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LITHUANIA ON THE AGENDA OF J. BIDEN'S ADMINISTRATION: US INTERESTS AND OPPORTUNITIES FOR LITHUANIA TO MAINTAIN THE ATTENTION OF WASHINGTON

Policy Paper

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Summary

- Washington's attention and support for Lithuania remains one of the most important tasks in ensuring Lithuania's security. The purpose of this analytical publication is to review and assess the possible US interests that Lithuania needs to take into account, in order to maintain the attention of Biden's administration and increase the dynamics of these bilateral relations.
- The analysis is based on discussions between US and Lithuanian experts (at an online forum organised on 14 April), qualitative interviews (20-27 June) and publicly available analytical information.



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- Joe Biden's administration has not yet completed the formulation of its strategic security and foreign policy goals, but several priority areas are now emerging: 1) China's deterrence and the Pacific initiative; 2) the resumption of transatlantic relations; 3) return to climate change issues; 4) pandemic management and full restoration of economic functionalities; 5) avoidance of an escalation of the Russian issue.
- For a long time, the development of Lithuania's relations with the United States was most effective when placing an emphasis on the Russian threat. Still, while the Biden administration's concern is, and will be, to protect US direct interests from Russian interference and destructive activities, if Russia refrains from any direct harm to the US, Washington may ease pressure in the areas that Russia sees as its red lines. Accordingly, Lithuania's strengths need to be found in topics that are relevant to Washington.
- It is suggested that Lithuania, in order to maintain the attention of the United States, could concentrate its efforts in several directions as follows: 1) to seek a de facto US military establishment in Lithuania, not necessarily with the status of a "permanent land military base"; 2) to initiate or expand the establishment of dual-purpose or "wider security" (e.g. cyber security) joint facilities in Lithuania; 3) to increase the importance of Lithuania in noticing and stopping the spread of the Chinese influence in the EU; 4) to strengthen practical experience on the issue of Belarus and to assist the United States in formulating ways that would hamper Russia's efforts to finally absorb Belarus, especially with regards to the military field; 5) to expand our partnerships in the fields of energy security and efficiency at political and practical levels; 6) to transfer US interests and specific measures to combat climate change to countries outside the EU; 7) to seek to gain a pan-European position as a centre of critical importance in ensuring the efficient supply of medical devices (reagents) to the United States.

Introduction

The new US President, Joe Biden, and his administration have announced their desire to restore confidence in the US foreign policy, strengthen transatlantic relations and resume relations with the EU, which have deteriorated significantly in recent years. "America is coming back" Biden stated, just a month after his inauguration, while speaking at the Munich Security Conference¹. After four years of isolationist efforts, Americans are once again keen to move closer to their strategic partners and comply with their commitments to the transatlantic partnership. Analysts cite Biden's decision to return to the US commitments to tackle climate change under the Paris Agreement

on Climate Change as one of the first concrete steps in demonstrating confidence-building efforts². EU leaders have also announced a "new" agenda for transatlantic relations, which they hope to pursue with the Biden administration³.

Joe Biden's foreign policy is still in its infancy, although the emphasis on Washington's positions and interests began to emerge during the US President's tour of Europe (at the G7 leaders' meeting in Cornwall on 11-13 June; NATO summit in Brussels on 14 June; EU-US summit in Brussels on 15 June; and the meeting between Biden and Putin in Geneva on 16 June). The assessments and public analyses of these me-

etings are dominated by the view that, despite positive signs and welcoming addresses, the real content of US-European cooperation will not be easy to achieve. On the one hand, Trump's four years of presidency have left deep scars between Europe and the United States, so it will take time to restore confidence. On the other hand, Biden does not want to rush and recklessly revoke all decisions of the former administration, some of which were also intended to protect the US internal market; for example, Washington's tariffs on steel and aluminium shall remain in force for the time being (although the EU has suspended the validity of tariffs on its part, the EU and US leaders agreed to start discussions and work towards resolving these differences by the end of 2021)⁴. Biden's cautious tone towards Russia in his meeting with Putin, as well as his withdrawal from sanctions on companies working on the Nord Stream 2 project, show that Washington is reluctant to escalate tensions between the United States and Russia. Although Biden's rhetoric has been quite strong in some cases, the practical content of the policy to "tame Russia" is still not publicly defined.

