



Security on NATO's Edge: How Transatlantic Policy Shifts Affect Lithuania

In partnership with

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Introduction

For the past three decades, since the decision to join NATO, the core of Lithuania's national security outlook has been based on the strategic security partnership with the United States. For Lithuania, the United States has never been just another ally; it has been the ultimate security guarantor without which neither NATO's Article 5 nor the broader deterrence architecture in the Baltic region (and Europe, in a broader geopolitical picture) would be credible. Lithuanian strategic documents and expert discussions have consistently underlined that U.S. political leadership, military capabilities, and the nuclear umbrella are irreplaceable, particularly given Russia's aggressive posture and proximity.¹ American troops on NATO's eastern flank, including in Lithuania itself, directly bind U.S. credibility to Baltic security and dramatically raise the political and military costs for any potential Russian move against Lithuania. In this regard, maintaining the closest possible relationship with the United States for an extended period is not a matter of diplomatic preference but of national survival.

This existential logic has shaped Lithuania's foreign and security policy since independence. Successive Lithuanian governments have regarded "keeping the Americans in" as a long-term national interest and have actively sought to anchor the United States in Lithuania's defense, economic, and political ecosystems. Since 2022, Vilnius has consistently exceeded NATO defense-spending benchmarks, moving from above 2% of GDP to a planned 5.38% in 2026,² both to strengthen its own defense and to signal to Washington that Lithuania is an ally that "pulls its weight" and more.

The country has welcomed rotational U.S. heavy battalions since 2019, invested heavily in host-nation

support infrastructure, and aligned itself closely with U.S. global priorities. From participating in operations in Afghanistan and Iraq to taking a principled stance on China and Taiwan, Lithuania has aimed to stay visible and valuable in Washington. This effort has expanded through extensive connections with the U.S. Congress, the White House, the Pentagon, and the State Department, recognizing that only ongoing engagement with all major branches of American power can secure long-term attention for a small frontline ally.

This strategy has produced tangible achievements, but now Lithuania faces a far more demanding context. Lithuania has benefited from the Baltic Security Initiative (BSI), deeper defense-industrial cooperation, and continuous U.S. rotations in the Baltics and Poland, which together have created an "enduring U.S. footprint" on NATO's eastern flank. Yet the Trump administration's second term has already resulted in a partial withdrawal of U.S. troops from Romania and plans to eventually discontinue the Baltic Security Initiative³—even though Congress decided to revive it for FY2026.⁴ All these signals point to a trajectory of reduced U.S. financial and force commitments in Europe. The new U.S. National Security Strategy 2025⁵ merely confirms these shifting priorities, explicitly indicating that European countries should not only contribute more to NATO defense but also prepare for a significant reduction in U.S. military presence in Europe in the future. Some media sources also highlighted the very short timetable: according to Reuters, the United States wants Europe to take over the majority of NATO's conventional defense capabilities, from intelligence to missiles, by 2027.⁶

1 For example, *Ambicingas dešimtmetis: Lietuvos užsienio politika 2004–2014 m.* (ed. Jakniūnaitė D.) Vilnius: Vilniaus universiteto leidykla, 2015; *Lithuania in the Global Context: National Security and Defence Policy Dilemmas*, (eds. Matonytė, I., Česnakas G., Statkus N.), Vilnius: General Jonas Žemaitis Military Academy of Lithuania, 2020.

2 LRT.lt. "Lithuanian government approves 2026 draft budget with record defence spending," October 16, 2026. <https://www.lrt.lt/en/news-in-english/19/2716517/lithuanian-government-approves-2026-draft-budget-with-record-defence-spending>.

3 Noah Robertson, "Trump administration to end European security programs focused on Russia," *The Washington Post*, September 4, 2025, <https://www.washingtonpost.com/national-security/2025/09/04/trump-europe-security-russia-ukraine/>.

4 Daniella Cheslow, Giselle R. Ewing, Phelim Kine, "What you missed in the NDAA," *Politico*, December 8, 2025, <https://www.politico.com/newsletters/national-security-daily/2025/12/08/what-you-missed-in-the-ndaa-00681416>.

5 The White House. *National Security Strategy of the United States of America*, November 2025, <https://www.whitehouse.gov/wp-content/uploads/2025/12/2025-National-Security-Strategy.pdf>.

6 Gram Slattery, Humeyra Pamuk, "Exclusive: US sets 2027 deadline for Europe-led NATO defense, officials say," *Reuters*, December 6, 2025, <https://www.reuters.com/business/aerospace-defense/us-sets-2027-deadline-europe-led-nato-defense-officials-say-2025-12-05/>.

Extensive discussions and foresight workshops with Lithuanian and international experts similarly point to a continued U.S. shift toward the Indo-Pacific, growing protectionism, and an administration that appears “unlikely to extend full security guarantees to Europe.” The National Security Strategy 2025 consolidates this trend by elevating Western Hemisphere and Indo-Pacific priorities and by framing security guarantees for Europe as conditional on the allies’ capacity to assume much greater responsibility for their own defense.

Against this backdrop, the central question for Lithuania remains: how to preserve the U.S. as a security guarantor while realistically preparing for a world in which American engagement in Europe may be limited, more transactional, and more contingent than in the past.

Purpose and Research Questions

This study addresses that challenge by providing an in-depth analysis of the U.S.–Lithuanian relationship during Trump’s second term, focusing on both the opportunities and dilemmas stemming from Washington’s strategic recalibration. It aims to explore how U.S. interests in Europe, particularly in Lithuania, are changing as America shifts its focus to domestic issues, the Western Hemisphere, and the Indo-Pacific, while economic policy becomes more protectionist and zero-sum gaming.

At the heart of the study are several interconnected questions:

- How does a more selective and transactional U.S. stance impact Lithuania’s long-standing belief that American power is the foundation of its security?
- Through which channels—Congress, the executive branch, the Pentagon, the State Department, and business networks—can Lithuania most effectively maintain U.S. attention?
- How can Vilnius align with U.S. strategic priorities (for example, on China and technology) without becoming overly dependent on a single partner whose policies are increasingly unpredictable?
- How can Lithuania hedge against scenarios in which the United States reduces its military and political presence in Europe much faster than expected?

The study also aims to explore how the United States perceives Lithuania and the Baltic region within this

new environment. It assesses U.S. expert and policy-community evaluations of Europe’s burden-sharing efforts, the credibility of NATO’s eastern-flank deterrence, and the value of Lithuania as a strategic partner on issues such as Russia and Ukraine, China, Taiwan, technology, and energy. By systematically mapping these perceptions and tensions, the study seeks to identify practical levers Lithuania can use to remain not only a loyal ally but also an essential one.

Methodological Approach

To answer these questions, the project combines qualitative expert insight with structured foresight and advanced simulation tools.

The first pillar consists of in-depth discussions with U.S. experts and practitioners across four thematic areas (see Annex 1 for the complete list of experts):

1. National security and defense, including NATO posture, U.S. force-structure decisions in Europe, and the credibility of Article 5
2. Technology and innovation, particularly the transatlantic tech race, AI, and dual-use capabilities
3. The triangular relationship among the United States, Lithuania, Taiwan, and China
4. Economic relations, encompassing tariffs, investment screening, energy trade, and the broader politics of “derisking” transatlantic interdependence

The second pillar consists of foresight workshops organized in Vilnius in cooperation with the Bertelsmann Foundation (BFNA), the Bertelsmann Stiftung, and the GSSC. **The Range Workshop** in Vilnius (September 9, 2025) brought together leading experts from Lithuanian ministries, academia, and the private sector (see Annex 2 for the list of participants) to examine U.S. commitment to NATO’s eastern flank. Participants conducted a structured decomposition exercise, identifying key drivers such as U.S. domestic politics, the prioritization of the Indo-Pacific, European defense-spending trajectories, and Russian hybrid activity, and then translated these into concrete forecasting questions—including whether the United States would withdraw its rotational forces from Lithuania or troops from Germany by 2026, and how a new U.S.–Russia agreement might affect nuclear deployments in Europe. The workshop generated three broad scenarios—conditional deterrence, managed disengagement, and strategic ambiguity—which

serve in this study as qualitative baselines against which more technical simulations and policy recommendations are tested.

The third pillar is a **dedicated scenario simulation conducted using Anadyr Horizon’s North Star platform, an Agentic Systems Intelligence (ASI)** system designed to model decision-making under stress. For this project, GSSC analysts developed a scenario titled the “Šalčininkai Crisis,” centered on a hybrid incursion—analogue to the “green men” operation in Crimea in 2014—from Belarus into Lithuanian territory, Lithuania’s subsequent invocation of Article 5, and the resulting 30-day crisis involving Lithuania, NATO, the United States, and Russia.

The ASI engine executed hundreds of Monte Carlo simulations and generated a Horizon Runprint: a predictive intelligence memo mapping escalation pathways, actor behavior, and likely outcomes. Across this scenario set, the United States consistently opts to reinforce NATO’s eastern flank to some degree while avoiding offensive military operations aimed at restoring occupied Lithuanian territory. Instead, the simulations indicate a strong U.S. preference for deterrence, crisis management, and back-channel diplomacy with Moscow. These patterns provide a stark stress test of Lithuanian assumptions about U.S. security guarantees and inform the study’s assessment of how far Washington might go—and where it might stop—in a real crisis under current political conditions.

Crucially, the study does not rely on AI-generated outputs in isolation. First, Anadyr Horizon’s technology integrates AI-enhanced actor models with probabilistic crisis modeling, geopolitical datasets, and proprietary algorithms capturing escalation dynamics. Second, North Star outputs are interpreted through the perspectives of Lithuanian and international experts, drawing on both the Range Workshop findings and the interview material described above. This triangulation of expert judgment, structured foresight, and ASI-driven simulation produces a uniquely robust evidence base. It enables the project to assess not only what U.S. decision-makers claim to value—such as increased European defense spending, flexible force posture, and economic opportunities—but also how they are likely to behave under time pressure in a fast-moving Baltic crisis. In doing so, it exposes potential gaps between European expectations of allied solidarity and a U.S. administration increasingly focused on escalation avoidance and great-power crisis management, sometimes at the expense of smaller allies.

From Analysis to Tiered Recommendations

Building on this combined evidence, the study presents a two-tiered set of policy recommendations for Lithuania. The first tier, known as **tier A**, assumes a **baseline scenario** where the United States does not suddenly abandon Europe but gradually reduces its military and political involvement in European security while demanding more from allies. In this scenario, Lithuania’s task is to maximize its appeal and usefulness to Washington to sustain U.S. engagement for as long and as meaningfully as possible, for example, by exceeding NATO’s 5% defense spending commitment, aligning procurement with U.S. capabilities, positioning itself as a “China-free” and innovation-friendly partner, and strengthening its links with Congress and key executive-branch officials.

The second layer, **tier B**, addresses a **lower-probability but higher-impact scenario** in which the United States swiftly and decisively scales down its military presence and security guarantees in Europe (for example, after a political deal with Russia, a major crisis in the Indo-Pacific, or a combination of both). In such a world, Lithuania would need to pivot toward a Europe-first security order, embedding itself in a dense network of defense ties with Germany, Poland, the Nordics, and the United Kingdom, transforming into a “porcupine state” capable of sustained national resistance, and becoming a forward hub in Europe’s own defense-industrial base. The recommendations in this tier thus focus less on persuading Washington and more on ensuring Lithuanian survival and deterrence in a scenario where U.S. support can no longer be assumed.

Taken together, these two tiers reflect **the core premise of the study**: Lithuania must simultaneously act as if the United States will remain a crucial security guarantor and prepare as if U.S. engagement in Europe could diminish, especially after 2027–2028.

The subsequent chapters examine in detail the four thematic pillars of the U.S.–Lithuanian relationship, present the foresight and simulation findings, and then elaborate the tier A and tier B recommendations for Lithuanian decision-makers seeking to navigate the uncertainties of Trump’s second term and the potential implementation of the U.S. National Security Strategy 2025.

Part 1.

Expert Discussions

Discussion 1: Security and Defense— NATO, the Baltics, and Russia’s War Against Ukraine

The evolving U.S. role in NATO and implications for Lithuania

The United States has long been the cornerstone of NATO’s collective defense, but its role is undergoing subtle shifts that carry significant implications for frontline allies such as Lithuania. In recent years, Washington has encouraged European members to shoulder a greater share of the defense burden, a push that intensified under President Donald Trump and continues today. NATO’s European allies, recognizing the risk of U.S. strategic distraction or retrenchment, have responded by boosting their own commitments—notably agreeing in principle to a historic new defense investment pledge of 5% of GDP by 2035, with at least 3.5% on core military capabilities. This more than doubles the longstanding 2% spending guideline and is intended in part to mollify U.S. concerns about unequal burden-sharing. As some experts note, the unprecedented 5% target serves as an attempt to keep the United States firmly committed to NATO.

For Lithuania, which relies existentially on NATO’s Article 5 security guarantee, these developments are a double-edged sword. On the one hand, a more capable European pillar within NATO is welcome, as it strengthens deterrence against aggression. On the other hand, any perception of a U.S. pullback is a cause for anxiety in Vilnius. Lithuanian officials stress that no European strategic autonomy can replace the American security guarantee—a strong transatlantic bond remains the core of Lithuania’s

defense policy. U.S. political leadership and military power are seen as irreplaceable, particularly given Russia’s aggressive stance in the region. It is telling that even amid debates on Europe taking more responsibility, Lithuanian leaders frequently reaffirm that the United States is Lithuania’s closest security partner and an essential factor in deterring Russia on NATO’s eastern flank. In practice, Lithuania not only supports NATO-wide increases in defense spending, but it also eagerly facilitates a continued U.S. military presence in Europe. The evolving U.S. role—from an all-encompassing European security provider toward a role of *primus inter pares*—thus pushes Lithuania to double down on being an exemplary ally to ensure that U.S. commitment to NATO’s defense, and Lithuania’s security, remains unwavering.

At the NATO level, U.S. influence and leadership remain paramount, but Washington’s messaging now makes clear it expects allies to carry more weight. American officials have repeatedly cautioned that “America can’t be everywhere all the time, nor should we be,” implying Europe must bolster its own defenses. For Lithuania, which spends well above the NATO average on defense, this message reinforces what it has long practiced: investing heavily in its military and urging others to do the same. The credibility of NATO’s deterrence in the Baltics hinges on both robust European contributions and the unambiguous backing of the United States. Lithuanian policymakers watch closely for signals from Washington—positive ones, such as President Joe Biden’s assurances that Article 5 is a “sacred” commitment and that NATO will be defended to the last inch, as well as worrisome ones, such as debates within the U.S. about reducing military deployments in Europe. Overall, the United States remains NATO’s indispensable leader, but with growing expectations of partnership rather than patronage. Lithuania views this evolution with cautious acceptance; it is stepping up its own efforts in line with U.S. demands, yet it also underlines that a strong U.S. presence in Europe remains crucial for allied defense. The implication is clear: Lithuania and

its neighbors will do more, but they earnestly seek reassurance that the U.S. security guarantee will not falter as American global priorities shift.

U.S. troop presence in Lithuania and the Baltic Region

A tangible expression of America's commitment to Baltic security is the forward presence of U.S. troops. Since 2019, the United States has maintained a persistent rotational military force on Lithuanian soil—a notable development given that prior to 2014, NATO had no troops at all in the Baltics. This presence has grown in scope; roughly a battalion-sized U.S. contingent is now stationed in Lithuania at any given time, with additional rotations bringing hundreds of Americans to Estonia and Latvia for training and exercises. In Lithuania, the U.S. contingent includes armored units and advanced enablers training alongside Lithuanian forces at newly developed facilities—such as the training camp in Pabradė near the Belarusian border—built specifically to host U.S. troops. The Lithuanian government has invested heavily in infrastructure and host-nation support for allied forces. All of this underlines how vital Lithuania considers the American military presence; it not only boosts local defense capabilities but also serves as the ultimate tripwire, ensuring that any aggression would immediately engage U.S. forces and, by extension, the full weight of NATO.

The significance of U.S. troops in Lithuania extends beyond raw firepower. Equally important is the symbolic and psychological reassurance they provide in a region with a painful history of domination by Moscow. A U.S. Army company patrolling Baltic forests or American HIMARS battery training with Lithuanian soldiers sends a clear message to any adversary: an attack on Lithuania means facing Americans from day one. This deterrent value is hard to quantify but deeply felt among Baltic populations and defense planners. Lithuanian officials often highlight that American troops on NATO's eastern flank are a key deterrent against Russian aggression. In practical terms, their presence greatly increases the odds that collective defense would be invoked immediately and decisively in a crisis, raising the risk for Russia of attempting any military adventure against the Baltics. This logic aligns with NATO's post-2016 Enhanced Forward Presence concept: in Lithuania, a German-led NATO multinational battlegroup is already stationed as a deterrent tripwire. The presence of both U.S. and other allied units means any aggression would confront a coalition, not a lone small state.

It is also important that the U.S. presence in Lithuania is part of a broader regional posture. Washington has stationed a rotational armored brigade in Poland since 2017 and augmented forces on NATO's eastern flank after Russia's 2022 invasion of Ukraine. U.S. leaders have also pledged to maintain continuous "heel-to-toe" rotations of American units in all three Baltic states going forward. Even a relatively small permanent U.S. footprint has an outsized political effect: it ties American credibility directly to Baltic security, strengthening Article 5. Lithuanian leaders, aware of this dynamic, have been vocal in their appreciation of U.S. deployments—often citing the presence of American troops as concrete evidence of the U.S.–Lithuania defense partnership in action. The U.S. troop presence not only provides military capabilities and training opportunities but also firmly embeds the United States into the defense of NATO's eastern flank, greatly boosting the confidence of Lithuania and its neighbors in the alliance's security guarantee.

