



# Weekly Briefing

**Latvia external relations briefing:**  
**Overview of Latvian Foreign Policy in 2023**  
**Institute of Economics of the Latvian Academy of Sciences**


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# Overview of Latvian Foreign Policy in 2023

## Summary

*In 2023, Latvia's foreign policy adeptly navigated the shifting landscape of international relations, underscored by its active participation in the European Union and NATO. Latvia upheld its commitment to regional stability and the collective security mandate of these alliances amidst growing geopolitical tensions, particularly those arising from Russia's assertive postures. A central aspect of Latvia's diplomatic efforts was strengthening ties with pivotal nations such as the United Kingdom, emphasizing shared security concerns, and fostering economic and military cooperation. Conversely, relations with China were managed with a strategic, multilevel approach, balancing cooperation with caution given China's global ambitions and diverging values. Latvia's economic diplomacy was future-oriented, concentrating on sustainable development and embracing the digital transformation within global trade frameworks. The nation played a vital role in shaping policies that address the economic repercussions of the Covid-19 pandemic, and it pushed for sustainable practices, such as prohibiting harmful fisheries subsidies. Additionally, Latvia championed the Eastern Partnership as a critical facilitator for the Euro-integration of neighbouring countries, advocating for democratic reforms and economic resilience. As Latvia heads into the future, its foreign policy is poised to continue a trajectory that balances security imperatives with economic innovation, democratic values, and constructive international engagement, ensuring Latvia remains an influential and progressive actor on the world stage.*

## Introduction

In the complex tapestry of global politics, 2023 stood as a pivotal year for Latvia, a nation navigating the intricate balance of regional alliances, geopolitical challenges, and opportunities for diplomatic engagement. This article delves into the multifaceted aspects of Latvia's foreign policy during this significant year, offering insights into how the country positioned itself on the international stage. This Latvia External Relations briefing will explore Latvia's strategic role within the European Union (EU) and the North Atlantic Treaty Organization (NATO), emphasizing its contributions and responses to the evolving political dynamics in these alliances. The focus will then be shifted to bilateral relations and global partnerships,

highlighting key interactions, particularly with significant players like the United Kingdom and China. Additionally, the briefing will examine Latvia's trade policies and economic relationships, underscoring its commitment to sustainable development and innovation in trade. The aim of the briefing is to present a detailed account of Latvia's diplomatic manoeuvres, economic strategies, and its approach to regional and global challenges, offering a comprehensive overview of its foreign policy landscape in 2023.

### **EU Policies and Latvia's Role**

The EU, in the face of significant challenges such as Covid-19 and Russia's aggression in Ukraine, has demonstrated its capacity for a strong, united, and solidary policy response. However, these critical moments have also highlighted the limitations within the EU's decision-making processes, often resulting in the least common denominator due to compromises. This situation has triggered suggestions within some member states for changes in EU decision-making procedures, or even a complete overhaul of the EU's regulatory and treaty-based framework. Concurrently, there are trends of certain member states distancing themselves from a shared understanding of fundamental values.

Latvia has positioned itself as an advocate for enhancing the efficiency of decision-making in the EU. The goal is to enable the EU to more effectively defend its interests and increase its global influence, while maintaining the EU as a union of nations grounded in shared values and respecting institutional balance. The recommendations prepared by the Conference on the Future of Europe, which concluded in May 2022, are seen as instrumental in defining the EU's future developmental trajectory and in boosting citizens' confidence in the EU. The conference included 49 citizen proposals and more than 300 specific recommendations for their implementation. These suggestions are being actively considered by the European Council and the European Commission, with Latvian citizens being among the most active contributors of ideas and opinions across all EU member states.

Latvia's interests lie in further strengthening the EU's role and influence in international processes, especially to promote stability and prosperity in the EU's neighbouring regions. There is a push for a new impetus in the EU's expansion process and a primary focus on intensifying relations with neighbouring countries. With Russia's waning positions in the EU's neighbouring regions, destructive Russian reactions are anticipated, as is increasing competition from other global players. Latvia positively assesses the establishment of the

European Political Community format, offering opportunities for informal discussions among state and government leaders on significant issues for Europe.