This context is extremely important for Lithuania, as its foreign and security policy is highly dependent on both the US global position in the international system and the bilateral agenda of Lithuanian-US relations. Washington's attention and support for Lithuania remains one of the most important tasks in ensuring Lithuania's security. The purpose of this analytical publication is to review and assess the possible US interests that Lithuania needs to take into account, in order to maintain the attention of Biden's administration and increase the dynamics of our bilateral relations. This publication also provides recommendations based on discussions between US and Lithuanian experts (at an online forum organised on April 14), qualitative interviews (20-27 June) and publicly available analytical information.

1. Joe Biden's agenda priorities

On 3 March 2021, the Biden Administration issued the Interim National Security Strategic Guidance (INSSG)⁵, which sets out key directions for the US authorities in anticipation of the future National Security Strategy (expected to be approved in late 2021 or early 2022). These guidelines set out the most relevant foreign and security policy priorities, which are likely to be reflected in the national security strategy. The document identifies three key priorities for the upcoming period⁶:

- To protect US citizens from threats posed by major powers, regional opponents and extremists, as well as global threats including climate change, infectious diseases, cyber attacks and disinformation;
- To expand economic opportunities by redefining the US economic interests and ensuring the standard of living for Americans;
- To design and defend US values by strengthening democracy within the country, as well as uniting the world's democracies against threats to a free society.

The direction of the US foreign policy is also significantly reflected in the White House's planned Department of State and Department of Defence budgets for the fiscal year 2022,⁷ and the Trade Policy Agenda for 2021⁸. Taking into account the public analyses and comments in those documents, the comments of the Lithuanian-US expert discussions organised by the EESC and the insightful remarks made during the interviews, the most important priorities of the US President Biden and the already emerging positions in foreign policy can be distinguished as follows:

1. China's deterrence and the Pacific initiative.

Like the previous US presidential administration, China remains a major challenge for the US. The need to strengthen US military

competition and deterrence capabilities in the Pacific is a key priority for the US Department of Defense in determining the direction of the country's military strategy. The total projected US military budget is set to increase in 2022 (to USD 753 billion, or 1.7 percent more than in the fiscal year of 2021), but it is worth noting that the separate funding line "Overseas contingency operations" (OCO) will no longer be continued, which has allowed the defence budget to be exceeded since 2012. China is not only subject to a military focus, but also to trade policy priorities, the purpose of which is to prevent unfair Chinese trade practices; attention is also being paid to pro-democracy initiatives in Asia. However, unlike Trump's policy of confrontation with China, Biden intends to project competition with China not unilaterally but by relying on allies. This was made clear at the Quad meeting between the US, Japan, India and Australia, which was held on 12 March 2021, and in meetings with the G7 and EU leaders in June. The US president is urging his allies to work together to decouple China and to build joint trade chains with the US instead. Biden continues his policy of strengthening sanctions against Chinese officials for human rights abuses and providing support for Taiwan, and has no plans to abolish the US-adopted trade tariffs on China in the near future, i.e. Trump's policies are largely being followed. On the other hand, Biden acknowledges the need to look for possible agreements with China in areas where global cooperation is needed, such as the fight against pandemics and climate change.