Burden-sharing debates and NATO defense spending targets

Debates over fair burden-sharing within NATO have accelerated over the past decade, becoming a central theme in U.S.–European defense relations. NATO's longstanding guideline that each ally spend 2% of GDP on defense came due in 2024, and by that time, a majority of member states had indeed raised budgets to that level or beyond. Notably, Lithuania was among the leaders—consistently exceeding 2% and treating it as a floor rather than a ceiling. This trend was driven partly by genuine security concerns after Russia's aggression in Ukraine, and partly by U.S. pressure—especially under the Trump administration—for allies to contribute more. By 2023–2024, as NATO reconsidered its posture in light of Russia's invasion of Ukraine, the allies agreed that 2% should now be considered a minimum—implicitly acknowledging that the old target was insufficient for the new security environment. Discussion then turned to more ambitious goals, and by mid-2025, NATO leaders were poised to endorse a new Defence Investment Pledge aiming for 5% of GDP on defense by 2035. The formula under discussion allocates at least 3.5% to core military capabilities and up to 1.5% to broader security needs such as resilient infrastructure, cyber defenses and supporting industrial bases. This marked increase—more than doubling the previous guideline—reflects a harsher geostrategic reality and serves as a political signal of transatlantic unity.

For Lithuania, these burden-sharing developments have largely validated its own defense policy choices. Lithuania steadily increased its military spending well ahead of NATO deadlines. In 2023, with war raging next door in Ukraine, Vilnius decided on a rapid further ramp-up: it planned to reach about 4% of GDP by 2025 and roughly 5% by 2026, levels exceeding even the new NATO target. These figures place Lithuania among the top contributors relative to its economic size. Lithuanian officials often emphasize this in discussions with U.S. counterparts to showcase that Lithuania is a reliable ally who takes security seriously. Lithuania also channels a significant share of its procurement toward U.S.-made equipment, improving interoperability and reinforcing bilateral ties.

The “2% vs. 3.5% vs. 5%” debate is not without contention. Some Western European allies quietly question the feasibility of hitting such high spending levels, given post-pandemic fiscal strains and competing budget demands. They note that simply spending more does not automatically create more capability—absorbing and effectively using a surge of funds can be challenging, and what matters is how the money is allocated. However, the countries most exposed to Russian aggression, including Lithuania, maintain that no price is too high for security. They argue that the cost of deterrence must be weighed against the potentially catastrophic cost of deterrence failure. Moreover, high-spending Eastern allies gain credibility and moral authority within NATO to call on others—including the United States—to uphold commitments. It has not gone unnoticed in Washington that countries such as Lithuania and Poland are doing far more, proportionally, than larger economies such as Germany or Italy. This bolsters the Baltic states’ standing in burden-sharing debates.

Lithuania thus finds itself in step with NATO’s evolving defense investment targets. It has little difficulty justifying even 5% of GDP for defense when Russia is at its doorstep. By exceeding NATO’s benchmarks, Lithuania also aims to lock in American support—signaling to Washington that here is an ally that not only “pulls its weight” but goes above and beyond. This effort has earned Lithuania praise in U.S. policy circles and reinforces the view that NATO is becoming a fairer two-way street. While debates will continue about what level of spending is sufficient, the clear trajectory is toward greater investment and more equitable burden-sharing. For Lithuania—firmly on the high end of contributors—this trend is welcome, as it strengthens the alliance and helps ensure U.S. leaders see NATO as a fair deal rather than a one-sided commitment.

U.S. defense priority shifts: Indo-Pacific focus and Western Hemisphere interests

In recent years, U.S. defense strategy has pivoted toward the Indo-Pacific—with a growing focus on China—and strengthening the U.S. homeland and Western Hemisphere security (see Part 3). Allies understand that the United States must address these global priorities, but front-line European states worry that a heavy U.S. tilt to Asia or inward focus could divert attention and resources away from Europe. Indeed, in 2025, Washington signaled plans to pull some forces from Eastern Europe, trusting NATO’s enhanced European deterrence to fill the gap, causing concern in Vilnius and other capitals. The message to Europe is that it must step up its own defense capacity because the U.S. cannot be everywhere at once.

Lithuania recognizes the value of a globally engaged America that is not overextended elsewhere; a United States containing China and securing its own borders ultimately benefits NATO. At the same time, it is acutely aware of its reliance on U.S. military might to deter Russia. Thus, Lithuania seeks a balance: it urges the U.S. to stay engaged in European security even as it shifts focus, and it strives to make itself as useful as possible to U.S. global aims (see Discussion 4). Lithuanian officials have aligned with U.S. priorities—for example, taking a principled stand on China—to demonstrate that Lithuania is a steadfast ally, even as they ramp up Lithuania’s defense capabilities at home. In short, Lithuania is boosting its own military strength and regional leadership so that a stretched America can address other theaters without leaving Europe unprotected, all while signaling through its actions that it remains a model ally worthy of U.S. support.

Implications of potential U.S. retrenchment for Lithuanian national defense

Any significant U.S. retrenchment from Europe would force Lithuania to lean even more on European allies. Some steps in this direction are already visible; for instance, Germany has agreed to station a brigade in Lithuania by 2027, and other NATO allies are bolstering their forward presence in the region. If U.S. troop levels were to be scaled back, European forces would have to fill the gap to maintain deterrence on NATO’s eastern flank. Lithuania has long urged moving beyond a token tripwire deployment toward robust for-

ward defense, and it would welcome more British, German, Polish, or other allied units stationed on its territory. At the same time, Lithuania would double down on its national total defense strategy—preparing its military and society to resist an aggressor until reinforcements arrive. It is already raising defense spending toward 5% of GDP to acquire advanced weapons such as long-range missiles, drones, and air defenses that would raise the cost for any potential invader. Still, no European efforts can fully substitute for the unique capabilities the U.S. provides, such as strategic airlift, intelligence, and the nuclear umbrella, so a reduced American role would inevitably leave Lithuania more exposed.

Anticipating this, Lithuania would also intensify cooperation within European frameworks. It would advocate a stronger EU role in collective defense and deepen regional defense integration with its neighbors—from joint airspace monitoring to shared procurement of armaments—in order to strengthen a united European deterrent. Above all, Lithuanian leaders strive to forestall any U.S. pullback by underscoring Lithuania’s value as an ally. They emphasize that helping defend the Baltics is not a charity case scenario but rather bolsters NATO’s overall credibility and even U.S. global interests. A secure and self-reliant Europe, they argue, allows the United States to focus on other threats. They also frequently remind Washington that Lithuania has stood beside the U.S. in conflicts abroad—in Afghanistan and Iraq—demonstrating that the partnership runs both ways. In short, while Lithuania is prudently preparing for a scenario of diminished U.S. support, it is equally committed to making the case that such a scenario must never be allowed to materialize.

Article 5 and collective defense credibility in the face of Russian aggression

NATO has taken dramatic steps since 2022 to reinforce Article 5’s credibility in the face of Russian aggression—from boosting troop presence on the eastern flank to issuing new defense plans and publicly vowing to defend “every inch” of allied territory. President Biden and other leaders have used that exact phrase to signal unwavering resolve aimed at Moscow.

However, credibility is only as strong as the evidence backing it. Accordingly, NATO’s military posture in the Baltic region is designed to make any collective response immediate and automatic. The multinational battlegroups stationed in each Baltic state and in

Poland under NATO’s Enhanced Forward Presence serve that purpose; their presence virtually guarantees that the entire alliance will respond if any one nation is attacked, effectively acting as tripwires. Likewise, NATO’s Baltic Air Policing mission has, since 2004, continuously guarded Baltic skies; allied fighters based in Lithuania and Estonia intercept Russian aircraft that test NATO airspace by flying without transponders or edging close to borders. NATO has also improved its rapid reinforcement capability, for example, establishing a new brigade-sized high-readiness force that can deploy on short notice, and in 2023, pre-assigning specific allied units to the defense of the Baltic region under revised regional plans. All these measures aim to eliminate ambiguity in Moscow’s mind about NATO’s readiness to respond decisively should a red line be crossed.

Despite these steps, questions still arise—in strategic debates and among Baltic officials—about whether Article 5 would be honored unequivocally in all situations. The alliance’s resolve could be strained in grey zone scenarios where it is debatable whether an armed attack has occurred. Hybrid attacks—such as smuggling balloons from Belarus drifting into Lithuanian airspace, forcing the closure of airports—underscore that Article 5 is not automatic; it requires deliberate allied consensus. From Lithuania’s perspective, such episodes, along with a broader pattern of Russian hostile activity short of war, highlight the need for constant vigilance to keep Article 5 credible. Each provocation is meant to pressure or destabilize without triggering NATO’s formal response. NATO has debated how, for example, a severe cyber-attack or major act of sabotage might warrant an Article 5 response. The ambiguity in these grey-zone situations is something Russia tries to exploit. A key to countering this is to show that NATO is not afraid to respond to such aggression.

All these measures feed into the psychology of deterrence: Russia must believe that any attack on Lithuania—whether blatant or insidious—will result in a united allied response, including military force if needed. Credibility can be undermined if an aggressor doubts NATO’s will, or if allies doubt each other. This is why NATO so consistently emphasizes unity. Notably, Russia’s war in Ukraine has, if anything, strengthened NATO’s collective defense credibility: allies are more alert to the Russian threat, and historically neutral countries—Finland and Sweden—have joined NATO, expanding the alliance’s strength on its northern flank.

Still, Lithuania does not take this unity for granted; it continues to press for greater clarity and readiness. One idea raised by Baltic officials is to move from

air policing to air defense in the Baltics, meaning allied aircraft would be ready to shoot down intruders immediately, rather than just monitor them. Another concern is the speed of decision-making: NATO acts by consensus, and in a sudden attack, waiting for unanimous agreement could prove too slow. To mitigate that, NATO's new regional plans have pre-delegated certain authorities to commanders so they can act even as political consultations are underway, ensuring no delay in responding to aggression.

In essence, collective defense credibility is dynamic and must be continuously reinforced by deeds (deployments, exercises, and investments) as well as words (clear commitments). Recent Russian probes have tested NATO's resolve in minor ways, and thus far the alliance has responded with unity and appropriate restraint. For Lithuania, each test is a reminder that NATO must stay alert and proactive. The fundamental principle remains that as long as NATO stays united and ready, potential aggressors will be dissuaded from directly testing Article 5.

Conclusion

The United States' role in NATO is changing—not away from leadership, but toward a setup in which European allies shoulder more responsibility. For Lithuania, this means welcoming greater European defense contributions while working hard to keep the U.S. engaged. NATO's move toward higher defense spending targets reflects a new transatlantic bargain based on fairer burden-sharing. Lithuania has embraced this shift, becoming one of NATO's top defense investors—a stance that bolsters its reputation in Washington and strengthens deterrence.

The presence of U.S. forces in Lithuania and the broader Baltic region remains a cornerstone of deterrence and reassurance. American troops and equipment on Lithuanian soil are both a military asset and a political symbol of the U.S. commitment under Article 5. They improve local defense readiness and provide crucial training, but most importantly, they ensure that any aggression triggers an immediate American, and thus NATO, response. Lithuania's proactive support—providing robust host-nation support and preparing to host even more U.S. troops—has helped cement this presence. Going forward, maintaining persistent U.S. rotations and integrating new European deployments—such as Germany's planned brigade in Lithuania—with U.S. efforts will be vital to presenting a unified allied front.

The U.S. defense pivot toward the Indo-Pacific and homeland security is a reality that NATO allies must

adapt to. This shift is not a temporary distraction but a structural change in U.S. strategy to meet challenges such as a rising China. For Lithuania, it means European allies need to build up their own regional defense capabilities so that a stretched America can attend to other priorities without leaving Europe unprotected. Lithuania and its neighbors should continue to encourage a strong U.S. commitment to Europe, but they should do so actively, by investing in their own strength and aligning with U.S. strategic goals. Lithuania's support for the U.S. stance on China and its diligent fulfillment of NATO commitments are often cited as examples. Still, the experts caution that if U.S. retrenchment goes too far, it could embolden adversaries; hence, Europe's greater self-reliance must complement, not replace, U.S. power in NATO.

To sustain a strong U.S.–Lithuania defense relationship, several pathways could be identified. Lithuania should continue to present itself as an indispensable partner by investing in its own defense, becoming a regional role model, supporting U.S. global initiatives beyond Europe—including even symbolic contributions to show solidarity—and offering strategic access and hospitality to U.S. forces. Lithuania's diplomatic approach—thanking the U.S. for its leadership while also taking initiative—strikes the right balance. Going forward, expanding military exchanges and joint exercises, leveraging support in the U.S. Congress—for example, through funding programs such as the Baltic Security Initiative—and staying closely aligned on threat perceptions will all help safeguard the partnership against shifts in political winds. In essence, as long as Lithuania keeps delivering on commitments and proactively aligning with U.S. interests, it can retain a place in Washington's strategic calculations.

Discussion 2: Tech and AI—Strategic Competition and Transatlantic Cooperation

The U.S. and Europe have long relied on technological superiority as a foundation of their economic and security strength. Today, AI has emerged as a pivotal arena of competition that will shape global power dynamics in the 21st century.

Western countries led previous waves of innovation—from the Industrial Revolution to the internet age—giving them a geopolitical edge. AI is the next such wave, promising broad economic benefits but also disruptive changes. Critically, unlike past revo-

lutions that were contests primarily among Western powers, the AI race features a non-Western competitor: China. China's rapid advances in areas such as electric vehicles and certain robotics show it can challenge Western leadership. In AI, Chinese firms and researchers are closing the gap, even taking the lead in some metrics such as research publication volume. This raises the stakes for transatlantic partners, and maintaining their edge in AI is not only an economic imperative but a strategic one, as global technological leadership will translate into military and political influence.

The West's technological edge and the rise of AI

Experts on both sides of the Atlantic emphasize that technology has been the competitive edge of Western success for centuries. Unlike land, labor, or capital, it is technological innovation that has given the West disproportionate power since the era of steam engines and electricity. AI is seen as a general-purpose technology on par with the advent of the computer or the internet—one that will permeate all sectors of the economy. The United States' leadership in the internet revolution, for example, significantly boosted its productivity and global influence, while Europe's relative underperformance in that era contributed to a halving of Europe's share of global wealth over 40 years as emerging powers—notably China—rose. AI could have even higher stakes, particularly because China is actively vying for dominance in this field. While the United States still leads in many aspects of AI and the broader digital economy—for example, cutting-edge semiconductor design and cloud platforms—China is in close pursuit and in some areas potentially ahead. In this context, transatlantic cooperation is not just desirable but necessary; neither the U.S. nor Europe can outcompete China alone.

A candid assessment is that Europe missed the digital revolution of the early 21st century. The continent has produced no tech giants on the scale of America's Big Tech, and European firms are largely absent from the top tiers of cloud computing, social media, or foundational AI model development. A single American company's research budget—for instance, Google's—now exceeds that of some European nations, a telling indicator of the gap in innovation capacity. Europe's overall share of the global digital economy and high-tech value creation has declined relative to the United States and China in recent decades. This reality underpins the argument

that Europe cannot rival the U.S. and China in AI on its own. It simply lacks the concentrated resources and market size to produce global-scale digital platforms or to match the R&D spending of the U.S. or Chinese governments and firms.

At the same time, this does not need to mean that Europe is irrelevant. In deep tech and advanced industrial domains, European companies are world-class and, in some cases, are leading the U.S. Europe excels in fields such as industrial automation, specialized manufacturing equipment, telecommunications hardware (for example, 5G networks), renewable energy technology (for example, solar and wind components), and certain pharmaceuticals and biotech. Europe's strengths often lie in specific high-value components or sub-systems rather than end-to-end digital platforms, and this could make Europe an attractive and indispensable partner for the United States. For example, European firms are at the cutting edge of quantum computing hardware (such as Finland's expertise in quantum refrigeration), precision robotics (where German and other European engineering firms lead), and advanced materials. In areas such as battery technology, consumer drones, and semiconductor machinery, Europe's know-how complements American capabilities. Thus, while Europe on its own cannot cover the whole waterfront of emerging tech, it can and does lead in particular segments—and identifying those niches is vital.

Given these strengths and weaknesses, a point of consensus is that Europe's best path is partnership with the U.S.—but a partnership where Europe contributes its unique strengths. Some experts argue that Europe should not wait passively for Washington's direction; instead, it should define a list of technology domains where it intends to lead and invest heavily there. For example, if Europe chooses to prioritize quantum communications, advanced biotech, or certain AI-driven industrial processes, it should build coalitions of European states and companies around those goals. The U.S., facing its own limitations, is likely to support or catch up to European initiatives in areas where the U.S. has fallen behind. In other words, strategic autonomy for Europe is not about decoupling from the U.S.; it is about taking the initiative in some areas, within an overall allied framework. A concerted European effort in a given technology—for example, a pan-EU program to develop next-generation battery storage or privacy-preserving AI—would ultimately strengthen the transatlantic alliance, not weaken it, by adding another pole of innovation that benefits the West as a whole.

U.S. policy under Trump: internal divisions and transatlantic strains

Under the Trump administration, U.S. policy on technology and China has been assertive but not entirely coherent. Washington's stance is complicated by at least three competing factions in the administration, which produce mixed signals for allies. First, there are the hard power strategists or China hawks, who push for maximum restrictions on China's tech rise—for instance, strict export controls to deny Beijing cutting-edge chips and AI tools, even if it means short-term costs. A second faction consists of economic nationalists focused on reshoring supply chains and protecting American industries—they are skeptical of all foreign economic influence, including from allies, and have sometimes lumped Europe together with China as a trade adversary. The third group includes transactional restrainers or pragmatists—they accept that American hegemony has limits and advocate a more case-by-case, deal-oriented approach, aiming to prioritize where the U.S. competes vs. where it might accommodate rivals or delegate to allies. These internal dynamics help explain why U.S. tech policy can appear to “flip-flop,” and why European officials sometimes struggle to get a clear read from Washington. For example, one faction's influence is evident in the President's combative trade rhetoric toward Europe: he has publicly claimed that trade relations with the European Union are more complicated than those with China. Tariffs and threats of tariffs on European goods have been used to press issues such as market access, reflecting the economic nationalist view. At the same time, voices in the administration acknowledge that isolating the U.S. from its allies would be counterproductive in the long run, given the China challenge. Nevertheless, pragmatic elements recognize that a tech cold war with China cannot be won without allied unity. This means that even a transactional, “America First” administration sees value in cooperation with Europe on certain conditions.