A growing focus for the EU is the development of cooperation with China, where the complexity of bilateral relations continues to increase. The intricate nature of these relationships underscores the need for a nuanced and strategic approach, balancing economic and political considerations with values and security interests.

In the context of the Conference on the Future of Europe, several contentious issues have emerged. These include calls for the European Council to move from a consensus-based decision-making process to a qualified majority voting system, as well as proposals that pertain to the opening of the EU's foundational treaties. Latvia's stance on the use of a qualified majority voting system remains firm: to maintain the consensus principle as much as possible, especially in decisions impacting the EU's common foreign and security policy. Latvia believes that the current period, marked by challenges due to Russia's aggression in Ukraine, is not the right time for ambitious experiments with the EU's foundational treaties that could yield uncertain outcomes. The EU needs to focus on addressing current issues and developing proposals that are feasible within the existing EU legal framework.

In summary, Latvia's role in the EU's policies in 2023 has been marked by advocacy for more effective decision-making processes, reinforcing the EU's role in international affairs, and a cautious approach to major institutional changes within the EU. Latvia's commitment to the EU's values and principles remains steadfast, advocating for a balanced approach that respects both the interests and the diverse perspectives of its member states.

### **NATO and Regional Security**

In 2023, Latvia continued to play a significant role in European security dynamics, particularly within the framework of NATO and its regional partnerships. Latvia's strategic position and its geopolitical insights have been crucial in shaping both NATO and EU security policies, especially in light of the ongoing challenges posed by Russia's actions in Ukraine and the broader region.

The United Kingdom remains a key security partner and ally for Latvia in Europe. Sharing a united understanding of the security threats and challenges in Europe, the UK has been a close and like-minded ally within NATO. The UK's clear and considerable support for Ukraine and

its active role in condemning Russia's actions have been pivotal. Latvia hopes for and works towards a closer cooperation and dialogue with the UK in foreign and security policy matters. The coordinated sanctions policy against Russia, in response to the war in Ukraine, has underscored the importance and feasibility of this cooperation. Furthermore, the UK contributes to strengthening Latvia's security by organizing training for Latvian National Guard units to enhance their combat skills and regularly participating in military exercises in Latvia.

Latvia's perspective on the EU's expansion process and neighbourhood policy has gained more clarity in the face of Russian aggression. The EU's decision to grant candidate status to Ukraine and Moldova, and offer a European perspective to Georgia, marks a significant step towards broadening the security and legal space in Europe. The initiation of EU accession talks with Albania and North Macedonia, the granting of candidate status to Bosnia and Herzegovina, and the agreement on a visa-free regime with Kosovo reflect the EU's commitment to this expansion. Latvia actively promotes this agenda, offering support and sharing its reform experience with these countries. In return, Latvia expects these candidate countries to implement reforms and clearly support European common values and the rules-based international order.

Latvia views the Eastern Partnership as an effective supplementary instrument for the Euro-integration of Ukraine, Moldova, and Georgia, enhancing their prospects towards EU membership. Continuing to support all Eastern Partnership countries, including Armenia and Azerbaijan, Latvia believes that the policy should be adapted to current regional challenges. Promoting the stability of these partner countries and their ties with Europe in practical cooperation areas is crucial. Latvia supports democratic processes in the region and aims to minimize the dependence and vulnerability of Eastern Partnership countries, particularly in financial and economic aspects.

In the context of Central Asia, the countries have been carefully balancing their relations with the European Union, including adhering to the sanctions policy, amidst the ongoing Russian aggression in Ukraine. Power dynamics in Central Asia are shifting as other regional players gain influence due to Russia's preoccupation with the war in Ukraine. Latvia maintains a dialogue with Central Asia and supports the region's resilience against Russian pressure. Ministerial meetings, political consultations, and visits by sectoral ministries and representatives of Latvian state companies to the region have taken place. Latvia leads the EU Border Management Programme in Central Asia (BOMCA), actively participating in the practical implementation of the EU's strategy for Central Asia. Latvia continues to support EU initiatives in the region that align with its interests, including in the areas of migration and

economic relations, and aims to strengthen its role in ensuring connectivity in the region for passenger and cargo transport.

