ambiguous approach of the EU member states towards direct strengthening of NATO) reasons. Thus, Scenario 2 promises long-term state of insecurity.

Scenario 4 (Fragmentation), meanwhile, would mean that EU defence policy would move away from both of the long-term interests of Vilnius. First, the fragmentation of EU defence policy would jeopardize NATO unity as well. Second, if fragmentation intensified, the likelihood that the most important Lithuanian partners within the EU would all end up in one club of cooperation would be very low given their divergent interests. Thus, the opportunity cost for staying in the core of EU defence integration would grow and Lithuania would be forced to make sub-optimal strategic decisions between cooperating with certain member state clubs. Clearly, this would cause the feeling of increasing insecurity and uncertainty in Vilnius.

Evaluating which of the remaining two scenarios is more attractive or useful to Lithuania is rather complicated and not really necessary. It is more important to understand how the two negative scenarios of Stagnation and Fragmentation could be avoided. Since both scenarios assume that the modular nature of the new Defence Package would fail and lose its appeal, to prevent the scenario from materializing, it is necessary to ensure that the current PESCO projects and EDF funding programs would create tangible value for EU member states. Having this objective in mind, the table below provides some general recommendations for Lithuanian foreign and security policymakers and other relevant stakeholders.

### TABLE NO. 5 RECOMMENDATIONS

<table>
<thead>
<tr>
<th>FOR LITHUANIAN POLICYMAKERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Seek that the next phase of PESCO projects focuses on projects that have broad support from member states and clear implementation plans with specific and measurable implementation results.</td>
</tr>
<tr>
<td>2. Encourage the remaining EU member states to join the Cyber Rapid Response Teams Project</td>
</tr>
<tr>
<td>3. Foster dialogue on the development of common defence capabilities with regional partners (Estonia, Latvia, Poland, etc.) that have similar needs for defence capabilities and thus offer the greatest potential for joint solutions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FOR CIVIL SERVANTS AND INSTITUTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Participate in the approved projects actively and effectively, duly report data to CARD and seek to realize its recommendations</td>
</tr>
<tr>
<td>2. Prepare an advisory project assessing existing opportunities for joint development projects, capability acquisitions, and new PESCO projects</td>
</tr>
<tr>
<td>3. Actively support organizations that operate in Lithuania, meet EDF financing criteria, and seek financing in EDF programs</td>
</tr>
<tr>
<td>4. Secure continuity of project implementation during the political leadership transition in Lithuania</td>
</tr>
</tbody>
</table>
### FOR LITHUANIAN POLITICAL LEADERS

1. Update foreign, security, and defence policy agreements, taking into account the changing role of EU security environment and possible future developments

2. Launch discussions on Lithuanian security policy among interested public groups

### FOR FOREIGN AND SECURITY POLICY EXPERTS

1. Encourage broad and inclusive debates on the future of Lithuanian defence policy

2. Assist state institutions in finding new areas of security policy where Lithuania could develop new projects within the PESCO framework

3. Assist state institutions in assessing the possibilities for funding joint projects
Vilnius Institute for Policy Analysis (VIPA) is a think tank, established in 2017. VIPA’s experts constantly analyse and comment the news from Lithuania, provide with recommendations for public policy, organise discussions, conferences, and trainings. VIPA analyses issues of Lithuania’s internal, as well as foreign policy and encourage citizen participation in the process of solving public policy issues. VIPA promotes an open, civil, and active society, advocates supremacy of law, principles of equality and liberal democracy.