Europe has also contributed to these strains. American observers point to EU regulatory moves that seem designed to handicap U.S. tech firms. The Digital Markets Act (DMA) is a prime example frequently cited: this sweeping EU law imposes new obligations on the largest digital gatekeepers, most of which are American companies. Five of the seven firms designated as gatekeepers under the DMA are U.S.-based, and all major enforcement actions so far have targeted American tech giants. From Washington's perspective, such policies feel like “economic lawfare”—using regulation to weaken U.S. compa-

nies that are also crucial to Western technological heft. The Trump administration has reacted strongly: officials signaled they might investigate EU digital regulations as unfair trade practices, and there is talk of countermeasures if Europe does not recalibrate. Beyond the DMA, the EU's proposals on AI—for instance, the AI Act—and data privacy have raised concerns in the U.S. about overregulation and whether Europe is prioritizing ideological regulations over a united front in the tech race. European policymakers defend these regulations as rightful efforts to ensure fair competition and protect users, not as anti-U.S. measures. Still, the optics and timing—aggressive new rules on American tech at the very moment the West needs those companies to innovate faster than China—have undeniably sown mistrust. This friction comes on top of Trump-era trade disputes over more traditional sectors, such as steel and agriculture, and long-standing U.S. complaints about European defense spending. In short, by late 2025, the transatlantic relationship on tech was a mix of shared strategic interest and open policy discord.

Despite the noise, a consensus is emerging in Washington that China's technological rise is the primary threat and that working with Europe is better than working against it. One tangible shift under Trump has been a move away from the prior administration's stance of outright tech isolation (where any Chinese access to advanced chips was seen as unacceptable) toward a more nuanced approach that also values market share and influence. As AI technology has matured, the competition is viewed not only as a vertical race for the next breakthrough but also as a horizontal competition over whose systems become globally dominant. This has led some U.S. officials to argue for exporting (even if restricted) AI and semiconductor technology to allies and neutrals to ensure American standards and platforms proliferate, rather than ceding entire markets to Chinese alternatives.

It is a delicate balance: the U.S. still wants to deny China the very cutting-edge, but it also wants its own firms to thrive and set the rules worldwide. Europe figures into this as a critical partner—if aligned, Europe can amplify U.S. efforts through combined market power and diplomatic weight, but if estranged, Europe could drift toward a more China-neutral stance, weakening the Western coalition.

Cooperation to secure critical technologies

Both U.S. and European experts stress that the logical response to China's challenge is deeper transatlantic cooperation in critical technologies. Nowhere

is this clearer than in the semiconductor sector—the “oil” of the digital era—in which the focus of U.S.–China tech competition has recently shifted; if initially it centered around logic chips (the CPUs and GPUs at the base of AI models), now the attention has moved to areas such as high-bandwidth memory (HBM) and advanced chip packaging. These components are essential for running large AI systems at scale and, crucially, China currently cannot produce top-tier HBM memory or do the most advanced packaging at scale or quality alone—and neither can Europe. This presents both a vulnerability and an opportunity for the transatlantic alliance. The vulnerability lies in the West’s heavy reliance on a small number of suppliers; for example, South Korea’s Samsung and SK hynix produce most of the world’s HBM, while much of the advanced chip packaging takes place in Taiwan.

The opportunity, however, is that through coordinated policies, the U.S. and Europe—working alongside key partners such as South Korea, Japan, and Taiwan—can consolidate their lead and restrict China’s access to critical inputs for AI development. Several specific strategies for deepening cooperation stand out, including:

- **Joint supply chain initiatives.** European governments and the U.S. could establish joint working groups or task forces on semiconductor supply security. A priority area is HBM memory chips—ensuring that leading suppliers, such as Samsung, prioritize Western needs. Recent developments are promising: Korean firms have committed to supplying memory for major American AI projects, hinting at an emerging allied approach. Building on this, an EU–U.S. consortium could coordinate investments in new capacity (for example, a cutting-edge packaging and testing facility in Europe, possibly cofunded by American tech firms and European governments). Such a move would diversify the geographic base of vital chip infrastructure beyond East Asia.
- **Unified export controls.** To prevent China from sourcing advanced chips through third countries, Europe should align closely with U.S. export restrictions. This means not only restricting direct sales of high-end chips to China but also adopting equivalent coverage rules so that Chinese military-linked firms cannot simply acquire sensitive technology via European subsidiaries of U.S. companies or other loopholes. It also entails sharing watchlists of suspect shell companies across the Atlantic. By plugging gaps in each other’s export regimes, the U.S. and EU could form a barrier to the flow of the most advanced tech to their competitors. If trans-

atlantic coordination on such controls became routine, it would also strengthen those in Washington who favor working with allies rather than going at it alone.

- **Defense procurement and innovation.** Russia’s war against Ukraine has demonstrated the importance of things such as drones, electronic warfare, and software-driven battlefield intelligence—areas where innovation is rapid and not limited to traditional large contractors. Smaller European countries (including Lithuania and its neighbors) have, in some cases, pioneered novel military tech out of necessity. The U.S. and NATO allies could create joint programs to incubate and scale such innovations. This might involve cofunding R&D in allied nations for next-generation surveillance drones or secure communications tools, with a common understanding that successful products will be shared within the alliance. Coordinating requirements and pooling resources would help avoid duplication and ensure interoperability, keeping the Western defense advantage.
- **Regularized dialogue on tech policy.** Beyond hardware, the U.S. and EU need a forum to discuss technology standards, regulatory approaches, and investments—ideally preventing clashes before they happen. Reviving something like the U.S.–EU Trade and Technology Council with high-level political backing could serve this purpose. Through such a channel, issues such as AI governance, data sharing, or export screening can be debated and aligned to some degree, rather than each side legislating in isolation. This would help ensure that each side’s drive for digital sovereignty complements rather than undermines joint efforts against common threats.

Underpinning all these cooperative measures is a frank acknowledgement that the U.S. and Europe must prioritize where each will lead and where they will rely on each other. Neither can be totally self-sufficient across every emerging technology. The Trump administration, despite its economic-nationalist streak, seems to grasp this reality. There are signals that Washington may be open to dividing roles, especially as it rethinks blanket tariffs and focuses on the China problem. Indeed, the administration has rolled back certain constraints on allied collaboration; for example, it removed an export restriction that had placed countries such as Lithuania in a lower tier for advanced AI chips. At the same time, it has pressed allies to strengthen safeguards (such as export control enforcement) to ensure that cutting-edge U.S. technology is not diverted to China. For Europe, this means taking on responsibilities in areas where it

has an edge. If Europe is strong in, for instance, privacy-enhancing technologies or certain types of AI ethics frameworks, it should lead there and develop models that the U.S. can adopt. Conversely, Europe might decide it is not worth duplicating American efforts in areas such as advanced semiconductors or large-scale cloud infrastructure, aside from ensuring it has enough access to these via the alliance. This way, by pragmatically allocating efforts, the transatlantic partners can collectively cover more domains.

Opportunities for small states

Another question is how smaller European states—those without gigantic tech industries or budgets—can contribute to and benefit from transatlantic tech cooperation. Against the odds, size is not a destiny in the digital era. Even a country of a few million people can carve out a meaningful role through smart strategy.

One opportunity is for small states to serve as agile testbeds for new technologies and regulatory approaches; policymakers from a small state could cooperate with American or European tech firms and research institutions to pilot projects on their soil. These could range from testing AI-driven smart city systems, rolling out a limited deployment of autonomous vehicles, to experimenting with advanced 5G/6G applications in a real-world setting. A small, tech-friendly nation can offer something invaluable: a controlled environment to demonstrate how a theoretical innovation works in practice. The United Kingdom played this role to an extent in the past decade; its close coordination with U.S. AI developers and relatively permissive regulatory stance allowed it to host cutting-edge AI trials, such as in healthcare and defense, contributing to its reputation as a leader in AI ethics and safety. A Baltic state could similarly brand itself as the go-to place to trial, for instance, testing AI in public services or cyber security stress-testing for critical infrastructure. Successful attempts would not only help the country modernize its own systems but also produce case studies that the U.S. and European states can learn from.

Another related avenue is participating in joint innovation programs. Even if a country cannot spend at U.S. levels, it could join consortia, for instance, a pan-NATO initiative on military AI, or an EU–U.S. research program on privacy-preserving data technologies. By contributing a modest amount of funding or in-kind support (such as providing data or a test environment), a small state would secure a seat at the table of cutting-edge development. This would even-

tually yield early access to results and help shape projects to fit its needs while also signaling to the U.S. and Europe that the country is punching above its weight in helping the alliance innovate.

Beyond hosting tests and research, smaller states stand to gain by making themselves attractive destinations for tech investment and talent. Italy's recent approach is a telling example: the country actively sought partnership with the U.S. in tech, signing agreements not to discriminate against American companies and to welcome major cloud and AI investments. This led to multibillion-dollar investment commitments from firms such as Microsoft and Amazon in Italy. Such openness stands in contrast to some EU regulatory instincts and shows that even mid-sized states can benefit by embracing allied investment. The concept of "friend-shoring"—shifting supply chains and projects to allied countries—is particularly relevant here. European states can argue that, as NATO members with stable business climates, they are ideal destinations for tech investment over non-allied alternatives. For Eastern European countries in particular, competitive labor costs combined with geopolitical reliability could make them attractive partners for U.S. tech initiatives if they actively make their case in Washington.

There are, of course, limitations and risks for small countries to consider. One is capacity: no country can excel in everything, so choosing the right focus areas is key. Targeting niche technologies that are poised for growth and where there is not already a dominant player is the smart way forward. For instance, Lithuania might decide to specialize in lasers or fintech applications of AI—building on existing industries or talent pools—rather than attempting something like a general-purpose cloud platform. Another limitation is influence: while bilateralism is the Trump administration's *modus operandi*, smaller allies might not always secure priority on the White House agenda amid larger issues. Here, the experts' advice is to form coalitions; if a group of like-minded small and mid-size countries coordinate their message—for example, all agreeing to advocate for a certain transatlantic initiative or all aligning their tech regulations favorably—they would have a louder voice. A coalition of pro-U.S. European states could, in effect, serve as a counterweight to any protectionist tendencies from bigger EU economies.

Small European states can leverage their agility to pilot new ideas and attract investments, but they should do so while flying the flag of transatlantic partnership clearly. This not only brings concrete benefits—includ-

ing funding, technology, and jobs—but also strategically positions them as integral parts of the Western tech community, an insurance policy of sorts in uncertain geopolitical times.

Conclusion

The discussions highlight that U.S.–Europe relations in technology and AI are at a crossroads. On one hand, the strategic imperative for unity has never been greater, as a rising China presents a challenge that neither the U.S. nor Europe can meet alone. On the other hand, political winds—particularly under President Trump—have sometimes blown the two sides apart on economic issues. Yet, beneath the turbulence, both sides clearly recognize the value of cooperation. When push comes to shove, Washington and European capitals know that they share far more interests with each other than with Beijing or other authoritarian tech powers.

For European states, especially smaller ones such as Lithuania, the way forward is to be proactive and strategically savvy. They should double down on their comparative advantages and show initiative in areas that align with Western priorities. This could mean building a niche tech hub at home, aggressively courting Western tech investments, or stepping up in NATO's tech programs. Such efforts could not only bolster their own economies and security but also make them more valuable partners to the U.S. In the long run, the surest safeguard for a small state in a high-tech world is to be woven tightly into the fabric of allied innovation networks.

For the United States, success in the tech rivalry with China will depend on rallying the broad innovation potential of the West, and that includes Europe. Alienating allies through indiscriminate tariffs or neglect would be self-defeating. Instead, the U.S. can benefit from a strong Europe that brings additional tools to the table, from world-class scientists to unique industrial capabilities. A transatlantic division of labor, founded on mutual respect and clear-eyed pragmatism, can ensure that the democratic world remains the foremost techno-economic force.

If current frictions are overcome and a renewed partnership is embraced, the U.S. and Europe can secure their technological future. The key takeaway is that strategic alignment in technology and AI is both possible and necessary: possible because even a nationalist-leaning U.S. administration ultimately sees the logic of teamwork against bigger threats, and necessary because the alternative—a fractured

West—would cede the initiative to geopolitical rivals. European states, for their part, have much to gain by standing together and with America, ensuring that even as global power diffuses, the liberal-democratic alliance stays ahead through innovation. The coming years will test this resolve, but with deliberate policy choices and good-faith collaboration, a stronger transatlantic tech alliance can be built, keeping the West secure and prosperous in the digital age.

Discussion 3: China, Taiwan, and U.S. Strategy

Mounting tensions between the United States, China, and Taiwan are reshaping the international landscape, with significant consequences for Europe. As great-power competition intensifies, Taiwan has become a key flashpoint in the rivalry between Washington and Beijing. This raises important questions about how European countries should navigate this increasingly complex and volatile environment. Understanding these dynamics requires a closer look at the U.S. administration's stance on China and Taiwan, the implications for Taiwan's security, the broader strategic rivalry between the U.S. and China, and how Europe is responding.

The U.S. administration's approach to China and Taiwan

It is fair to say that the current U.S. administration's China/Taiwan policy is shaped by competing factions within Washington. Broadly, three dominant factions can be identified: economic nationalists, China hawks, and restrainers. The economic nationalists focus on trade and industrial policy, seeing China primarily as an economic threat. In practice, however, their agenda has been incoherent—high tariffs were imposed not only on China but also on U.S. allies, diluting pressure on Beijing. The China hawks, on the other hand, view China as America's foremost strategic adversary and argue for prioritizing the Indo-Pacific over other commitments. They urge stronger support for Taiwan and military preparedness for a possible conflict with China. Notably, one leading hawkish voice in the Pentagon has long argued for reducing U.S. deployments in Europe to focus on the “inevitable” Indo-Pacific showdown. However, some of these hawks have been tempered or sidelined; even hard-liners have moderated their

rhetoric on Taiwan in recent months. Finally, the restrainers or “realists” contend that the U.S. is over-extended globally and should pull back from non-vital engagements. They urge caution on security guarantees that could entangle the U.S. in conflicts such as a Taiwan war, which they argue is not an existential interest. These factions often tug policy in different directions, and under this administration, their influences can cancel each other out, contributing to an unpredictable approach.

Unlike previous administrations, the normal inter-agency policy process has been largely bypassed; President Trump prefers to act as his own action officer, making major foreign policy decisions personally. The National Security Council’s coordinating role is diminished, with key positions either dual-hatted or vacant. This personalized, top-down style means policy can shift with the President’s impulses and lacks the consistency normally provided by a bureaucratic process. By design or default, U.S. policy toward China and Taiwan has thus become erratic and transactional. Officials and allies alike note that decisions often reflect the President’s mood, bargaining instincts, or even personal grievances. For example, overtures of flattery from Beijing or the promise of a “great deal” can significantly sway the President’s stance, whereas perceived affronts can trigger an abrupt hawkish turn. This capriciousness keeps adversaries off balance but also unnerves allies, who struggle to predict U.S. actions.

In this context, a crucial question is whether Washington will maintain its longstanding policy of strategic ambiguity regarding Taiwan—that is, refusing to clearly state whether it would defend Taiwan against a Chinese attack—or shift toward strategic clarity. Under the previous administration, President Biden edged toward clarity by publicly saying the U.S. would defend Taiwan, even as officials walked back those statements. The current administration has reversed that course. President Trump has consistently refused to commit publicly to Taiwan’s defense: in interviews, he refuses to say how the U.S. would respond to a Taiwan invasion, implying he deliberately keeps Beijing guessing to retain leverage. This indicates a deliberate return to strict strategic ambiguity—Trump will not telegraph U.S. intentions, consistent with the “madman theory” of unpredictability. At the same time, he claims that China’s President “would not dare” invade Taiwan on his watch, projecting personal deterrence. Thus, mixed signals abound: the President is confident his persona deters Beijing, yet his administration is rolling back the strong pro-Taiwan gestures seen under Biden.

Within the administration, a debate continues between China hawks and restrainers. Hawkish officials press to abandon ambiguity and make a firm commitment to defend Taiwan, arguing this would bolster deterrence. Restraining voices counter that a public commitment could provoke Beijing and potentially drag the U.S. into war under unfavorable conditions. So far, Trump himself has sided with caution, sticking to ambiguity and avoiding any formal defense pledge. Even his new Undersecretary of Defense, a noted China hawk, testified that defending Taiwan is not an “existential” U.S. interest, causing nervousness about Washington’s resolve. Thus, the official stance remains one of ambiguity, as Trump treats Taiwan’s defense as a bargaining chip, not a promise. Allies and adversaries alike are left unsure if the U.S. would intervene militarily, which is precisely the ambiguity Washington maintained for decades, but this is now coupled with an overtone that the U.S. may have less enthusiasm for Taiwan’s protection than before.

Implications for Taiwan: support, uncertainty, and perceptions

Taiwan finds itself in a precarious position. On one hand, American military support continues; arms sales and defense cooperation remain ongoing. On the other hand, the conditions of that support have shifted under the new U.S. administration. President Trump’s transactional approach means Taiwan is expected to pay its way. He has complained openly that Taiwan relies too much on American protection, “and they want protection,” even accusing Taiwan of having “stolen our chip business”—a reference to its dominance in semiconductors. These remarks underscore Washington’s focus on perceived imbalances. Trump has insisted that wealthy partners must contribute far more. He even suggested Taiwan should spend 10% of its GDP on defense, far above its current level. In line with this thinking, a planned \$400 million U.S. military aid package for Taiwan was abruptly put on hold, reportedly to avoid upsetting trade negotiations with China but also reflecting the view that Taiwan should purchase arms rather than receive U.S. aid.

Taiwan’s government has responded by increasing its own defense budget—now over 3% of GDP, a significant rise—and exploring new avenues of military cooperation. Realizing that large U.S. arms grants may not be forthcoming, Taiwan is pursuing joint production and codevelopment projects with American defense companies, and even European partners, to

boost its capabilities. For example, there have been recent deals to coproduce weapon systems with firms in countries such as Poland, and talks of partnering with innovative U.S. companies on asymmetric defense technology. These efforts serve a dual purpose: improving Taiwan's readiness and demonstrating burden-sharing in hopes of keeping Washington engaged. However, Taiwan faces delays and frustrations with some U.S. arms purchases—in several cases, equipment Taiwan paid for has been slow to arrive or has underperformed expectations. Such incidents feed a narrative in Taiwan that the U.S. is happy to take Taiwanese money for arms but less eager to ensure those arms swiftly bolster Taiwan's defense—a perception that may erode trust.