In the Baltic-Northern region, Latvia focuses on closer coordination of agendas and activities with its nearest neighbours. The Baltic states, being similarly minded about regional security and the EU's role and effectiveness, have fostered a strong collaboration. The ambitious agenda set by Latvia's presidency of the Baltic Council of Ministers in 2022, which included strengthening regional defence cooperation, economic modernization, and robust support for Eastern Partnership countries, has been a testament to this collaboration. The new security situation has necessitated Latvia, along with Estonia and Lithuania, to take on greater responsibility and leadership at the EU level, forming a strong response to Russia's aggression. Initially implemented initiatives in the Baltic region, such as sanctions and external border security measures, were later adopted at the EU level.

In 2023, Latvia took over the coordination of the Baltic-Northern cooperation with the aim of ensuring a unified and stronger regional voice in future EU discussions. The focus is on using the cooperation format to shape a secure future environment, underpinned by a rules-based international order and strengthening regional defense and resilience capabilities. The inclusion of Finland and Sweden in NATO in 2023 was seen as an opportunity to place greater emphasis on regional defense and security policy initiatives. Latvia also sought to coordinate support for Ukraine, particularly in reconstruction initiatives, within the Baltic-Northern cooperation format.

### **Bilateral Relations and Global Partnerships**

In 2023, Latvia's foreign policy continued to emphasize strengthening bilateral relations and forging global partnerships, responding to emerging global challenges with a strategic and nuanced approach. Two of Latvia's key bilateral relationships, with the United Kingdom and China, highlight the complexity and strategic importance of these partnerships in the broader context of Latvia's foreign policy.

#### *Relationship with the United Kingdom:*

The United Kingdom remains a critical partner for Latvia, particularly in the context of European security. Despite some challenges in the broader EU-UK relationship, notably the implementation of the Northern Ireland Protocol, Latvia is keen on maintaining and

strengthening its cooperation with the UK. This partnership is anchored in a shared understanding of European security threats and challenges. The UK, as a close and like-minded ally within NATO, has played a significant role in supporting Ukraine and condemning Russia's actions, aligning closely with Latvia's stance.

Latvia values the UK's substantial support in strengthening Latvia's security. This includes organizing training programs for the Latvian National Guard to improve combat skills and participating in military exercises within Latvia. The coordinated sanctions policy against Russia, in relation to the war in Ukraine, has been a critical area of cooperation, demonstrating the significance and potential of this partnership. Latvia hopes for a more robust collaboration and dialogue with the UK, particularly in foreign affairs and security policy areas.

### *Perspectives on Relations with China*

China's assertive efforts to strengthen its global economic and political influence have necessitated a multi-tiered approach from Latvia. As China continues to challenge multilateral norms, democracy, and the international security landscape, Latvia recognizes the complexity of its relationship with China. This includes China's stance on Russia's invasion of Ukraine, which has been a point of concern.

Latvia considers it vital to continue the EU's multi-level approach towards China, treating it as a cooperation partner, economic competitor, and systemic rival. Latvia underscores the importance of encouraging China to adopt a more definitive and responsible position regarding Russia's war against Ukraine. Protecting the EU's economic interests and ensuring equal access to the Chinese market are priorities, as well as opposing China's use of economic pressure as a political tool against individual EU member states.

Constructive relations with China, particularly in addressing global challenges such as climate change, non-proliferation of nuclear weapons, and promoting stability in the Indo-Pacific region, are supported by Latvia. However, Latvia is also conscious of the widening value gap in EU-China relations. In collaboration with NATO allies, Latvia will assess China's impact on international security and the development of China's strategic partnerships with Russia. Latvia has discontinued its participation in the "16+1" cooperation format with China and Central and Eastern European countries, viewing it as inconsistent with its strategic positions. Nevertheless, Latvia remains open to developing constructive and open relations with China, based on mutual benefit and not shying away from discussing areas of significant divergence.

Overall, Latvia's bilateral relations and global partnerships in 2023 reflect a strategic balance between maintaining security interests, promoting democratic values, and navigating complex international relationships. Latvia's approach to these partnerships is characterized by a commitment to international norms, a willingness to engage in constructive dialogue, and a readiness to adapt to evolving global dynamics.