2. Renewing of transatlantic relations. According to experts, Europe has not been the "number one priority" of the United States for quite some time, but still remains as the "number one ally"⁹. It is growing concern about China's threats that is prompting the

US to seek the greatest possible consensus with its long-time allies in Europe. In the areas of both security and trade, and in particular the development of democracy and human rights, the EU and other European countries are key US partners, whose support is much needed by Biden. In March, the US-EU dialogue on China was resumed¹⁰, and the announcement of sanctions against Chinese officials was coordinated. On the other hand, there are many sensitive issues in the relations with the EU that will not be easy to resolve. According to a leaked assessment by the European Commission prepared before the US-EU summit, Europeans are outraged by the "extraterritorial impact of US sanctions on EU companies and interests" (which implies the sanctions with regards to Nord Stream 2); tariffs for EU steel and aluminium; different approaches to technology regulations; and a strong US domestic focus based on the "Buy American" principle¹¹. However, despite these differences of interest, there is a clear positive momentum in the US-EU relations: during Biden's visit to Europe, there was a broad agreement on joint support for COVID-19 vaccines in poorer countries, a stronger focus on climate change and cooperation, it was also agreed to establish a framework for cooperation in the field of large civil aircraft, as well as to establish an EU-US Trade and Technology Council¹². It is particularly important to mention the decision of the EU and US leaders to set up a working group on the joint EU-US COVID production and supply chain, to increase the vaccine and drug production capacity. As will be mentioned below, this is also an opportunity for Lithuania to highlight its importance for the United States.

3. Returning to the climate change issues. Biden's administration is determined to make up for the "lost term" when the US largely moved away from climate change issues

and its commitments. In this area, the current US president intends to take global leadership and exploit the energy transformation, not only by taking the initiative in climate policy, but also by contributing to the development of technology and the related benefits for the US economy. This priority is reflected in the decision to appoint former US Secretary of State, John Kerry, as the President's Special Presidential Envoy for Climate, and a virtual summit of world leaders was held on 21-22 April, announcing greater US commitments to reduce emissions (to achieve a 50-52 percent reduction in 2030 compared to 2005¹³; this brings the US closer to the EU standards, in which a 55 percent reduction target has been set compared to 1990).

4. Pandemic management and full restoration of economic functionalities. The US was one of the first countries in the world to introduce mass vaccination. Currently, the proportion of the population that is completely vaccinated is approaching 50 percent. However, this process may take until the end of the year, and the economic recovery will take even longer. Ensuring beneficial international trade for the US, defending the interests of US workers, and promoting vaccination abroad (gradually moving away from a *de facto* export ban on US-produced vaccines) are becoming Biden's top priorities, where the domestic policy priorities intertwine with foreign policy measures. In addition, Biden has reversed the previous president's decision to suspend US membership of the World Health Organization (WHO), and announced some USD 4 billion in support of the WHO's COVAX programme. Along with other G7 leaders, Biden announced a huge vaccine donation programme to the world¹⁴, which should become a demonstration of the US's soft power in the competition with China's and Russia's vaccination programmes.

5. Non-escalation of issues with Russia and Eastern Europe. Biden's meeting with Putin and the topics highlighted after the meeting suggest that the US presidential administration does not want to make Russia a "fundamental issue". Despite growing disagreements, expanding sanctions and extremely harsh rhetoric on both sides, the US's main interest remains not to "punish" Russia, but to deter it from pursuing further damaging activities (both directly against the US and against US allies). Biden seeks to maintain contact with Moscow, and not to move into an irreversible confrontation. Following the leaders' meeting in Switzerland, it was decided to allow the ambassadors of both countries to work together again, to exchange "political" prisoners and to take other "confidence-building" measures. On the other hand, the US president made clear Russia's intolerable actions (e.g. he even specifically named 16 sectors that are "inviolable" in terms of cyber incidents and noted that the US has "significant cyber measures") and discussed the possibility of negotiating strategic arms reduction treaties¹⁵. However, it is not yet clear what possible restrictive measures are being taken against Russia. It is likely that the US administration will seek to monitor Russia's response to the warnings for at least some time, and will not encourage any "sudden movements" that Moscow could see as provocative. As in Obama's "re-loading" period, this could have a deterrent effect on US allies that are hoping for more pressure on Putin's regime (especially Navalny's imprisonment, support for Belarus and the military provocations against Ukraine).