Arguably, the most consequential impact has been psychological. The ambiguity and mixed messages from Washington are breeding doubts in Taiwan about U.S. reliability. Public opinion in Taiwan, always attentive to signals from Washington, has swung toward skepticism. Polls and pundits in Taipei warn of a “Trump will sell Taiwan out” fear. This sentiment first spiked when Trump was elected and has been reinforced by recent events, such as the delayed arms package and a high-profile incident where Taiwan's vice president was barred from transiting through New York. The cancellation of Vice President Lai Ching-te's transit stop in the U.S.—a normally routine courtesy—was received in Taiwan as a jarring symbol of capitulation to Beijing. It suggested that even under informal circumstances, the U.S. was unwilling to offend China, feeding the narrative that Washington might sacrifice Taiwan's dignity or interests for a deal with Beijing. The American refusal was seen as abetting China's efforts to isolate Taiwan internationally. Likewise, the pause of military aid, even if not unexpected, was still disheartening, reinforcing the view that Taiwan will get support only on strictly commercial terms, and not as an ally.

All this has led to a rise in what some experts call “America skepticism” in Taiwan. Importantly, it is not just the pro-independence camp voicing concern; even opposition figures are leveraging the uncertainty. The China-friendly Kuomintang (KMT) opposition argues that Taiwan's current government is “provoking” China too much, hence the U.S. is distancing itself. They claim that by strengthening defense and refusing Beijing's overtures, President Lai's administration has angered both China and, indirectly, the U.S., thus jeopardizing Taiwan's security. This line may be self-serving, but it resonates with some voters and risks undermining Taiwan's resolve to resist Beijing. If Washington's commitment appears shaky

and Taiwan's own politics become more accommodating to Beijing, China's strategy of “wait and squeeze” could succeed without a shot fired.

Taiwan's security experts worry less about an outright PLA invasion—which would be a massive gamble for Beijing—and more about a prolonged campaign of “grey-zone” coercion that would erode Taiwan's will to resist. China's military drills, incursions, disinformation, and economic pressure aim to convince Taiwan that resistance is futile and help will not arrive. In that scenario, if people in Taiwan doubt U.S. support, they could pressure their leaders to cut a deal with Beijing—in some form of political accommodation, short of formal unification—rather than face war alone. Faith in the United States is a key deterrent to such capitulation. If that faith falters, Taiwan's resilience will too. The unfortunate irony now is that Beijing may actually believe the U.S. would intervene more than many in Taiwan believe it. Chinese strategists likely still assume the U.S. would not stand idly by in a full-scale Taiwan war, which in itself helps deter Beijing from choosing that path. Yet Taiwanese strategists, hearing equivocal messages from Washington, are less sure of help. This perception gap is dangerous for deterrence; it is strongest when the ally is assured, and the adversary is uncertain—not the other way around.

On the Chinese side, the Trump administration's approach presents both opportunities and constraints. Beijing notes the inconsistency and chaos in U.S. policy and exploits that narrative. Chinese state media and diplomats portray the U.S. as an unreliable, unilateral actor—an “agent of chaos” in the international system. They highlight Washington's flip-flops and internal divisions to persuade other countries, especially in the Global South and Southeast Asia, that the U.S. cannot be counted on, whereas China offers stability and partnership. This propaganda has found some traction, undermining U.S. credibility. Meanwhile, Chinese leaders see chances to extract concessions from a deal-hungry Trump in Washington. They believe Trump is always searching for a grand bargain and can be leveraged. They observed that his eagerness for a “big trade deal” led him to soften positions, for instance, giving TikTok a reprieve and green-lighting certain tech sales despite hawkish advisors. With this in mind, Xi Jinping is likely to press Trump hard in upcoming summits to explicitly oppose Taiwanese independence or take other steps favoring China's position. Indeed, reports suggest Xi will try to get Trump to state the U.S. “opposes” Taiwan independence, which would be a subtle but significant shift from the longstanding phrasing of “not

supporting” it. Beijing, in turn, would treat even small rhetorical wins as significant, since they further isolate Taiwan. However, as experts note, China will not compromise on its core interests, and Xi is unlikely to help much on issues such as restraining Russia or North Korea in return for U.S. concessions. Those hoping Trump could trade leniency on Taiwan for Chinese help elsewhere will likely be disappointed.

For Taiwan, the current U.S. stance is a double-edged sword. The absence of a clear U.S. defense commitment keeps Beijing guessing—and possibly deterred for now—but it also unsettles Taipei and could, over time, weaken Taiwan’s deterrence by eroding morale. Much will depend on how effectively Taiwan can diversify its support network—through deeper ties with the U.S. Congress, alliances with other democracies, and its own military improvements—to weather this period of uncertainty.

The broader U.S.–China geopolitical competition

The U.S.–China relationship remains defined by fierce economic competition. The current administration has doubled down on tariffs and trade pressure; President Trump is adamant about reducing the U.S. trade deficit with China, a long-standing personal fixation. He has imposed or threatened very high tariffs on Chinese imports, aiming to both generate revenue and force Beijing into concessions. However, this trade war has seen contradictions in execution. For instance, tariff threats have been dialed up only to be partially walked back due to domestic concerns (such as U.S. retailers warning of empty shelves). Trump’s parallel tariffs on allies muddled the message and forged an unexpected common cause between Beijing and other trading partners in opposing U.S. protectionism.

From China’s perspective, there is a sense of confident defiance in the trade arena. Chinese leaders believe they hold the upper hand; their massive market and supply chain centrality give them leverage. They have weathered previous U.S. tariff rounds and responded with tit-for-tat measures. Beijing’s strategy is to drag out negotiations, offer token concessions, and bet that the U.S. will tire of the conflict first. Indeed, Chinese planners think they can absorb pain better than Washington, especially with an unpredictable U.S. administration prone to domestic political pressures. They are also diversifying trade partners to offset U.S. pressure. So far, this calibrated endurance strategy seems to be working: the much-vaunted “Phase One” trade deal from Trump’s first term fell short of its tar-

gets and was not fully implemented. Now in term two, repeated threats of new tariffs have mostly ended in suspensions or partial measures, as China cleverly engages just enough to prevent a complete breakdown. Beijing appears convinced it can outlast and outmaneuver Trump’s trade negotiators by exploiting his eagerness for a headline-grabbing victory.

Another front in the competition is technology. Building on export controls initiated under Biden, the Trump administration has maintained a hard line against giving China advanced tech, especially semiconductors and AI-related hardware. In theory, this “tech war” is one area with bipartisan continuity and a chance of real impact. Cutting-edge chip sales to China have been restricted, Chinese tech companies targeted, and investment screening tightened. Yet even here, Trump’s transactional streak shows. For example, after threatening to ban the Chinese app TikTok, the administration instead pushed a deal that benefited well-connected U.S. investors and left the app running. Similarly, a recent decision to approve the export of certain high-end NVIDIA chips to China surprised observers who expected stricter enforcement. Insiders suggest that U.S. firms can obtain exceptions if they play Trump the right way—implying lobbying or appealing to his desire for business successes. Such mixed messages undercut the long-term effectiveness of tech decoupling by creating loopholes.

From China’s viewpoint, Washington’s inconsistencies are encouraging. They infer that while Washington talks tough on tech, it might compromise for the right deal or under industry pressure. In response, China has accelerated efforts to develop indigenous high-tech capabilities—pouring investment into domestic chip fabrication, AI research, and industrial upgrades to reduce reliance on U.S. suppliers. It is a race against time; China has not yet closed the gap on the most advanced chips, but it is expending political and financial capital to get there. In parallel, Chinese officials highlight the hypocrisy of American rhetoric; for example, noting that even as Washington banned a Chinese app as a security risk, it orchestrated an outcome that enriched some American stakeholders rather than truly hobbling it. This narrative feeds into a broader theme China uses: the U.S. is not principled about a rules-based order but is rather opportunistic and self-interested. Therefore, Beijing argues, other countries should be wary of joining U.S.-led tech sanctions or coalitions, as Washington might abandon them if its own interests shift.

Under President Trump, the U.S. has markedly pulled back from its traditional role as guardian of the post-1945 international order. This retreat began even be-

fore Trump, with mixed commitment under Obama and open skepticism from some U.S. politicians; it continued under Biden in certain areas, and has accelerated now. Washington has been openly critical or outright dismissive of various multilateral institutions—from the UN to the WTO—and international norms that it finds inconvenient. The administration's emphasis on "America First" often translates to indifference toward global forums. This erosion of U.S. leadership creates a vacuum that China is eager to fill. Paradoxically, even as China is a revisionist power in many ways, seeking to reshape rules to suit authoritarian governance, it now postures as a defender of the international system whenever the U.S. undermines it. For example, when U.S. officials disparage alliances or flirt with violating sovereign boundaries (even jokingly, as when President Trump mused about "annexing" Greenland or other territories), Beijing seizes the moral high ground to champion sovereignty and the UN Charter—albeit selectively. A case in point: China has been weaponizing UN Resolution 2758 (which in 1971 saw China's UN seat transferred from Taipei to Beijing), falsely claiming it established a legal principle that Taiwan is an inseparable part of China. This is a dubious legal interpretation, but Beijing's diplomats push it to constrain any Taiwan participation in international bodies. They insist that since the UN recognized Taiwan as part of China, no UN agency should treat Taiwan separately. Many countries have quietly acquiesced to this expansive claim, partly because U.S. advocacy for Taiwan's international space has been muted of late. The concern among Western analysts is that such moves erode norms not just around Taiwan, but more broadly—echoing Russia's argument that Ukraine is not a real sovereign state, for example. In effect, China and Russia are aligning in a narrative that powerful states can redefine sovereignty to suit their aims, chipping away at the norm of inviolable borders.

Meanwhile, China is advancing its own multilateral initiatives as alternatives to Western-led ones. These include the Belt and Road Initiative with its own economic governance rules, the newly touted Global Security Initiative and Global Development Initiative, and even proposals for conflict mediation forums. Beijing's efforts to mediate conflicts—from the Ukraine war to tensions in the Middle East—are part of its attempt to brand itself as a "global force for peace." To be sure, much of this is performative in nature; China's 12-point "peace plan" for Ukraine was notably vague and primarily served its own interests, while its engagement in conflict resolution efforts in regions such as Gaza or Myanmar seems driven more by image than substance. Nonetheless,

these optics appeal to many developing countries that are disillusioned with Western interventions. If the U.S. is seen as disengaged or driven only by narrow interest, China's claims of benign leadership gain more resonance. Thus, the U.S.–China competition is not just about tariffs and chips but a contest for legitimacy on the world stage. The outcome will influence how international norms evolve in areas such as sovereignty, trade standards, and technology governance.

In summary, Washington's more assertive stance on trade and technology is genuine, yet frequently undermined by inconsistent policy reversals and the President's inclination for transactional deal-making. Beijing, in turn, is not only resisting these pressures but also capitalizing on U.S. inconsistency to bolster its global image. The confrontation extends beyond bilateral disputes to a broader contest over who will shape the rules governing the international order in the 21st century. In this context, America's relative withdrawal from multilateral leadership is enabling China to present itself—whether convincingly or not—as a defender of global stability and order, a narrative that could carry significant long-term implications if left unchallenged.

Europe's role and positioning between the U.S. and China

Europe finds itself in an uneasy middle ground amid the U.S.–China rivalry. Traditionally a close U.S. ally, the EU has toughened its view of China in recent years, describing Beijing as a "systemic rival" and standing up to Chinese human rights abuses and coercive trade practices. Initially, there was a strong transatlantic unity in pushing back; European public opinion soured over Xinjiang's camps, Hong Kong's crackdowns, and then China's tacit support for Russia's war in Ukraine. However, that European unity is now under strain, and part of the reason is the stance of the current U.S. administration itself. Under President Trump, relations with European allies have been fraught. Washington has imposed tariffs on EU steel and aluminum, threatened car tariffs, and repeatedly disparaged NATO partners for "not paying enough" for defense. Top U.S. officials have at times seemed to vilify European leaders almost as harshly as they criticize Beijing or Moscow. This atmosphere has undermined European confidence in U.S. leadership.

A key question being whispered in European capitals could be formulated as follows: if the U.S. treats us nearly as adversaries, why should we automatically line up behind its China policy? Some European strat-

egists argue that engaging with China might prove more stable or lucrative than dealing with a volatile Washington. French President Emmanuel Macron has been especially vocal that Europe should pursue strategic autonomy—cooperating with the U.S. where interests align, but not being a “vassal” blindly following Washington’s hard line on China or Taiwan. During a high-profile visit to Beijing in 2023, Macron cautioned that Europe should not be dragged into a conflict over Taiwan by U.S. actions, implying Europe has distinct interests. This view is not universal in Europe, but it resonates in countries with significant economic ties to China, notably Germany and France. Germany’s government, for instance, is balancing a newly skeptical security view of China with the reality that German industries, from cars to machinery, rely heavily on the Chinese market. The EU’s current buzzword in dealing with China is “derisking” rather than decoupling, meaning reducing critical dependencies (for example, on Chinese batteries or rare earths) without severing normal trade. European Commission President Ursula von der Leyen has championed this approach, signaling a middle path: remain firm on values and security, but keep trade as open as is safely possible.

Another factor is Europe’s own bandwidth for a pivot to Asia. Successive U.S. administrations, including Biden’s and now Trump’s, have prodded Europe to do more about the China challenge—diplomatically, economically, and even militarily. American officials often chide Europe for being too soft on Beijing and urge allies to speak out on Taiwan, join freedom-of-navigation patrols in Asian waters, or coordinate on investment screening. At the same time, Washington insists Europe must shoulder more responsibility for its own neighborhood, namely in defense against Russia. As an expert suggested, these dual demands can be illogical when combined; if European militaries are under-strength and under-funded, which is a longstanding U.S. grievance, telling them to send warships to the South China Sea only complicates the matter and intensifies existing tensions. The more Europe has to handle urgent threats such as Russia, the less it can spare attention or resources for Indo-Pacific contingencies. European governments largely agree that their priorities now are fortifying NATO’s eastern flank and supporting Ukraine, which directly concern their security. Thus, Europe’s Indo-Pacific role will likely remain limited and mostly symbolic, with occasional deployments such as a French frigate sailing through or a German naval visit to Japan serving to signal solidarity with the U.S. and a rules-based order. These gestures send a message to Beijing that assertiveness in such regions draws

global ire, not just an American response, but European navies or armies will not be a decisive factor in Asia, nor is it realistic to expect them to be.

In practice, Europe’s most meaningful contributions will be economic and diplomatic. Coordinated limits on sensitive tech exports, screening Chinese investments in strategic infrastructure, and offering alternatives to Belt and Road Initiative financing in developing countries are key ways transatlantic cooperation could constrain Beijing’s leverage. There are already some developments; for example, major European nations have moved to exclude Chinese vendors from 5G networks and are scrutinizing Chinese acquisitions of strategic firms. Additionally, by reducing dependency on China for key supplies, Europe lessens the risk that Beijing can blackmail or divide EU states through selective embargoes. This also helps prepare for worst-case scenarios, such as a Taiwan crisis causing a cutoff of semiconductor supplies. The question is whether Europe can stay aligned internally. As noted, countries such as Lithuania or Poland take a much harder line on China—clearly seeing the link between Chinese and Russian authoritarian aggression—whereas some southern and western European countries, facing economic headwinds, prefer a softer line to keep Chinese investment flowing. So far, China itself has unintentionally done a lot to harden European attitudes; its obvious backing of Russia during the Ukraine war has alienated even previously neutral voices, while Beijing’s attack on Lithuania, trade curbs on countries such as Sweden over a Huawei ban, and other coercive tactics have also reminded Europe of what is at stake. Indeed, no amount of American lobbying could have achieved the surge in Europe-wide skepticism of China that Xi’s own choices have achieved. As a result, Europe is more cautious about China now than it was five years ago. Transatlantic alignment on broad goals such as opposing unilateral force against Taiwan or resisting Chinese economic coercion is still intact, even if the rhetoric differs. Notably, transatlantic alignment on core goals—opposing any forceful change to Taiwan’s status or resisting Chinese coercion—remains intact.

Overall, Europe’s role is characterized by a careful balancing act. Politically, most European governments align with the U.S. view that China’s rise and partnership with Russia pose strategic challenges that must be met with unity. Practically, Europe preaches and pursues autonomy; it wants the freedom to engage or confront China on its own terms, maintaining a distinct European approach. The success of that approach will depend on Europe’s internal cohesion and

capacity. At present, Europe is focused on bolstering its internal capabilities—strengthening defense, enhancing energy security, and building technological resilience—while extending only a cautious hand toward the Indo-Pacific. From Washington's perspective, a central question is whether this level of engagement is sufficient or whether European strategic hedging could gradually shift into a tilt toward Beijing, particularly if U.S. policy becomes increasingly isolationist or punitive toward its allies. There is a degree of concern in Washington that, should it alienate Europe through neglect or antagonism, Beijing may succeed in courting European powers through targeted trade agreements and diplomatic overtures, thereby weakening the transatlantic front. To date, China's own strategic miscalculations—such as its alignment with Moscow—have largely kept Europe closely aligned with the United States. However, this equilibrium could shift if Beijing adjusts its approach or if further rifts emerge within the transatlantic relationship.

Conclusion

The complex interplay of U.S.–China strategic rivalry over Taiwan is reverberating across the transatlantic community, compelling even smaller European states to make nuanced strategic calculations. Washington's increasingly robust approach—from openly reinforcing its defense commitment to Taiwan to coordinating allies in countering Beijing's economic and military coercion—has sharpened great-power competition and placed Taiwan at the forefront of the global agenda. For Taiwan, it has brought stronger international partnerships and validation of its democracy, even as it confronts intensified pressure from Beijing's military drills and efforts to erode its diplomatic space. Taiwan's fate is now widely seen as a litmus test in the broader contest between democratic and authoritarian models, making stability in the Taiwan Strait a matter of international concern rather than a solely cross-strait issue.