## **Economic Diplomacy and Trade**

In 2023, Latvia's approach to economic diplomacy and trade continued to evolve, focusing on sustainable development, innovation, and adapting to the global economic landscape. This approach was characterized by active participation in international forums, adapting trade policies to contemporary economic challenges, and fostering sustainable development through its foreign policy.

### *Global Initiatives and Sustainable Development*

Latvia actively engaged in global initiatives aimed at addressing the challenges posed by the Covid-19 pandemic and contributing to worldwide sustainable development. Significant decisions were made during the Ministerial Conference to alleviate the impact of the pandemic on the world's poorest populations and reduce the burden on the development assistance budgets of Latvia and other donor countries. These decisions included freeing United Nations humanitarian aid food purchases from export restrictions and facilitating access for developing countries to licenses for the production of Covid-19 vaccines. Moreover, an agreement was reached to prohibit harmful fisheries subsidies, thereby protecting the world's fish stocks and promoting the implementation of the United Nations' Sustainable Development Goals and environmental sustainability.

### *Modernizing Trade Rules for a Digital Economy*

Preparing for the next Ministerial Conference in 2024, Latvia emphasized the importance of developing trade rules suitable for a modern economy. Latvia supported the World Trade Organization's work on formulating regulations in the realm of e-commerce, which has rapidly grown within the country. These regulations aim to create a predictable and secure online environment for businesses and consumers alike. This initiative reflects Latvia's commitment to fostering a digital economy and its recognition of the significant role information and communication technologies play in its economic development.



## *The Eastern Partnership and Regional Economic Cooperation*

The EU's decision to grant candidate status to Ukraine and Moldova, along with a clear European perspective for Georgia, underscored the need to revisit elements of the EU's Eastern Partnership policy. From Latvia's viewpoint, the Eastern Partnership serves as an effective additional tool for the Euro-integration of these countries, enhancing their prospects on the path to EU membership. In continuing to support all Eastern Partnership countries, including Armenia and Azerbaijan, Latvia believes that the policy must be adapted to current regional challenges. It is crucial to promote the stability of partner countries and their ties with Europe in practical cooperation directions. Latvia is committed to supporting democratization processes in the region and aims to minimize the dependence and vulnerability of Eastern Partnership countries, especially in financial and economic areas. Latvia provides support for the implementation of reforms in these states, prioritizing public administration strengthening, corruption prevention, business development, and societal resilience against disinformation.

In summary, Latvia's economic diplomacy and trade policies in 2023 were marked by a proactive approach to global challenges, the pursuit of sustainable development, and innovation in trade practices. By participating in international decision-making forums, fostering a digital economy, and supporting regional economic cooperation through the Eastern Partnership, Latvia demonstrated its commitment to a sustainable and forward-looking economic policy. This approach not only addressed immediate economic challenges but also laid the groundwork for long-term, sustainable growth and development, aligning with global trends and needs.

## **Conclusions**

In 2023, Latvia's foreign policy was characterized by strategic adaptability, proactive engagement in international affairs, and a commitment to sustaining regional stability and global cooperation. Through its active participation in the EU and NATO, Latvia reinforced its role as a key player in addressing regional security challenges, particularly in response to Russia's aggression in Ukraine. The country's involvement in these alliances not only strengthened its own security but also contributed to broader European stability. Bilaterally, Latvia maintained and deepened its relationships with key partners like the United Kingdom and China, balancing complex geopolitical interests with its commitment to democratic values and regional security. Latvia's approach to China showcased its nuanced understanding of global power dynamics, emphasizing the importance of a multi-tiered approach in dealing with

systemic rivals. Economically, Latvia focused on sustainable development and innovation in trade, aligning its policies with global trends and challenges. This approach, particularly its emphasis on digital economy and sustainable practices, has positively impacted Latvia's global standing, portraying it as a forward-thinking and responsible international actor.

Looking forward, Latvia's foreign policy is likely to continue prioritizing regional security, multilateral cooperation, and economic resilience. The country's strategic positioning, both geographically and politically, will remain pivotal in its engagements, particularly in the evolving context of European security and global trade dynamics. Latvia's commitment to democratic principles and international cooperation will likely steer its future foreign policy decisions, ensuring its continued relevance and influence on the international stage.

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