2. Lithuania in the spotlight of US interests

The security and foreign policy guidelines formulated by US President Joe Biden will not necessarily meet all of Lithuania's interests and needs. Some changes in the US foreign policy may raise concerns among Lithuanian representatives that Washington's focus will not be shifted to regions and topics that are particularly relevant to Lithuania's existential interests. The choice of the Biden administration not to "provoke Russia" and to avoid overly aggressive measures may become a particularly serious challenge to Lithuania's foreign and security policy, which could increase the level of conflict between the US and Russia. It would also mean much more cautious US actions with regards to Belarus, Ukraine and Georgia, and more moderate responses to the human rights and freedoms violations in Russia. It is safe to say that the current Biden administration's concern is, and will be, to protect US direct interests from Russian interference and destructive activities (which would likely be responded to harshly), but if Russia refrains from any direct harm to the US, Washington could ease its pressure on the areas which Russia considers as its "red lines" (especially Russia's domestic policy, Belarus, and potentially other countries in the Eastern Partnership region).

Such a situation encourages a reassessment of Lithuania's foreign policy habits or *modus operandi* in its relations with the United States. For a long time, the main precondition for constructing Lithuania's relations with the United States, and the most effective strategy for attracting attention, was an emphasis on the Russian threat. This has actually been exploited effectively: in Lithuania (as in other Baltic States and Poland), a NATO Enhanced Forward Presence (EfP) was deployed, the intensity of NATO and US military exercises in the Baltic region was significantly increased, and in 2021

alone, under the Baltic Security Initiative, the US provided USD 169 million to strengthen security in the Baltics¹⁶. However, as the US experts point out, Lithuania needs to find ways to "go beyond the narrative of the Russian threat" – in other words, it needs to not focus only on a constant emphasis on the Russian threat¹⁷. This need may be particularly relevant during Biden's tenure, as Lithuania's inert emphasis on the Russian threat may in some cases even irritate Washington. As the participants in the US-Lithuania Relations Forum noted, "while the current 'image of West Berlin' may be suggestive, it also creates a false impression of [Lithuania's] fragility and constant danger."¹⁸ From Washington's perspective, Lithuania and the other Baltic states have significantly strengthened their resilience in terms of both defence and public security – Russia's attempts to destabilise Baltic politics have failed, disinformation campaigns are failing and excessive demands can be seen as an annoyance.

On the other hand, the "Russian issue" is inevitably blended with the Lithuanian security policy – it involves not only a "normal agenda" (military defence, cyber security, disinformation issues, etc.), but also emerging threats, in particular energy security aspects related to the disconnection of electricity grids from the BRELL ring, as well as the growing risks posed by Belarus (from military provocations, accelerating military integration with Russia to the diversion of illegal migrant flows to Lithuania, and the security of the Astravets NPP and the construction of the second unit). The analysis of these issues and the constant updating of the *status quo* should also be relevant to Washington. Therefore, Lithuania's concern about the threats posed by Russia should not be completely ruled out, but rather transformed into an emphasis on relevant changes. It is new aspects of threats – energy, migration and the security of nuclear facilities – that could find a place on the agenda of the Biden administration.

Washington's efforts to take care of the implementation of the Buy American principle could continue to be successfully supported by Lithuania's focus on American armaments and other security-enhancing measures. However, it is important to emphasise the growing common need of the Baltic States: since 2015, the United States has granted permits to the Baltic States to purchase more than USD 346.3 million in armaments through direct commercial sales¹⁹. Although not large on a US scale, Lithuania's (and potentially the other Baltic countries') desire to increase its defence spending and its commitment to 2.5 percent of the GDP could make a positive impression on Biden's administration.