Europe, for its part, is taking an assertive yet cautious stance. European leaders have quietly bolstered ties with Taiwan within existing constraints—including the “One China” policy—and emphasized shared values and economic links, while still urging dialogue with Beijing. The EU and U.S. jointly affirm the need for peace in the Taiwan Strait and oppose unilateral force. At the same time, Europe is striving to “derisk” its China relations, cutting critical dependencies and fortifying resilience against coercion. Ultimately, this evolving dynamic is prompting Europe to refine its strategy, seeking a balance between defending

democratic norms and protecting its own interests. Across the board, the main takeaway is a heightened awareness in Europe that stability in the Indo-Pacific is intertwined with European security and prosperity. How Europe navigates the Taiwan question—in concert with the U.S. and other partners—will remain a key barometer of its ability to respond to the challenges of an increasingly competitive international order.

Discussion 4: Trade and Economy— Transatlantic Relations and U.S.–Lithuania Cooperation

The economic dimension of transatlantic relations has entered turbulent waters. In the past year, trade tensions between the United States and Europe have spiked to levels unseen in decades, driven by the return of aggressive U.S. protectionism. The policies of the second Trump administration have upended a longstanding status quo of low tariffs and open investment flows, forcing Europe to navigate a more adversarial economic landscape. These shifts carry profound implications: they test the resilience of the U.S.-led international economic order and expose the vulnerabilities of allies such as Lithuania, which must safeguard their economic interests while upholding strategic ties. Lithuania now faces the challenge of geo-economic balancing: maintaining cooperation with its indispensable U.S. partner even as it hedges against the risks of overdependence.

Transatlantic trade under strain

Within months of President Trump's return to office, the transatlantic trade relationship was already severely strained by a new wave of protectionism. Washington has imposed the highest tariffs in modern transatlantic memory, abruptly ending the era of nearly free trade between the U.S. and the EU. In early 2025, the White House expanded tariffs well beyond the earlier trade war with China, making clear that even close allies would not be spared. Across-the-board tariffs of up to 25% were imposed on imports from Canada and Mexico in Trump's first week back, foreshadowing a hard line toward Europe. By April, the administration announced sweeping “reciprocal” tariffs with a minimum 10% rate on all imports, and 20% on those from major surplus economies—a category

effectively including the European Union. Although this drastic measure was partially walked back, the eventual compromise still left Europe facing a unilateral 15% U.S. tariff on its exports (with only limited exceptions for certain industries). In addition, American “national security” duties of 50% on steel and aluminum remain in place. European officials, who had initially hoped to negotiate a harmonious reduction of trade barriers, found themselves conceding to a heavily one-sided outcome. To pre-empt even harsher penalties, the EU reluctantly agreed to significant concessions, including massive commitments to buy U.S. energy and invest in the United States over the coming years. European policymakers were stunned at how unbalanced the new arrangement turned out to be, having underestimated the depth of President Trump’s zero-sum approach to trade.

This disruption in transatlantic commerce marks a stark departure from the past, and it did not come entirely out of the blue. President Trump has long been a vocal skeptic of free trade, viewing economic interactions in win-lose terms. During his first term (2017–2021), he launched a tariff war against China, which many in Europe initially interpreted as a strategic move against a systemic rival. However, the nature of the “Phase One” deal with Beijing in 2020—focused on Chinese purchases of U.S. goods—revealed a fundamentally mercantilist mindset. In his second term, that same mindset has been applied indiscriminately, treating even allies as economic competitors. The EU’s strategy of offering negotiations and flattering the President’s deal-making reputation proved misplaced. Instead of pursuing mutual gains, Washington’s overriding priority has been to extract concessions and reduce U.S. trade deficits at all costs. The result is a transformed transatlantic trade regime: higher barriers, managed trade, and an atmosphere of unpredictability for businesses on both sides of the Atlantic.

European leaders recognize that their leverage to resist U.S. demands is constrained by strategic realities—a key reason Brussels ultimately yielded to Washington’s tariff ultimatum is that Europe depends heavily on the United States for security. As long as NATO’s collective defense—and U.S. support for deterrence in Europe, from the Baltics to Ukraine—remains critical, EU governments are hesitant to provoke a full-blown trade war with Washington. The Trump administration explicitly linked trade issues with security cooperation, effectively prompting Europe’s response. By mid-2025, it was evident that Europe could not risk a rupture in the broader transatlantic relationship, even as it absorbed economic blows. This uncomfortable

linkage also raises concerns that U.S. pressure could extend into other areas; for instance, European plans in digital regulation or climate policy might be chilled if Washington threatens retaliation. In short, Europe’s economic sovereignty is being tested by its reliance on an American security guarantee.

Faced with limited options, European officials have pinned some hope on the checks and balances within the U.S. political system to moderate the White House’s trade offensive. There are already signs of pushback in America against the new protectionism, from legal challenges in the courts to resistance within Congress and the business community. If U.S. courts strike down elements of the tariff policy or if political winds shift in Washington (for example, opposition gains strength in the next election), the most extreme trade measures could yet be rolled back. Indeed, President Trump’s trade agenda, while disruptive, is meeting growing criticism at home as its economic downsides become apparent. For Europe and Lithuania, this offers a tentative silver lining: the transatlantic economic rupture might be contained if American institutions restrain the administration’s more damaging impulses. Still, relying on U.S. domestic politics is a precarious strategy; European capitals know they must also adjust their own stance in an era when old assumptions about U.S. economic leadership no longer hold.

Europe’s place in a shifting economic order

The turmoil in transatlantic trade is part of a larger question: what is the future of the U.S.-led international economic order? The Trump administration’s actions have underscored a reality that many Europeans have quietly acknowledged: the so-called “rules-based” order in trade and finance has always rested on power and privilege, with the United States at its core. America’s willingness to compromise on multilateral norms in pursuit of its own advantage has made it painfully clear that global economic rules can be reshaped or ignored by their primary architect. Proponents of the traditional order, often American and European internationalists, lament its apparent collapse. Yet from another perspective, the order’s imbalance was always evident; for decades, the United States has enjoyed outsized influence, notably through the “exorbitant privilege” of the U.S. dollar’s reserve currency status. Washington’s ability to run deficits with relative impunity—and to unilaterally impose financial sanctions that affect the entire world—has been a cornerstone of its economic hegemony.

European analysts have long pointed out that this monetary dominance gives the U.S. a strategic upper hand that it can wield at will.

Recent years have provided stark examples of how the U.S.-centric economic order constrains Europe. When the first Trump administration withdrew from the Iran nuclear deal, European companies and allies found themselves forced to comply with reinstated U.S. sanctions despite the EU's continued support for the agreement. Major European business deals—such as Airbus's multibillion-dollar contracts in Iran—collapsed under the threat of American penalties, revealing Europe's inability to maintain an independent course when faced with U.S. secondary sanctions. The EU's attempt to create a workaround mechanism (the Instrument in Support of Trade Exchanges [INSTEX]) to trade with Iran outside the dollar system ultimately failed, completing only a single transaction before being shuttered. This episode demonstrated that as long as the global financial system runs through U.S. dollars and institutions, Europe's economic autonomy in the face of U.S. policy is limited. Notably, Europe's outrage over U.S. extra-territorial sanctions faded when geopolitical circumstances changed; after Russia's full-scale invasion of Ukraine, the EU not only aligned completely with U.S.-led sanctions but even began to mimic U.S. methods, for instance, by adopting its own measures to penalize third-country companies aiding Russia. In other words, when it suited European interests, European capitals embraced the hard-edged tools of the existing order that they once criticized.

Europe's embrace of the status quo may be uneasy and temporary. The Trump administration's capricious approach—from punitive tariffs to fickle sanctions enforcement—has injected new uncertainty into the U.S.-led system. Financial markets have traditionally viewed the U.S. dollar and Treasury bonds as safe havens, rallying in times of global crisis. In 2025, however, that confidence was shaken: when President Trump announced his blanket tariffs in the spring, triggering global market turmoil in which the dollar unexpectedly weakened. Although stability later returned, the episode hinted that even the dollar-centric order can be rattled by U.S. unilateralism. The specter of U.S. financial instability or overreach has led some in Europe to reconsider their long-term strategy. Alternative economic poles are difficult to build from scratch, and talk of new reserve currencies by rival powers remains largely aspirational. But Europe does possess a credible asset: the euro, backed by the combined economic weight of EU member states. With reforms and political will, the

euro zone could take steps to increase the euro's role globally, such as expanding joint European debt instruments and deepening financial integration. Over time, a stronger euro with truly pan-European financial assets might offer the world a viable alternative to over-reliance on the U.S. dollar system. This would grant Europe greater geo-economic influence—for instance, more sway in setting the terms of trade and finance—and provide a form of insurance against U.S. volatility.

Pursuing such a course would not be easy and would mark a historic shift in Europe's strategy. It would require unprecedented unity among EU members on fiscal and monetary matters, and it could introduce new tensions in the transatlantic alliance. Empowering the euro as a counterweight inevitably means chipping away at U.S. financial primacy, something Washington may strongly resist. European policymakers are, therefore, cautious. They face a delicate choice: continue to operate within a U.S.-dominated system, trying to nudge American policy back toward moderation, or take bolder steps to enhance Europe's economic autonomy. Some suggest a middle path: engaging the United States in a dialogue about reforming the international economic order into a more balanced partnership. In theory, such cooperation could involve jointly managing global financial rules and coordinating major economic policies. In practice, however, the current U.S. administration shows little interest in ceding any privilege, and European capitals themselves are divided on how far to go in challenging the status quo. For now, merely signaling the possibility of an independent European course may give the EU a bit more leverage. Looking ahead, Europe's place in the international economic order will be determined by how it balances immediate dependence on the U.S. with a desire for long-term resilience. This balance will also shape the context in which Lithuania and other small states must make their economic choices.

Economic coercion and the risks of interdependence

One lesson that Europe and Lithuania have learned through recent crises is that economic interdependence can become a double-edged sword. Deep trade and investment links, once assumed to guarantee mutual benefit and stability, can be turned into channels of coercion when political relations sour. Over the past few years, the examples have multiplied. China's economic coercion of Lithuania in 2021–2022—virtually blocking Lithuanian exports after Vilnius

strengthened ties with Taiwan—vividly demonstrated how a great power might weaponize trade dependencies to punish a small state. Similarly, Russia’s long-standing use of energy supplies as a geopolitical bludgeon, culminating in gas cut-offs and price manipulation against Europe, has driven home the dangers of over-reliance on an authoritarian supplier. These experiences have made European policymakers acutely aware that strategic dependency can undermine national sovereignty. EU officials now speak routinely of “derisking” economic relations with unfriendly powers by diversifying critical supply chains, protecting key technologies, and building buffers against supply shocks or boycotts.

What is less openly acknowledged—but increasingly evident—is that even dependence on close allies carries risks in a time of geopolitical uncertainty. The widening strategic gap between Europe and an “America First” Washington raises the uncomfortable prospect that the United States itself could, under certain conditions, leverage transatlantic interdependence for coercive ends. This is not a far-fetched scenario. If political trends in the U.S. continue toward unilateralism, a future administration—or even the current one—might see Europe’s reliance on U.S. security or energy as a means of pressure. For example, a White House determined to extract concessions could wave or withhold critical support with hints at slowing fuel shipments of American liquefied natural gas (LNG) during a winter energy crunch, or delaying spare parts deliveries for U.S.-made military equipment that European armies depend on. Another form of leverage could be indirect but equally potent: boosting sympathetic political actors in Europe via control of social media algorithms or financial influence, thereby exploiting open societies to shape outcomes in America’s favor. Even with absent deliberate pressure, interdependence means Europe’s fate can be caught up in U.S. decisions. If Washington becomes embroiled in a conflict elsewhere (or vice versa), its capacity to uphold economic and defense commitments to Europe could be impaired, leaving allies exposed.

Such possibilities have led to a broader conception of economic security in European thinking. The mantra of “derisking, not decoupling” is now applied not just to rivals such as China but quietly to alliances as well. This does not imply that Europe or Lithuania seeks to loosen the bond with the United States; transatlantic ties remain vital and are grounded in shared values and strategic interests. However, it does mean that Europeans are starting to plan for worst-case contingencies. Strengthening indigenous capabilities (from energy infrastructure to defense industries), maintain-

ing redundancies in supply sources, and cultivating a network of like-minded trading partners all serve to reduce vulnerability. The goal is to ensure that cooperation with the U.S. rests on a more equal and resilient footing. A relationship in which Europe has its own strong options is ultimately healthier and less prone to coercion, even within the alliance. For small states, such as Lithuania, this approach is particularly important: their margin for absorbing external shocks is thin, so building economic resilience is a matter of national survival. In summary, the current era has underscored that economic statecraft can be wielded by friend and foe alike. Lithuania and its European partners are thus broadening their strategic outlook—fortifying themselves against economic pressure while continuing to engage openly—so that interdependence remains an asset rather than a liability.

Lithuania’s geo-economic balancing act

For Lithuania, a frontline NATO state and enthusiastic U.S. partner, the turbulence in transatlantic economic relations poses a delicate strategic test. During President Trump’s first term, Lithuania navigated the challenges with notable success, emerging as a model ally in Washington’s eyes. Despite the Trump administration’s blunt rhetoric toward Europe, Lithuania redoubled its commitments, sharply increasing defense spending, hosting a steady rotation of U.S. troops on its soil, and spearheading regional projects that attracted American investment (see Part 1). However, as President Trump’s second term unfolds, Lithuania finds that the old playbook may not guarantee the same results. The character of U.S. policymaking has changed, and the administration’s decision-making is now highly personalized and unpredictable, with traditional channels and processes weakened. Long-time U.S. officials and institutions that Lithuania used to engage (such as the National Security Council or seasoned State Department envoys) have diminished roles, while impulsive shifts in policy have become more common. Washington’s strategic focus, too, has shifted inward—prioritizing conflicts and interests in the Western Hemisphere—creating new uncertainty about the extent of U.S. engagement in Europe’s neighborhood. In this environment, Vilnius faces a more complex calculus in managing its relationship with the U.S. Simply being an exemplary ally on security may not shield Lithuania from economic turbulence or abrupt changes in U.S. priorities.

One school of thought in this new reality is that Lithuania should embrace an even more transactional

approach to relations with Washington. The idea is that President Trump, famed for viewing alliances in business terms, can be kept sympathetic if Lithuania offers tangible economic benefits. In practice, this means prioritizing deals that please the White House, such as purchasing American weapons and liquefied natural gas, giving U.S. companies profitable opportunities in Lithuania, and perhaps investing in high-profile projects in the United States. Indeed, the administration has sent clear signals that allies who “buy American” will find the doors open in Washington. To an extent, Lithuania is inclined to follow this advice; deepening commercial ties with the U.S. aligns with its own needs (modernizing its military, diversifying energy away from Russia) and shows goodwill to its most important ally. Yet Lithuanian policymakers are also wary; they understand that a purely transactional strategy has significant limits and risks.

First, Lithuania’s economic weight is inherently limited. No matter how proactive it is, a nation of under three million people cannot match the influence that larger European economies or blocs wield in U.S. calculations. There is always a danger that Lithuania’s gestures could be overshadowed or outbid by bigger players making their own deals with Washington. This is why Lithuania increasingly sees value in acting as part of a broader European coalition. When European states coordinate—for instance, jointly investing in energy infrastructure or presenting a united front on trade issues—Lithuania’s interests are amplified and better protected from being bargained away in great-power dealmaking. Second, experience shows that catering to U.S. demands does not guarantee lasting favor. International politics under the Trump doctrine can be capricious, and a change in the President’s mood or a separate deal with a rival could nullify any goodwill earned. A cautionary tale was Ukraine’s effort to entice American support through lucrative mineral concessions—a direct stake for U.S. business—which ultimately did not translate into any notable shift in U.S. policy when push came to shove. Lithuania is mindful that even significant purchases or investments might not spare it from Washington’s hard bargaining on other fronts.

Moreover, Lithuania cannot ignore the broader trend of economic coercion and power politics discussed above. Just as it suffered from China’s coercive tactics, Lithuania must consider that heavy reliance on any one partner—even the U.S.—could become a vulnerability. The events of the past year have proven that no country is entirely immune to the weaponization of interdependence. While the United States and Lithuania remain close allies, Lithuanian officials

take seriously the principle that diversification equals security. They support stronger European defense and economic initiatives not because they doubt the U.S. commitment, but because those initiatives make Lithuania more resilient and a more valuable ally. For example, Lithuania backs EU efforts to bolster energy security and supply-chain robustness, recognizing that if Europe as a whole is less exposed to hostile pressure, all members (including Lithuania) benefit. Crucially, none of these steps is about distancing Lithuania from the U.S.; rather, they aim to anchor the transatlantic partnership on more solid ground. By building up its own capabilities and those of its European neighbors, Lithuania can engage the U.S. as a confident partner, not a dependent junior.

In essence, Lithuania’s economic positioning today is about fine-tuning the balance between unwavering alliance solidarity and prudent self-reliance. The country continues to see the United States as its key strategic ally and will persist in nurturing that bond through cooperation and commitments. At the same time, it is learning the lessons of a volatile era: hedging against uncertainty, seeking strength in European unity, and preparing for a world in which economics and security are ever more intertwined. This geo-economic balancing act—aligning closely with the U.S. while also fortifying itself within Europe—is how Lithuania hopes to secure its prosperity and sovereignty in the face of unprecedented transatlantic economic challenges. By pursuing deeper partnerships with its like-minded European allies and investing in collective resilience, Lithuania contributes to a stronger Europe that can stand with America as a true partner. Such an approach, Lithuanian strategists believe, offers the best prospect for an enduring, stable transatlantic economic relationship—one where cooperation with the United States is based on mutual strength and trust, rather than vulnerability or one-sided dependence.

Conclusion

The evolving landscape of transatlantic economic relations reflects a significant shift from cooperative liberalism to managed competition. The second Trump administration’s protectionist turn has unsettled long-held assumptions about U.S. economic leadership, compelling Europe—and Lithuania in particular—to recalibrate their strategies. While the United States remains an indispensable partner, the volatility of its economic posture underscores the need for greater European resilience. The erosion of predictable norms in trade, sanctions, and financial governance

has made clear that reliance on U.S. guarantees—economic or security—must be tempered by strategic self-sufficiency and diversification. For Lithuania, navigating these changes requires a careful blend of continued alignment with Washington and deeper integration into collective European initiatives.