Although opinions were expressed during the insightful interviews that Lithuania should not be distracted and should focus on military security issues, a scenario should be prepared for in which issues of military security and "hard" threats to the US presidential administration may not be a priority, or may even be partially at odds with Biden's most important political choices. Therefore, it is important to find Lithuania's strengths in the following topics that are relevant to Washington: The threats posed by China, climate change and the energy transformation, strengthening international trade in favour of the US economy, as well as enhancing the protection of human rights and freedoms.

As the US experts emphasised in the discussions organised by the RESC, the issues of "human security" and "shared values" may be important for the Biden administration, which have not been on the strategic agenda in Lithuania so far and are quite new. These issues include not only climate change and health promotion, but also the creation of an inclusive, secure environment in the field of human rights (e.g. the adoption of legislation relevant to LGBT+ communities, as well as efforts to integrate national minorities). Empowerment

of democracy in the Baltics could become an important focus of "ideological support" for the US Democratic Party leaders. This could also be an advantage for Lithuania, especially in contrast to the problems of democracy and the rule of law in Poland or Hungary. Having partners in the Biden agenda could be crucial, not only in the field of security interests, but also on the "ideological front" – liberal democracies are facing major challenges both in Western Europe and in NATO's traditionally pro-NATO Eastern Flank countries. Lithuania's resilience to undemocratic tendencies (as well as the need to maintain American attention and support for initiatives to strengthen civil society) could become a clear "second pillar" alongside geopolitical and security interests.

3. Opportunities and recommendations

Considering the abovementioned interests of the US President's administration and the priority topics of its foreign and security policy, as well as the proposals submitted by experts, we believe that Lithuania should concentrate its efforts in several directions:

1. Agreements on the actual military establishment of the US in Lithuania. The establishment of a permanent US military base in Lithuania would be an optimal result, establishing the principle of "boots on the ground", which could be considered as the most physically present deterrent to possible Russian military interventions. However, the reluctance of Americans to formally commit to such a move is understandable, both because of the need to redistribute its resources (i.e. the tendency is to divert military resources from Europe rather than to Europe), and because of the political reluctance to raise additional tensions with Russia and to provoke it to an even greater

concentration of military power on NATO's eastern fringe. However, the American military establishment in Lithuania could be treated more broadly and variants might be proposed that would *de facto* create military objects controlled by the US, but which would not necessarily have the status of a "permanent military base". Presently, due to frequent military exercises and rotation, a larger or smaller US military contingent is always present in Lithuania. According to the US Defense Cooperation Agreement (DCA) signed in 2017,²⁰ the US military, other US officials and contract staff still can enter, settle and operate in the territory of Lithuania (in the facilities provided for this purpose). In order to continue to maintain this intensity of exercises, political efforts should be made to strengthen NATO's military readiness to respond to possible aggression in the Baltic States, thus ensuring that the actual presence of US forces in Lithuania is essentially equivalent to a permanent deployment. In addition, it may be proposed that the US should build military facilities that would be required for US security needs such as: logistical support bases, intelligence centres, cyber security or electronic defence facilities, special forces support centres, etc. Such smaller military facilities may be more acceptable to the US, both because of the potentially lower costs and a less politically sensitive response.

2. Development of dual-use or "wider security" common facilities. Security cooperation with the US should, as far as possible, cover not only the military security (or kinetic defence) sector, but also other areas of security. In particular, this could focus on cooperation in the field of cyber security. There is already considerable experience in this area (e.g. in collaboration with cyber security specialists from the US Pennsylvania National Guard), but this could be further

intensified, not only among military or national defence institutions, but also among other governmental and non-state actors. It would make particular sense to propose the creation of a permanent US body with the practical functions of any US institution, or a jointly managed cyber security unit for the two countries. Other potentially important sectors of non-military cooperation could be the creation of dedicated permanent centres of excellence, working groups or expert-level projects, such as in the: anti-disinformation and strategic communications sector (where the US military headquarters in Europe also has a strong interest in monitoring and assessing the situation on an ongoing basis); energy security sector; nuclear safety and non-proliferation; and centres of excellence in public health and pandemic management. In these sectors of cooperation, it would be particularly important to go beyond the national defence system and expand interinstitutional cooperation beyond the military dimension.