Looking ahead, Lithuania's ability to maintain a strong economic partnership with the United States will depend on its credibility as a dependable yet sovereign actor. The key lies in demonstrating added value—through defense investments, economic

openness, and strategic coordination—while building buffers against coercion from any direction. By reinforcing its ties with both the U.S. and a more assertive Europe, Lithuania can secure its place in a transformed economic order without becoming hostage to its uncertainties. Ultimately, a balanced, pragmatic, and forward-looking approach offers the best foundation for sustaining economic prosperity and geopolitical relevance in an increasingly contested transatlantic space.

Part 2.

Range Workshop

On September 9, 2025, the Bertelsmann Foundation (BFNA), the Bertelsmann Stiftung, and the Geopolitics and Security Studies Center (GSSC) hosted a forecasting roundtable, “U.S. Commitment to NATO’s Eastern Flank.” The session was held at GSSC’s offices in Vilnius, Lithuania. During the event, leading experts from government ministries, academia, and the private sector engaged in timely discussions on U.S. involvement in NATO operations in central and eastern Europe.

Following opening remarks from Bertelsmann and GSSC representatives, staff from the BFNA and Cultivate Lab introduced participants to the art and science of forecasting, sharing best practices and providing concrete examples. Attendees then took part in a guided decomposition exercise, during which they discussed the key drivers and signals that could shape the future of NATO’s eastern flank. Key topics of debate included U.S. domestic politics, Washington’s increasing prioritization of the Indo-Pacific and the broader transatlantic relationship. Participants then worked together to transform the most pressing signals into viable and informative forecasting questions. The event concluded with a live forecasting session, during which participants provided their perspectives on the aforementioned forecasting questions. Key takeaways from the event can be found below.

Part I: Decomposition Exercise

- The 2026 midterms remain an uncertain factor in transatlantic defense cooperation, as Democratic victories could impede Republican foreign policy objectives.
 - The United States’ focus continues to shift toward the Indo-Pacific, potentially placing aid for Ukraine in jeopardy.
 - The Trump administration’s emphasis on bilateral dealmaking could undermine the European Union’s efforts to present a united front.
 - European defense spending will likely have significant implications for transatlantic relations; should European states fail to raise spending, the U.S. may opt to reduce cooperation.
 - Domestic public opinion, hybrid military operations, and potential Chinese involvement in Russia’s war in Ukraine could slow U.S. withdrawal from Europe.
 - Despite distaste for U.S. rhetoric and behavior, many European states may choose to accommodate U.S. demands in an effort to maintain cordial relations.
 - U.S. tech companies will continue to be sticking points in transatlantic relations, particularly as the Trump administration pushes for reduced EU regulations.
 - Should the U.S. be drawn into a conflict elsewhere in the world (such as in the Middle East or the Taiwan Strait), its attention would be pulled away from Europe.
 - Despite Trump’s personal distrust of Europe, others within his administration favor strong transatlantic ties; these officials could potentially moderate Trump’s stance and reduce the likelihood of U.S. withdrawal.
- While many of the Trump administration’s priorities are clear, a full overview of its strategy will not emerge until the release of the new National Security Strategy.
- If negotiations between Russia and Ukraine continue to stagnate, the U.S. may opt to pull away from the conflict entirely.
 - Despite harsh rhetoric, the U.S. continues to maintain significant troop presences in Europe. Bureaucratic inertia and longstanding agreements would likely make a full withdrawal exceedingly difficult.
 - Nevertheless, the U.S. appears unlikely to extend full security guarantees to Europe, particularly if European states fail to meet defense spending targets.
 - U.S. economic performance will have a strong influence on policy toward Europe, as deteriorating economic conditions may lead the Trump administration to pull back internationally.

- Continued Russian incursions on the eastern flank could galvanize NATO resistance, potentially leading to more defense cooperation among member states.
- Russian influence operations and hybrid activity will likely continue to escalate, forcing both the U.S. and EU to step up their efforts to combat it.
- The defense policies of various EU member states could change significantly in the near future, as a growing number invest more heavily in defense funding and production.
- The outcome of upcoming European elections—such as in Czechia and Hungary—could have significant implications for EU and NATO cohesion.
- Reforms to EU decision-making processes, including broader usage of Qualified Majority Voting, could allow for more decisive, coherent EU policy decisions.
- U.S. decisions regarding nuclear policy will have significant implications for European policy; if the Trump administration formally excludes Europe from its nuclear umbrella, it will necessitate fundamental changes in Europe’s approach to security.
- U.S. staff appointments to NATO could provide insights into Washington’s thinking on the alliance.
- Personal relations between Trump and Vladimir Putin will have an outsized influence on U.S. policy toward the eastern flank.
- U.S. rivalry with China will also have implications for Europe, as worsening relations could spur increased U.S. investment in the Indo-Pacific at the expense of Europe.
- Continued brain drain in the U.S.—whether due to immigration policy, government cuts, or other causes—could significantly erode U.S. diplomatic and strategic capabilities.

Part II: Decomposition Flowchart

Scenario 1: Conditional Deterrence	Scenario 2: Managed Disengagement	Scenario 3: Strategic Ambiguity
Signals:	Signals:	Signals:
U.S. Force Posture in Europe	U.S. Involvement in Unforeseen Wars (Taiwan/China/Venezuela)	Replacement of U.S. Nuclear Umbrella
State of U.S. Economy	Redeployment of U.S. Troops	U.S. Brain Drain
Outcome of Ukraine War	Movement toward EU Defense Union	U.S.–Russian Relations (Political and Economic)
Joint Investments in Energy and/or Infrastructure	EU Decision-Making Reform	U.S.–China Competition/Conflict
Status of U.S. Funding	Status of Re-Arm Agenda 2030	Cooperation between EU and China
U.S. National Security Strategy	EU Domestic Weapons Production	NATO Personnel Changes (U.S. Staff)
Status of U.S. Tariffs	EU Investments in Defense Industry	Military Cooperation with Indo-Pacific
EU-U.S. Trade Negotiations	Russia/China Involvement in Other Conflicts	Increased Russian Hybrid Threats
EU Policy Coordination among Member States	Trump Administration Personnel Decisions	Status of Sanctions Policy
EU Decision-Making Reform	Trump's Health Status	Treatment of Foreign Investment in U.S.
Political Instability in France	Status of U.S. Capabilities in Europe	Results of Hungarian Elections
Formation of New Lithuanian Government	Status of Russia-Ukraine Negotiations	
Increased Chinese Assertiveness	U.S. Withdrawal from Engagement with Ukraine	
Status of Ukraine–Russia Conflict	Status of EU National Defense Plans	
Global Economic Instability	Diversification of EU Weapons Purchases	
U.S. Targeting Non-Compliant NATO Members	Diplomatic Complications from Israel–Palestine Conflict	
U.S. Incentives for Favored EU Members	Economic Shocks	
U.S.–EU Member State Bilateral Signals	Increase in EU Member States Introducing Conscriptation	

**Scenario 1:
Conditional Deterrence**

**Scenario 2:
Managed Disengagement**

**Scenario 3:
Strategic Ambiguity**

Signals:	Signals:	Signals:
State of U.S. Security Guarantees for Europe	Satellite Development and Launches	
EU Defense Budgets	Number of Bilateral Contracts with Ukraine	
German and French Defense Spending	Results of Hungarian Elections	
Outcomes of Next NATO Summit	U.S. Brain Drain	
Movement/Redeployment of U.S. Troops		
Negotiation on Multinational Financial Framework		
State of Non-Tariff Barriers for U.S. Companies		
Russian Malign Activities in Baltics		
American Public Opinion		
Russian Troop Movements near Baltic Borders		
Chinese Support for Russian War Effort		
Status of EU Digital Policy Agenda		
Anti-Trust Cases Targeting U.S. Tech Firms		
Outcome of Hungarian Elections		

Indicates Priority Signal 

Part III: Forecasting Questions

Will the U.S. increase the current tariff levels imposed on the EU by December 31, 2025?

Will the EU put exclusionary clauses on U.S. companies on its legislative agenda by December 31, 2026?

Will the U.S. withdraw its rotational forces from Lithuania by December 31, 2026?

Will the U.S. withdraw troops from Germany by December 31, 2026?

Will a new U.S.–Russia strategic agreement include the removal of U.S. nuclear weapons in Europe by December 31, 2026?

Part 3. The “Šalčininkai Crisis”: Escalation Dynamics and Policy Options from ASI Simulations

Implications for Lithuania

By GSSC, in partnership with Anadyr Horizon

Introduction

This report presents policy-relevant insights derived from a *North Star* simulation run conducted using Anadyr Horizon’s Agentic Systems Intelligence (ASI) capability.⁷ The *North Star* platform models decision-making under pressure by simulating how real-world actors—political, military, and institutional—respond to evolving crisis conditions. Each simulation run produces a *Horizon Runprint*, a predictive intelligence memo summarizing modeled escalation pathways, actor behaviors, and scenario outcomes across hundreds of Monte Carlo-based crisis simulations.

For this study, GSSC analysts had direct access to the *North Star* platform, designed and injected a customized Lithuania-focused scenario (“Current”), and reviewed the structured outputs generated by the ASI engine. The findings in this report, therefore, reflect two layers of analysis:

1. Machine-generated foresight derived from the *North Star* simulation results and associated *Horizon Runprint*
2. Human interpretation by GSSC and Anadyr Horizon experts, who contextualized these results within the broader geopolitical, military, and information environment relevant to Lithuania

The *North Star* platform itself does not generate policy prescriptions or normative judgments. All policy recommendations and interpretive assessments in this report reflect the independent analysis of GSSC and Anadyr Horizon experts, based on simulation outputs modeling a 30-day crisis trajectory involving U.S., NATO, and Russian strategic behavior and interaction. The underlying *Horizon Runprint* (predictive intelligence memo) on which this report is based is classified and is, therefore, not reproduced in this publication.⁸

⁷ Anadyr Horizon is a predictive intelligence technology company that developed the *North Star* simulation platform powered by Agentic Systems Intelligence (ASI): www.anadyr-horizon.com. The company was founded by Dr. Arvid Bell, ex-Harvard lecturer, Dr. Ferenc Dalnoki-Veress, co-recipient of the Nobel Prize in Physics, and Dr. William C. Potter, Professor and global authority on nuclear negotiation simulations.

⁸ For questions regarding the *Runprint* or scenario design, please contact GSSC at info@gssc.lt. For questions regarding the *North Star* platform or underlying ASI technology, please contact Anadyr Horizon at hq@anadyr.ai.

Executive Summary

This report synthesizes insights from a North Star simulation examining a Lithuanian Article 5 invocation following an armed incursion near Šalčininkai. The analysis draws extensively on these technical results, integrated with the external policy context for interpretation.

Scenario

The simulation was based on a predefined scenario describing a hybrid incursion on November 8, 2025, in which a professionally trained, unidentified armed group without insignia crossed the Belarus–Lithuania border, seized municipal and police facilities in Šalčininkai, disrupted communications, and established control over the town. Lithuania declared a state of emergency, mobilized rapid reaction forces, and invoked NATO’s Article 5, attributing the attack to Russian hybrid warfare tactics. Russia denied involvement while issuing warnings that it would “defend the rights of Russian-speaking minorities by all means necessary.” This scenario served as the input condition for the ASI simulation and structured how actors in the model interpreted the crisis at its outset. The full scenario is included in the appendix.⁹

Results

- 1. The U.S. and NATO Allies almost certainly (>95%) reinforce and expand military deployments** on the alliance’s eastern flank following Lithuania’s Article 5 invocation. This includes repeated U.S. National Security Council decisions to deploy brigade-level forces and advanced air/missile defense systems.
- 2. Russia is very likely (80–95%) to escalate militarily, cybernetically, and informationally**, with deployments to Kaliningrad/Belarus borders, expanded rapid-response units, and intensified state-directed information operations. No de-escalation signals were detected in the simulation run’s statistical uncertainty window.

- 3. The simulation shows a consistent pattern in which Russia exploits perceived U.S. and allied hesitancy**, particularly the absence of any coordinated effort to reverse the territorial incursion.
- 4. The U.S. response consistently focuses on deterrence, reinforcement, and crisis management but not on restoring Lithuanian territory.** In all simulations analyzed, the U.S. refrains from planning offensive operations to remove Russian forces from Lithuania.
- 5. Attribution in U.S. discourse fluctuates between explicit recognition of Russian responsibility and ambiguous references to “unidentified armed groups.”**

Crisis Context: Šalčininkai and How the U.S. Shapes the Alliance’s Response

The scenario centers on an armed incursion across the Belarus–Lithuania border near Šalčininkai, which Lithuania treats as an attack on its sovereign territory and, therefore, invokes NATO’s Article 5 provisions. The ASI model predominantly interprets the incident as an “attack on a NATO member” despite occasional mixed attribution in U.S. discourse (see the outline of the simulation’s limitations below).

This crisis type reflects structural vulnerability for alliance deterrence:

- A geographically small front-line ally
- A rapid gray-zone transition into open hostilities
- A political environment in which U.S. resolve is uncertain
- A Russian strategy designed to exploit ambiguity and alliance hesitation

Historical precedent (Crimea 2014; Zapad-style exercises; hybrid incursions in Georgia and Ukraine) reinforces that Moscow seeks *faits accomplis* before full Western crisis mobilization.

Methodological Note: Findings in this report are based on scenario-driven simulations using the North Star platform (a form of simulation-based intelligence, or SIMINT). They reflect probabilistic modeling of decision-maker behavior under specified conditions and should be read as analytic foresight, not deterministic prediction.

⁹ The simulation was limited to analyzing the actions of the aforementioned categories of actors within the United States and the Russian Federation. It did not incorporate Lithuanian national defence forces and forces other countries or entities, including those with forces forward-deployed in Lithuania. In addition, NATO’s collective crisis management procedures, as outlined in the NATO Crisis Response Manual, were not incorporated into the simulation.

What the Simulation Shows: Key Behavioral Patterns

Below is a policy synthesis of ASI simulation outputs without extrapolation, with additional commentary by GSSC experts.

A. U.S. Behavior Under Pressure

A1. Strong reinforcement but no restoration of territory

Across all simulations reviewed, the U.S. response is decisively defensive:

- Deploying forces to Poland/Baltics
- Increasing air and missile defense presence
- Accelerating joint exercises
- Initiating sanctions

Yet none of the high-level decisions contain proposals to expel Russian forces from Lithuanian territory.

While every simulation showed some U.S. response—ranging from deploying “additional armored brigade combat teams to Poland” and “5,000 U.S. troops to Eastern Europe” to establishing “permanent military bases in the Baltic region” and stationing “Patriot missile batteries”—none demonstrated actions to actually expel Russian forces from Lithuanian territory or restore the violated sovereignty.

The responses consistently focus on deterring further aggression rather than reversing the current incursion, with language emphasizing “deter further Russian aggression” and “reinforce collective defense”

but never “expel,” “remove,” or “restore territorial integrity.” This pattern suggests the simulation system predicts the U.S. would essentially accept Russian territorial gains as a *fait accompli* while drawing a new defensive line—more akin to the Crimea 2014 response than the robust collective defense Article 5 promises to “restore and maintain the security of the North Atlantic area.”

A2. Strategic caution and preference for backchannels

In North Star simulations, U.S. leaders repeatedly emphasize avoiding escalation and maintaining diplomatic channels with Moscow instead of pushing for territorial rollback. Examples include calls to establish “backchannel communications” and phrases such as “deter further Russian actions” rather than reversing current ones.

Backchannel communications are diplomatic tools for managing tensions between parties with competing interests—not the expected, primary response to an active military invasion of an ally’s territory. North Star simulations repeatedly show a U.S. administration recommending this as a course of action, even as Russian forces occupy NATO soil in the simulation scenario.

Indeed, this approach recalls U.S. President Donald Trump’s tendency to seek cooperative understandings with Moscow in lieu of confrontation. After his first meeting with Russian President Vladimir Putin in 2017, Trump proposed forming a joint U.S.–Russia “Cyber Security Unit” to guard against election hacking, and, at the time, then-Senator Marco Rubio quipped that partnering with Putin on cyber security would be like partnering with Assad on a “chemical weapons unit,”¹⁰ given that Russia was the very perpetrator of the hacking. Relying on backchannels dur-

Methodological Note (NATO Crisis Response Procedures and Forward-Deployed Forces): This simulation run did not explicitly model NATO’s collective crisis-management processes as codified in the NATO Crisis Response Manual (CRM), which provides a layered framework for consultation, coordination, and graduated response in pre-crisis and crisis situations. Nor did it disaggregate decision-making dynamics related to the presence of NATO forward-deployed forces in Lithuania, including the German-led rotational battalion tasked with deterring and responding to limited incursions. As a result, these ASI simulations should not be interpreted as testing the adequacy or effectiveness of the CRM itself but rather as isolating bilateral and alliance-external signaling dynamics under conditions of early ambiguity. A dedicated follow-on run would be required to assess how NATO’s CRM mechanisms, national caveats, and host-nation/lead-nation decision processes interact in practice—particularly how German national decision-making, force posture, and rules of engagement intersect with U.S.–Russia escalation dynamics in the initial phases of a crisis.

¹⁰ Reuters, “Trump says discussed forming cyber security unit with Putin,” July 9, 2017, <<https://www.reuters.com/article/world/trump-says-discussed-forming-cyber-security-unit-with-putin-idUSKBN19U0HU>>.

ing a Russian invasion of Lithuania similarly treats the aggressor as a collaborator, instead of responding with forceful collective defense.

A3. Mixed attribution language

In the North Star simulations, U.S. discourse vacillates between unequivocal blame (“unprovoked attack”) and cautious language (“unidentified armed groups”). This ambiguity benefits Russia’s information strategy.

The simulations suggest that this ambiguity does not stem from a single coherent policy line but rather from competing viewpoints within the U.S. administration. Distinct internal factions exhibit divergent preferences regarding escalation, attribution, and alliance commitments. Some actors prioritize alliance credibility and deterrence, while others emphasize de-escalation, ambiguity, or preservation of bilateral flexibility vis-à-vis Russia. In the modeled scenario, these internal divergences are not resolved through institutional arbitration, resulting in delayed and inconsistent external messaging.

The reasons for this American response appear rooted in the Trump Administration’s prioritization of maintaining relations with Russia and avoiding confrontation. North Star simulations show an administration that seems more concerned with managing the bilateral U.S.–Russia relationship than with honoring collective defense commitments to NATO allies. This aligns with Trump’s own long-standing outlook: he never viewed Russia as a top adversary and often spoke of some NATO allies as not delivering on their defence commitments. His campaign’s intervention to soften the GOP’s stance on Ukraine—removing calls to provide weapons to Kyiv against Russian forces¹¹—and his habit of praising Putin’s leadership are consistent with the behavior observed in this ASI Run. Former U.S. National Security Advisor John Bolton has noted that Trump’s approach to foreign affairs treated relations “predominantly as matters of personality,”¹² which, in this simulated scenario, translates into not explicitly calling out a Russian invasion of Lithuania.

B. Russian Behavior Across Domains

B1. High likelihood of military escalation and posture expansion

The Runprint shows Russia is 80–95% likely to intensify deployments, reinforce its Western Military District, and expand air/missile defense capabilities.

This pattern aligns with Russia’s established posture in the Baltic region, where Kaliningrad and the Western Military District already function as a heavily militarized forward bastion hosting significant land, air, and naval forces, as well as advanced air-defense and anti-access/area-denial (A2/AD) systems. Western wargaming and NATO assessments similarly highlight that Russia’s Western Military District is structured to rapidly surge combat power against the Baltic states and Poland, making the simulated escalation trajectory both structurally and doctrinally consistent with observed Russian force design.

B2. Information operations as a strategic pillar

A simulation data analysis through North Star offers detailed examples in which Russia seeks to:

- Undermine Article 5 credibility
- Expose the U.S. and Alliance’s internal divisions
- Portray itself as a “stabilizing force”

These behaviors closely mirror Russia’s real-world information strategy. NATO StratCom analyses and U.S./European studies have documented how Kremlin narratives routinely depict the U.S. and NATO as aggressive and divided, exaggerate alleged allied “double standards,” and exploit disinformation incidents in the Baltics (for example, fabricated stories about NATO troops abusing locals) to weaken public support for the alliance. Russian messaging around “defending Russian speakers” and blaming the U.S. and NATO for escalation has become a standard frame in Moscow’s information campaigns, making the simulation’s emphasis on Article 5 erosion and alliance-fracturing narratives highly credible.

11 Josh Rogin, “Trump campaign guts GOP’s anti-Russia stance on Ukraine,” *The Washington Post*, July 18, 2016, <https://www.washingtonpost.com/opinions/global-opinions/trump-campaign-guts-gops-anti-russia-stance-on-ukraine/2016/07/18/98adb3b0-4cf3-11e6-a7d8-13d06b37f256_story.html>.

12 Maya Yang, “John Bolton suggests US will leave Nato if ‘erratic’ Trump wins in 2024,” *The Guardian*, August 4, 2023, <<https://www.theguardian.com/us-news/2023/aug/04/john-bolton-trump-nato-2024>>.

B3. Economic diversification eastward

Simulations repeatedly show that following Western sanctions, Russia turns toward China, India, and other BRICS partners.

This is consistent with observable macroeconomic trends since 2014 and especially after the full-scale invasion of Ukraine in 2022: Russian policymakers have actively pursued a “pivot to the East,” increasing energy exports to China and India, issuing renminbi-denominated sovereign bonds, and rerouting trade flows through Asian markets to offset losses in Europe. While BRICS remains a loose coalition rather than a cohesive economic bloc, these shifts have deepened Russia’s structural dependence on Asian demand and non-Western financial channels, which the simulation captures as a medium-term adaptation rather than a short-term shock response.

C. U.S. Role in Shaping Alliance’s Behavior

C1. High-confidence reinforcement of the eastern flank (>95%)

ASI simulations show NATO moving rapidly to increase readiness, position battlegroups, and accelerate exercises.

This aligns with NATO’s post-2014 and post-2022 force posture, which prioritizes rapid reinforcement, forward defense, and deterrence-by-denial along the eastern flank. Since the Madrid Summit (2022), allies have committed to expanding the NATO Response Force, raising high-readiness troop levels, and scaling battlegroups in the Baltic region toward brigade-capable formations. NATO’s regional defense plans (approved in 2023–2024) explicitly focus on swift forward reinforcement to protect Baltic and Black Sea allies—making the simulation’s forecast consistent with NATO’s current doctrine and capability investments.

C2. No modeled scenarios of NATO territorial restoration operations

The absence of offensive planning is consistent across simulations. Notably, this simulated out-

come—which is alarming for Lithuania—reflects not only alliance-wide caution but also the central role of U.S. behavior in shaping NATO’s political and military options. In every simulation reviewed, U.S. decision-makers focus on deterrence, reinforcement, and escalation management but do not advocate for or initiate discussions about retaking occupied Lithuanian territory by force. Because the U.S. is NATO’s indispensable military actor, its reluctance to pursue restoration by force effectively removes that option from the alliance’s feasible decision space.

This dynamic is consistent with real-world NATO crisis behavior:

- NATO (as a whole) offensive operations require political consensus, which is extremely unlikely without active U.S. leadership.
- U.S. strategic culture tends to prioritize escalation control over rapid offensive action—especially in direct confrontations with Russia.
- U.S. domestic political uncertainty and risk tolerance shape allied behavior, as smaller NATO members may be reluctant to press for high-risk options that they believe the U.S. administration is unwilling to champion.

As documented in numerous NATO strategy assessments and RAND crisis simulations, NATO is structurally defensive unless the United States drives a more ambitious course of action. In the absence of U.S. advocacy for territorial rollback, allies default to reinforcement, sanctions, and diplomatic pressure.

In short, U.S. restraint means NATO restraint, and once Washington avoids pushing for restoration by force, the alliance’s operational imagination narrows accordingly.

C3. No de-escalation pathways

The Runprint states that:

- No de-escalation signals were detected at statistically significant levels¹³
- 95% of crisis arcs lead to escalation¹⁴

This pattern is congruent with external research on NATO–Russia crisis dynamics. Studies of escalation

¹³ North Star software defines “de-escalation signals” as system-detected indicators statistically associated with de-escalatory foreign-policy behavior. This feature automatically identifies behavioral patterns that correlate with a reduced probability of escalation—such as signaling restraint, initiating diplomatic channels, or reprioritizing domestic agendas—providing an empirical, model-driven basis for detecting potential off-ramps and stabilization opportunities.

¹⁴ Within the North Star platform, “crisis arcs” are a defined visualization and analysis feature generated from simulation data. The system algorithmically clusters simulations into distinct arcs representing alternative crisis trajectories over the modeled time horizon (typically 30 days). Each arc captures a consistent temporal progression—such as escalation, stabilization, or resolution—derived from shared event sequences and decision patterns. Opening an arc reveals its internal event order and the decision logic that produced it.

risk in the Baltic region indicate that once a kinetic or hybrid incursion occurs, built-in friction points in alliance decision-making, Russian rapid-response posture, and mutual fears of misinterpretation tend to produce spiraling action–reaction cycles rather than stabilizing outcomes. NATO’s deterrence posture is designed to signal resolve, not concession; Russia’s local military superiority and doctrinal emphasis on “escalate to de-escalate” further heighten escalation incentives.

As a result, academic and policy analyses—including those by RAND (the U.S.), The International Institute for Strategic Studies (IISS, the U.K.), and International Centre for Defence and Security (ICDS, Estonia)—suggest that post-trigger de-escalation is extremely difficult without either (1) a decisive external shock or (2) a deliberate diplomatic backchannel. The simulation’s 95% escalation rate is consistent with acknowledged structural vulnerabilities in NATO–Russia crisis management.

Escalation Pathways and Tipping Points

A. Dominant Escalation Trajectory (95% of simulations)

A reinforcing cycle of:

1. U.S. and allied deterrence buildup
2. Russian counter-deployment
3. Expanded hybrid activity
4. Rising tension with no diplomatic breakthrough

This trajectory is consistent with historical patterns in Alliance–Russia crises, where action–reaction dynamics intensify in the absence of credible de-escalatory mechanisms.

B. Key Tipping Points

1. U.S. decision not to attempt territorial restoration enables Russia to consolidate gains and intensify information ops

The simulated U.S. decision not to pursue—nor even seriously consider—territorial restoration by force functions as a major tipping point in the modeled crisis. When Washington limits its posture to rein-

forcement and escalation management, Russia is effectively granted the operational and political space to consolidate gains in Šalčininkai. This dynamic is consistent with longstanding alliance patterns: NATO offensive action against entrenched Russian forces is politically and militarily viable only if led by the United States.

2. Russian exploitation of allied divisions

ASI-modeled leadership discussions highlight how Russian information strategies actively target fissures within the alliance, especially around attribution standards, proportionality of response, and differing levels of perceived risk. This aligns with well-documented Russian doctrine, which prioritizes fracturing adversary coalitions through disinformation, legal ambiguity, and narrative manipulation.

These techniques are especially effective in early-phase hybrid crises, when political hesitancy, incomplete intelligence, and divergent national risk perceptions create natural openings for Moscow’s influence operations. In this simulation—as in real crises—political fractures are not byproducts but targets, and Russia systematically invests in widening them.

3. Attribution ambiguity

Where U.S. officials avoid explicitly naming Russia as the perpetrator—or defer attribution pending “further evidence”—Russian narratives gain strategic space. Attribution ambiguity is a known vulnerability in hybrid warfare: Moscow systematically obscures its role through deniable forces, mixed equipment signatures, engineered local protests, and synchronized diplomatic messaging.

In the simulation, hesitation by U.S. officials to immediately attribute responsibility allows Russian narratives (for example, defending minorities, denying involvement, and blaming Lithuanian actions) to circulate uncontested. This shapes early alliance perceptions and reduces the speed and unity of the initial NATO response.

C. What Was Not Observed

- No diplomatic breakthroughs
- No unilateral stand-downs
- No crisis-freeze scenarios leading to stabilization
- No post-trigger de-escalation signals

Policy Implications for Lithuania, the EU, and NATO

A. Lithuania: Strategic Implications

A1. Reliance on U.S./NATO reinforcement rather than territorial rollback

Lithuania must prepare for a crisis environment in which NATO's immediate response is defensive, not restorative. This reflects structural realities identified in multiple NATO and RAND analyses: successful territorial rollback against entrenched Russian forces would require substantial U.S. leadership, broad allied political consensus, and significant force commitments—none of which typically materialize rapidly in early-phase crises. NATO's post-2022 regional defense plans emphasize forward defense and reinforcement, not counteroffensive action inside territory already held by Russian units.

As the simulations show, U.S. strategic restraint becomes the gravitational center of alliance behavior, effectively narrowing Lithuania's immediate options to survival, reinforcement, and long-term diplomatic/military pressure, rather than rapid restoration of seized territory.

A2. Strengthening early-warning and decision timelines

Given the 95% escalation likelihood, Lithuania should:

- **Enhance attribution protocols**

Hybrid incursions often rely on deniable forces and mixed equipment signatures, and attribution delays were a key vulnerability in Crimea and Donbas. Clear, rapid, evidence-based attribution strengthens Lithuania's standing in urgent NATO consultations and reduces opportunities for Russian narrative manipulation.

- **Shorten political decision cycles**

NATO crisis-management doctrine stresses the importance of national-level political readiness: countries that generate fast, coherent positions influence alliance consensus more effectively. Accelerating Lithuania's internal decision-making—particularly communications between the Ministry of National Defence, the Ministry of Foreign Affairs, the President's Office, and Seimas committees—reduces strategic lag.

- **Accelerate host-nation support procedures**

Reinforcement is only effective if Lithuania can receive, stage, and integrate allied forces at speed. NATO's Baltic reinforcement plans depend heavily on host-nation logistics, pre-delegated authorities, and rapid infrastructure access. Enhancing these systems directly increases the credibility of Article 5 deterrence.

These measures position Lithuania to operate inside the "decision window" before escalation pathways harden.

A3. Countering Russian information campaigns

The simulations reveal Russia's capacity to drive wedges within NATO—an approach deeply consistent with Russian information warfare doctrine, where shaping the political environment is as important as shaping the military one.

Lithuania should expand:

- **Strategic communications capacity**

Building on the Baltic states' recognized leadership in countering disinformation, Lithuania can further institutionalize rapid-response messaging, cross-ministry coordination, and anticipatory narrative analysis.

- **Joint NATO–EU messaging frameworks**

Unified communication from Brussels and allied capitals significantly reduces the effectiveness of Russian wedge-driving narratives, particularly around attribution, proportionality, and escalation blame.

- **Media resilience programs based on Baltic excellence**

Lithuania's civil-society, media-literacy, and hybrid-threat institutions are already seen as regional models. Scaling these efforts—especially in coordination with Latvia and Estonia—helps inoculate both domestic and allied audiences against Russian influence operations.

Effective information resilience not only counters adversarial narratives but also strengthens Lithuania's position in alliance decision-making by ensuring public and political alignment during crises.

B. Collective Implications

B1. NATO must clarify Article 5 territorial restoration doctrine

The absence of modeled offensive planning suggests a doctrinal gap that Russia can exploit. While Article 5 provides the legal foundation for collective defense, it does **not** specify the form or scale of the military response, leaving territorial restoration in a conceptual gray zone. NATO's post-Madrid regional defense plans focus on forward defense and reinforcement, but they stop short of articulating how the alliance would respond should parts of a member's territory fall under hostile control—especially in hybrid or ambiguous scenarios.

Historically, NATO has avoided operations aimed at forcibly restoring territory from a nuclear-armed adversary without overwhelming political and military consensus. This ambiguity creates opportunities for Russia to pursue *fait accompli* strategies: limited, rapidly executed seizures that exploit the time required for NATO to consult, align politically, and mobilize militarily. Multiple RAND studies highlight that the lack of clearly articulated restoration doctrine may embolden adversaries to attempt small, deniable incursions precisely because the alliance has no established template for rolling them back.

A clarified doctrine would not mandate specific military actions, but it would strengthen deterrence by reducing Russia's ability to assume that NATO will default to purely defensive options once territorial facts are created on the ground.

B2. Reduce institutional friction in crisis speed

ASI-simulated U.S. decision processes reveal delays and bureaucratic fragmentation. This pattern aligns with well-documented NATO and U.S. crisis-management challenges: decision cycles involving 30+ allies, differing national threat perceptions, and complex escalation sensitivities lead to slower collective responses—particularly in the crucial first 24–72 hours of a hybrid or kinetic incursion.

This suggests value in:

- **More integrated NATO crisis decision-making**

NATO has already moved toward a “pre-delegation” mindset through its 2023 Regional Plans, but further integration—especially at the operational and political–military interface—would reduce latency during early crisis stages.

- **Forward-positioned coordination cells**

Embedding NATO planning elements, liaison officers, and rapid-decision teams in front-line allied headquarters (for example, Lithuania, Poland) shortens communication loops and supports immediate posture adaptation.

- **Accelerated North Atlantic Council (NAC) procedures**

The NAC's consensus rule is politically essential but operationally slow. Pre-agreed escalation response frameworks, streamlined consultations, and “NAC-light” formats during emergencies can help preserve legitimacy while improving reaction time.

External analyses consistently show that speed is deterrence: when NATO responds quickly, Russia's window for exploiting ambiguity narrows; when NATO responds slowly, Russia's political and military leverage increases.

B3. Reinforcement vs. deterrence if territorial facts on the ground persist

NATO allies must resolve the strategic dilemma between reinforcing borders and restoring sovereignty.

Forward reinforcement is necessary to stabilize the front and prevent additional incursions—but reinforcement alone does not reverse *fait accompli* territorial changes. Russian strategy has long relied on rapid territorial seizure followed by political pressure and narrative manipulation to make reversal difficult and costly. If NATO lacks the political will or doctrine to consider territorial restoration by force, adversaries may perceive reinforcement as containment rather than deterrence, reducing the credibility of Article 5 over time.

This dilemma has been highlighted in Baltic war-games for nearly a decade: without credible pathways—military, diplomatic, or hybrid—for restoring sovereignty after an initial seizure, Russia's incentive to test alliance resolve grows. Deterrence, therefore, requires not just the ability to reinforce but also clarity about the alliance's response to partial or temporary loss of allied territory, including political, military, economic, and hybrid dimensions.

C. U.S.–Lithuanian Bilateral Cooperation

C1. Bilateral strategic communication channels

The simulation's emphasis on backchannels underscores their importance in real crises. Modeled U.S. decision-makers repeatedly opt for quiet contacts with Moscow to manage escalation and preserve room for maneuver, rather than relying solely on formal, public diplomacy. That same logic applies to the U.S.–Lithuanian relationship: Vilnius benefits when it has its own dense network of crisis-time communication channels to Washington—not just at the ambassadorial level but also into the National Security Council, Pentagon, State Department, and key congressional staff.

Strengthening routine, non-crisis communication now (regular secure consultations, staff-level dialogues, and participation in U.S.-hosted tabletop exercises) makes it far easier to exchange candid assessments, align expectations, and correct misperceptions quickly once a real crisis hits.

C2. Engagement beyond the administration

Fluctuating attribution language in the simulations suggests political uncertainty and internal debate on how hard to confront Russia. In practice, that uncertainty is not confined to the White House: U.S. foreign policy toward Russia, NATO, and Article 5 is shaped by a wider ecosystem that includes Congress, governors of key states (for example, with major National Guard units tied to Baltic cooperation), think tanks, and media narratives.

For Lithuania, this means that effective influence and reassurance cannot rely exclusively on the administration of the day. Lithuania should expand structured engagement with:

- U.S. Congress—especially key committees and Baltic/Nordic caucuses, to anchor bipartisan support for Article 5 and forward defense
- State-level leadership and National Guard partners—building on state partnership programs and long-term military relationships that often outlast individual administrations
- Think tanks and policy communities shaping U.S. national security discourse—Washington experts frequently frame options and constraints that lat-

er appear in the National Security Council (NSC) debates; having Lithuanian perspectives in those conversations is strategically valuable

Diversified engagement reduces the risk that a single political shift in Washington will leave Lithuania exposed or misunderstood at a critical moment.

C3. Preemptive crisis planning

Given the lack of de-escalation in simulations, planning for escalatory spirals must occur before crisis onset. Once a hybrid or kinetic incident is underway, political space to design new options shrinks dramatically; leaders default to familiar playbooks and lowest-common-denominator alliance positions.