3. Stopping China in Europe. Lithuania's withdrawal from the 17+1 format, a clear decision not to allow Huawei to participate in 5G communications development projects, and its criticism of China for human rights violations have made Vilnius one of Beijing's most visible critics in the European Union. This is fully in the US interest in looking for EU partners to stem China's growing influence. Taking advantage of the fact that there are no significant Chinese investments in Lithuania so far, and that trade relations do not create a clear asymmetric dependence, Lithuania could become an important (especially politically) position-maker, both at the EU level and in building coalitions against Chinese influence in the region. It is Lithuania's initiatives that may be most needed at the regional level in the United States, because by acting alone, Lithuania will not have a

significant impact on the common field of competition between the US and China. Lithuania's experience in the fight against the misinformation spread by Russia and the manifestations of hybrid warfare can also be used to notice and stop the increase of China's influence in the EU and to prevent destructive activities. However, it is necessary to admit that Lithuania's expert abilities to know and analyse China are extremely weak; therefore, if we want to be relevant to the US in this field, it is necessary to invest in sinology studies and expert research.

4. Practical experience with the Belarus issue.

In fact, Vilnius has become the capital of the Belarusian opposition in exile, and Lithuania's political initiatives in relation to sanctions against the Lukashenko regime dominate the EU agenda. This provides an excellent basis for expanding Lithuania's practical experience in relation to Belarus and for being Washington's "eyes and ears" in dealing with the Lukashenko regime and the Belarusian opposition. However, it is easy to see that Belarus has never been in the spotlight of the US, so the Americans' knowledge of Belarus's processes could be very poor. Nonetheless, the importance of Belarus is growing, especially in anticipation of a possible faster pace of military integration between Russia and Belarus, and potentially perhaps even the formation of a real union or federal state. It will be important for Lithuania to remind the Americans that Belarus is a kind of "European Taiwan" that could be swallowed up by a larger authoritarian state, and this should become the most important challenge at the moment in stopping Russia's expansion. Creating a geopolitical vision for the future of Belarus (together with the Belarusian opposition) and implementing it with the help of the Americans will probably be the most important geopolitical goal for Lithuania in the next decade. The formation

of the US opinion through constant expert, consultative and intelligence contacts could contribute to the US President's administration, not only in assessing Lithuania's role, but also in forming more favourable positions for Vilnius in terms of how to deal with the Lukashenko regime or Russia's efforts to absorb Belarus. It is necessary to concentrate and constantly reiterate the arguments about why it is so important, especially in military terms, not to allow Russia to expand its borders – the issue of Belarus could reactivate the narrative of the "Russian threat" (especially with regard to what is really sensitive for Americans – e.g. medium-range missile deployment in Belarus; as well as nuclear safety and non-proliferation). On the other hand, this goal can only be achieved by significantly strengthening our own efforts to monitor and investigate Belarus and to transfer this knowledge to the US, not only on an official level, but also through expert platforms, academic projects and the involvement in US lobbying mechanisms. In this respect, it would be particularly important to update and expand the previous "exchange programmes" between analytical research centres, ensuring that Lithuanian (and possibly Belarusian) researchers could be involved in the US "brain centres", or providing American analysts with internships in Lithuania. Such efforts should not be one-off measures, but should be coherent and long-lasting. There is a great lack of truly bold and low-cost initiatives in the field of strengthening our analytical or academic potential (i.e. not limited to occasional reports, publications or visits), such as the establishment of a strong US analytical "brain centre" unit in Vilnius. Although this has been discussed for several years, no serious steps have been taken in this direction.

5. Energy cooperation. As is noted by energy experts, although Lithuania has long raised

the issue of energy cooperation with the US and has even achieved some political results (for example, it was one of the most important initiators of the Partnership for Transatlantic Energy Cooperation (P-TEC)), the practical level of cooperation remains relatively low. Attempts to attract Americans to liquefied gas exports, according to the experts we interviewed, have yielded only symbolic results, as the commercial conditions (especially rising transportation costs) do not yet encourage imports of US liquefied gas and the use of it instead of Russian or Norwegian gas. This situation could remain unchanged unless there is a broader EU-US dialogue and a strategic decision by the Americans provide additional support for US liquefied gas exports to Europe, in order to create an alternative to Russian gas. Over the next decade, Europe's "appetite" for gas should only increase: during the transition to a zero carbon economy, gas may be the only option for reducing the use of coal or other more polluting resources. This need should encourage the US to become more competitive in the European gas market. However, if the Americans do not find ways to make US gas imports more attractive to Europe, in reality, Washington's energy influence in the EU will remain very small. Lithuania's role in this area could be twofold: a) political – by supporting the US warnings that the EU's dependence on Russia's energy resources is dangerous, and by forming anti-Russian energy coalitions; and b) practical – by working with the Americans to find ways to bring US energy resources or energy innovations closer to Europe (e.g. one of the relevant issues is the reduction of dependence on China in the renewable energy sector, such as the fields of wind and solar power). As one of the possibilities to intensify the energy dialogue between the EU and the USA, a side event could be considered at the NATO summit in Lithuania.

6. Ambassador for climate change in the region. As the US is taking the lead on climate change, one of Washington's goals should be to mobilise a coalition of partners and "good practices". Although the EU's commitments to reduce the emissions from climate change outweigh those of the United States, in some cases the weight of the Americans, and especially the political will to call on non-EU countries to join the fight against climate change, may be higher. Ukraine, Moldova and the countries of the South Caucasus are still far behind in the fields of energy efficiency and environmental protection, so Lithuania's experience in transforming energy could be not only interesting, but also more effectively transferred to post-Soviet countries with similar problems. The transfer of US interests and specific measures related to climate change to these countries may be a specific function of Lithuania, as an ambassador for climate change in the region.

7. Transatlantic centre for medical equipment (reagents) supply chains. The COVID-19 pandemic gave an unexpected impetus to US-Lithuanian trade relations. One of the most important challenges in 2020 involved the issue of securing medical supply chains and finding new supply partners. Among the various tools important in the fight against the pandemic, medical reagents for COVID-19 tests were in high demand. Lithuania has become one of the most important US partners in this field: in 2020, reagents and other laboratory diagnostic tools valued at USD 479 million were exported to the USA from Lithuania, or 261 percent more than in 2019. These reagent exports to the United States accounted for 32 percent of Lithuania's total exports to the United States in 2020 (USD 1.45 billion). The total exports of Lithuanian reagents in 2020 amounted to USD 1.05 billion (or 3.2 percent of the total

Lithuanian exports) and became one of the most important signature moves related to Lithuanian exports²¹. The fact that these reagent exports almost tripled in 2020 helped the Lithuanian economy as a whole to withstand the pressures of the pandemic (it is estimated that Lithuania generated an additional 0.7 percent of its GDP due to the increased demand for reagents alone). Lithuania's contribution is significant, even in the structure of US reagent imports – from the EU as a whole, the US imported reagents valued at USD 2.07 billion in 2020 (i.e. Lithuania's share accounted for about 23 percent of the total US reagent imports from the EU)²². The biggest impact on these trade flows came from the US-owned company Thermo Fisher Scientific Baltics, which started manufacturing COVID-19 test components in the spring of 2020. During 2020, the sales revenue of Thermo Fisher Scientific Baltics jumped from EUR 440 million to EUR 1.263 billion²³. Taking into account the priorities of Biden's administration to create sustainable relationships for the supply of medical devi-

ces (and to reduce the dependence on China in this area), the importance of Lithuania is greatly increasing. It would be quite realistic for the Americans to present Lithuania as a leader in the pharmaceutical industry, which could be treated as a strategically important supply centre for medical devices (reagents) in all US trading with the EU. This could attract additional US capital to the development of this area, and this could become politically one of the most important highlights concerning why the US should care about Lithuania's security and stability, in a broad sense.

However, it would be worthwhile for the Lithuanian policy makers to seriously consider Scenario B, which would quite radically change the current strategic orientation towards the US alone and raises the question "What if?". Given that, in the context of the US long-term (i.e. decades) interests, priority will be given not to Europe or Russia but to China and Asia, Lithuania should assess the consequences of adverse geopolitical conditions if the US withdraws from Europe, and/or reaches an agreement not

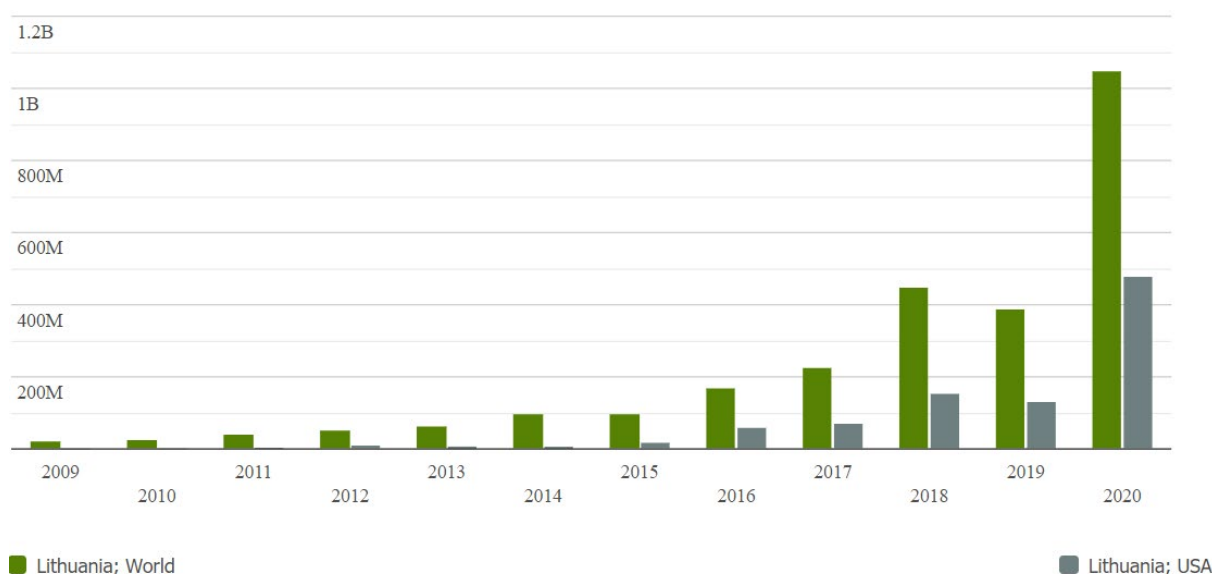


Diagram 1. Growth of Lithuanian reagent exports in 2010–2020²⁴

to respond to Russia's destabilising activities in Europe, which are not aimed directly at the United States. In other words, if the United States could no longer *de facto* remain the most important guarantor of Lithuania's security in the military and the broader sense of security. Such a scenario is still generally rejected in principle, because it is believed "it cannot happen". However, the interests of the state also require the preparation for such changes, which do not depend on our own will and choices. In the event of significant changes in the

international system, small states are generally not listened to attentively and they remain on the margins. Nevertheless, there remains a need to adapt and find the best (or the least harmful) solutions. Therefore, when designing Lithuania's relationship with the United States and hoping for its development, it would be appropriate to have guidelines for alternative options – what would Lithuania do if, despite all efforts, the United States switched its focus away from the European and Baltic countries.

Endnotes

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