For the U.S.–Lithuanian relationship, this argues for:

- Joint pre-crisis planning on scenarios such as Šalčininkai, Kaliningrad pressure, Belarus contingencies, and cyber campaigns against Lithuanian infrastructure
- Pre-agreed signaling strategies (what Lithuania says and does; what Washington will say and do in support) to avoid mixed messages in the first hours and days
- Shared red lines and escalation thresholds, at least in qualitative form, so both sides understand where the other is likely to harden its stance

If escalation is the statistically dominant outcome once the crisis starts, then the real policy leverage lies in shaping U.S.–Lithuanian coordination, messaging, and posture before the first shot is fired.

Actionable Recommendations

For Lithuania

- **Intensify and institutionalize bilateral strategic communication channels** with a diverse set of U.S. actors to ensure timely alignment during early-stage crises and reduce the risk of misinterpretation or delayed coordination.
- **Institutionalize rapid-attribution and crisis-playbook protocols** to counter early ambiguity and reduce decision-time vulnerabilities.
- **Harden information resilience** through strategic communications, media literacy, and counter-disinformation programs aligned with the identified Russian information operations patterns.

- **Ensure reinforcement viability** by strengthening logistical redundancy, pre-delegated authorities, and host-nation support mechanisms.
- **Invest in predictive-intelligence capabilities**—including scenario-driven foresight tools such as North Star—to improve early crisis detection, decision timelines, and national preparedness.

For U.S.–Lithuanian Bilateral Cooperation

- **Launch a structured foresight and crisis-planning dialogue** utilizing artificial intelligence, expertise, and bilateral foresight workshops as a shared analytical baseline.
- **Develop coordinated strategic messaging frameworks** to minimize attribution ambiguity and counter Russian narratives in early crisis phases.
- **Expand pre-crisis contingency planning**, including forward-deployed enablers, shared red lines, and synchronized signaling strategies.

For NATO Allies and EU Partners

- **Clarify and rehearse territorial restoration pathways**, closing the doctrinal gap Russia could exploit in a *fait accompli* scenario.
- **Reduce crisis-management friction** through streamlined NAC procedures, forward-positioned coordination cells, and integrated planning cycles.
- **Scale EU–NATO hybrid threat coordination** based on insights from Russian attempts to fracture alliance cohesion.
- **Strengthen joint procurement and reinforcement enablers**, including sealift, prepositioned stocks, and rapid-mobility capabilities.

Appendices

Appendix A—Scenario Inject for ASI Simulation: Šalčininkai Hybrid Incursion, November 8, 2025

Input:

At approximately 0500 hours on November 8, 2025, an unidentified armed group crossed the Belarus–Lithuania border near Šalčininkai. The assailants, bearing no national insignia, communicated in fluent Russian and carried a mix of Russian and Western-origin small arms and tactical equipment. Demonstrating professional coordination and operational discipline indicative of special operations training, the group infiltrated Šalčininkai undetected, seized the local police department and municipal administration buildings, and disrupted radio and internet communications through electronic jamming. Lithuanian border guard and national police units responding to the incursion were either killed or captured. By the end of the first day, the hostile force had established full control of the town. Meanwhile, organized protests—sporadically joined by local Russian-speaking residents demanding greater rights—erupted in the town center, suggesting pre-planned information and psychological operations support. The operation created significant confusion, delaying both national and international responses. The Lithuanian government declared a state of emergency and deployed rapid reaction elements of the Special Operations Forces, counterterrorism police, and units of the Geležinis Vilkas Brigade to the Šalčininkai region, while announcing mobilization of the regular armed forces. Citing a violation of national sovereignty and loss of territorial control due to armed attack, Lithuania invoked Article 5 of the NATO

Treaty, attributing the incursion to Russian Federation forces operating under hybrid warfare tactics. However, in urgent confidential NATO consultations, several western European NATO member states requested “solid evidence” in order to attribute this attack against Lithuania to Russia. The Russian Ministry of Foreign Affairs denied responsibility but warned that Moscow would “defend the rights of Russian-speaking minorities by all means necessary,” demanding the withdrawal of Lithuanian forces from Šalčininkai and threatening severe consequences that could lead to uncontrollable escalation if hostilities continued.

Authoritative Quote:

The Russian Ministry of Foreign Affairs denied responsibility but warned that Moscow would “defend the rights of Russian-speaking minorities by all means necessary,” demanding the withdrawal of Lithuanian forces from Šalčininkai and threatening severe consequences that could lead to uncontrollable escalation if hostilities continued.

Purpose:

This operation was authorized by the president of the Russian Federation. The president of the Russian Federation set the main political and military goals. The operation was planned by the inner circle, with other key leaders in Russia not knowing about it in advance.

Appendix B—Methodological Transparency and Robustness

A. What the ASI Engine Does

- Models decision behavior of leaders under pressure
- Executes Monte Carlo simulations
- Identifies patterns such as escalation vs. de-escalation

B. Methodological Strengths

- High consistency in identifying escalation likelihood
- Multidomain modeling (military, cyber, and political)
- Granular modeling reflects plausible strategic logic

C. Methodological Limitations

- No tactical combat modeling
- Occasional overemphasis on certain economic or alliance vectors
- Does not predict the future; provides probabilistic foresight

D. How Policymakers Should Use These Results

- As foresight to stress-test planning
- As decision support for early-warning systems
- As a supplement to (not replacement for) intelligence and diplomacy
- As a tool to identify vulnerabilities in alliance cohesion
- As a predictive intelligence capability to prevent war and maintain peace

Recommendations

The recommendations for policy planners and political leadership are presented in two parts. The first part (**tier A**) relates to the baseline scenario, where the U.S. does not undertake radical retrenchment or military withdrawal from Europe and Lithuania in the short term but gradually shifts its priorities away from investing in and securing European safety. The tier A recommendations are based on Lithuania's usual political behavior and its traditional motivation to keep Americans in for as long as possible, with **tailored political messages** aimed at the U.S. political establishment. These recommendations could serve as a foundation for strategic communication and political decisions to support Lithuania's intended U.S. strategy.

The second part (**tier B**) of the recommendations is based on the lower-probability but more severe impact scenario, where the U.S. swiftly and decisively reduces its military (and political) presence in Lithuania and Europe, presumably following a potential ceasefire agreement in Ukraine, an informal, tacit deal with Russia, increased tension in the Indo-Pacific region, or a combination of these factors. The tier B recommendations provide a preliminary set of political decisions aimed at **radically recalibrating Lithuania's strategic posture** in the new geopolitical context, where European allies, rather than the U.S., might become the primary partners in deterring Russia and enhancing Lithuania's security.

Tier A

- 1. Double down on being the exemplary ally in burden-sharing and emphasize the increased expenses to U.S.-relevant capabilities.** Lithuania should surpass 5% of GDP for defense in 2026, ahead of NATO's new targets. We should use this not just as a talking point, but as leverage.
 - Initiate an informal **5-percent-club** among NATO members, especially when meeting with the U.S. counterparts at every political and institutional level. All communication related to the NATO and European military transformation should always mention the #5-percent-club.
 - Explicitly connect increased spending to the capabilities that Washington values most, for example, long-range fires, integrated air and missile defense, ISR, logistics hubs that U.S. forces can easily access (plug-in), artillery ammunition, and infrastructure for testing and producing drones. In strategic communication, be prepared to move from a general 5% increase to tangible capacities linked to hardware and infrastructure.
- 2. Turn rotational presence into a long-horizon "enduring footprint."** U.S. forces in Lithuania are already a powerful tripwire and symbol. The next step is to make their presence structurally "entrenched":
 - Prioritize U.S.-made platforms, where sensible, to ensure interoperability and protect political interests, but emphasize this as coproduction and long-term sustainment partnerships, where possible, rather than mere purchases. Lithuania's acquisition of American weaponry should be portrayed as a long-term investment, grounded in traditional client-loyalty and mutual business interests, not just an accidental buyer-seller transaction.
 - In U.S.-oriented communication, present Lithuania as proof that "5% is realistic if you feel the threat"—giving U.S. politicians an example to point to when arguing NATO is finally becoming a fair deal.
 - Elaborate possibilities to increase joint-tenders and acquisitions from U.S. companies, together with Latvians, Estonians, and Poles. The scale-effect can be reached only together with other members of the 5-percent-club (see recommendation No. 10)

- Confirm and repeat Lithuania’s obligations to maintain and increase finances dedicated to facilities for U.S. units (ammo storage, maintenance, and family housing, where realistic) so that every force-posture review in Washington sees Lithuania as the cheapest, best-prepared place to keep a footprint.
 - Integrate U.S. presence with the incoming German brigade and NATO regional plans so Lithuania becomes the natural command-and-control hub for the entire north-eastern flank. This makes it politically harder to cut the military presence in D.C.
 - Stress the idea that the German brigade is not there to replace the U.S. presence but to complement the U.S. troops, learn from them, and gradually reach the American standards of fighting.
- 3. Anchor Lithuania in the U.S. Congress and maintain a bipartisan network.** Given the U.S. executive swings, Congress should be treated as long-term insurance.
- Systematically cultivate champions in the House and Senate Armed Services/Appropriations Committees, follow the rotation of members of these Committees, and network with new members.
 - Develop a specific plan of action to strengthen the significance and performance of the Joint Baltic American National Committee (JBANC) – the lobbying body for the Baltic States, with a long-standing network within the U.S. Congress. However, it requires some fresh energy. A dedicated program from Lithuania’s government or the Ministry of National Defence for JBANC could generate long-term results and help maintain JBANC as a promising lobbying group.
 - Keep the Baltic Security Initiative refreshed with concrete Lithuanian projects (infrastructure, stockpiles, and joint R&D), especially emphasizing that it is not about the money; it’s about the American know-how, exclusivity in military tech, training, and advancement of Baltic military.
 - Make Lithuania a regular stop for Congressional Delegations (CODELs) focused on Russia, NATO, and emerging tech—with tailored briefings on Russian grey-zone tactics, Belarus, and Chinese influence. Maintain and give proper attention to the visits for Congress staffers and think tank experts. These people eventually become the pool of the best knowledge on Baltic security in D.C.
- Provide ready-to-use narratives and data for U.S. Congress members and their staffers; for example, “Lithuania spends 5% so you don’t have to send another U.S. brigade permanently,” or “Our ammunition depots and infrastructure are there for U.S. contingencies,” or “We are investing in the best-accessed military hub on the Baltic Sea shore, just in case things go south.”
- 4. Push NATO from tripwire to forward defense while showcasing U.S.–Lithuania interoperability.** To keep Article 5 credible, Lithuania should be the engine behind visible, practical improvements.
- Push consistently and prepare for a shift from the Baltic Air Policing mission to integrated air defense (IADS) with ready-to-shoot rules, layered ground-based defenses, and U.S. participation, especially with intelligence and monitoring resources.
 - Prepare a plan, discuss with American counterparts, and host large-scale, high-tempo U.S.-led exercises in Lithuania that rehearse rapid reinforcement, cyber attack response, sabotage in energy infrastructure, and “smuggling balloons or other hybrid incidents,” not just classic armor maneuvers.
 - Ensure that every major NATO exercise or crisis scenario has a Lithuanian vignette, so U.S. planners constantly work with Lithuanian geography, infrastructure, and decision-making.
- 5. Shape European defense so it complements, not replaces, U.S. power.** U.S. retrenchment risk makes European, especially German, capabilities vital, but tailored messaging also matters. Lithuania should pick some clear topics that resonate with U.S. demands to Europeans.
- Promote EU and regional defense initiatives that clearly close gaps the U.S. complains about: ammunition production, air and missile defense, logistics corridors, and resilience of critical infrastructure.
 - Frame the German brigade in Lithuania, Nordic–Baltic integration, and EU defense-industrial projects as burden-sharing that makes NATO more sustainable for the U.S., never as steps toward an EU alternative to NATO or an excuse to withdraw the U.S. forces. The message could be “Russia will need to be deterred anyway. The German brigade allows the U.S. to keep only a battalion in Lithuania, not an American brigade” (see recommendation No. 2).
 - In Brussels and Berlin, Lithuania should become the voice that consistently links European defense debates to preserving a strong U.S. role, rather than freeing Europe from the U.S.

- There are always many skeptical voices regarding the feasibility of NATO Article 5 commitments on the U.S. side. The Lithuanian representative should not contribute to this chorus (at least in public statements) but rather consistently demonstrate trust in Article 5.
- 6. Present Lithuania as a European ally that makes the Indo-Pacific pivot easier.** As strategy is shifting to the Indo-Pacific, Lithuania's message should be "We help you pivot; we don't pull you back."
- Lithuania should highlight its status as a "China-free" country in Europe (possibly even the only one) in all discussions about China or the Indo-Pacific. Repeat the success story about David vs. Goliath: Lithuania withstanding China's pressure and not giving up on political sovereignty. Keep clear, principled positions on China (such as TikTok, 5G, critical infrastructure, and coercion against Lithuania/Taiwan) and communicate them in Washington as contributions to the wider China strategy.
 - Frame Baltic and regional capability build-up as freeing scarce U.S. high-end assets for China deterrence, not as competition with U.S. priorities.
 - Offer symbolic but visible support to Indo-Pacific initiatives, with liaison officers in relevant commands, participation in sanctions enforcement or export-control coalitions, and occasional presence in Indo-Pacific exercises via NATO/EU formats.
- 7. On the matter of China, Lithuanian representatives should be ready to tailor a specific communication for different factions in Washington:** China hawks, economic nationalists, and restrainers. Lithuania should speak each of their languages.
- To China hawks: emphasize Lithuania's early stance on China, role in exposing Chinese coercion, and how a strong Baltic front limits a Russia–China axis in Europe.
 - To economic nationalists: underscore the "China free" label, stress friend-shoring opportunities, a predictable investment climate, and how Lithuanian defense and tech deals create jobs in specific U.S. states and districts.
 - To restrainers/realists: underline that a well-defended Lithuania reduces the likelihood that U.S. troops ever have to fight in Europe again; deterrence here is a low-cost way to avoid a much bigger war.
- 8. Build a second bilateral pillar: tech, AI, and defense innovation cooperation.** Tech/AI is now the strategic arena, and Lithuania can link its security relevance with tech relevance.
- Position Lithuania as a "fast-moving testbed" for dual-use AI, drones, EW, and cyber, offering real-life environments (that is, border security, energy infrastructure, and e-government) where U.S. firms and DoD can trial solutions with fewer regulatory frictions than in larger EU states. Inclusion of Lithuanian volunteers, Ukrainian experts, and experienced veterans in the tests could add value.
 - Design a Lithuanian "friend-shoring package" specifically for U.S. cloud/AI/semiconductor-adjacent companies: streamlined permits, non-discriminatory regulation, security-vetted data-centers, alignment with U.S. export controls. The China-free label should be **underlined and in bold** while formulating these initiatives or business networking.
 - An idea of establishing a joint U.S.–Lithuanian center of excellence on military AI, drones, and hybrid defense under the NATO umbrella (but with clear branding of U.S.–Lithuanian leadership) could be discussed with U.S. military industry companies and U.S. DoD representatives.
- 9. Invest heavily in U.S.–Lithuanian professional, expert networks, education, and joint think-tank cooperations.** Personal relationships and shared mental maps keep small allies visible. In D.C., it is hard to compete for American attention with all the other nations of the world. Personal ties are often the only way to get things done.
- Expand Lithuanian officer and civil-service attendance in U.S. professional military education (war colleges and staff colleges) and policy fellowships at Hudson Institute, the Center for Strategic and International Studies, Atlantic Council, etc., with a clear stress to build networks, not only formal reports or some research. The Ministry of National Defence could establish a specific professional internship or research fund for young and already established civil servants, academics, and business professionals, intended to promote personal networking in the U.S.
 - Offer internships in Lithuanian institutions, research centers, or institutes for American citizens, which should also bring valuable results in a long-term perspective.

- Regularly coorganize high-level scenario exercises and war-games in Washington and Vilnius on Baltic defense under reduced U.S. presence, Russian escalation ladders, combined Russia–China crises, and grey-zone campaigns.
 - Transform Lithuanian expertise on economic coercion into a D.C. thought leadership asset. Lithuania’s firsthand experience with Chinese coercion and Russian energy blackmail should become a distinctive and easily recognizable hallmark. Lithuanian economists, lawyers, and security experts should become go-to voices in Washington think tanks and hearings on sanctions, secondary sanctions, economic coercion, and derisking. “Lithuania is the only European country that successfully withstood Chinese sanctions”—such messages should be repeated in every discussion on China’s sanctions or derisking topics. Also, the Lithuanian case should reinforce a narrative appealing to moderates in D.C.: keeping Lithuania and Europe tightly aligned requires predictable, non-abusive use of U.S. economic power, and this is in America’s long-term interest too.
 - In addition to already established positions at the Lithuanian Embassy in D.C., support a permanent Lithuanian cyber security and technology liaison role in D.C. (that is, a representative from the National Cyber Security Centre) that routinely communicates not only with the State Department and DoD, but also with NSC staff, congressional personnel, and major technology security teams.
- 10. Position Lithuania as a model of “derisked transatlantic interdependence” and emphasize an additional benefit to transatlantic trade agreements: “derisking supply chains.”** Lithuania should align with the broader European “derisking” approach while ensuring the U.S. remains a central, trusted partner in the new economic partnership model. Merely increasing the purchase of U.S. kit and LNG will not guarantee U.S. political attention for long. Our economic ties with America should be mutually beneficial, not reliant in a one-sided manner.
- Prioritize U.S.–Lithuanian projects that emphasize redundancy and diversification: for example, LNG contracts structured alongside Nordic and Baltic gas interconnections (not just a simple buying of U.S. goods to gain U.S. attention).
- “These deals strengthen a transatlantic front that future sanctions, export controls, or political swings cannot easily break.”
- Negotiate “economic continuity in crisis” clauses with key U.S. partners. There is some risk that U.S. defense industry support to Europe could be disrupted if America is drawn into a separate conflict or if political tensions escalate. In major contracts with U.S. defense and energy firms, Lithuania should seek explicit provisions for supply continuity during European crises, including priority access to spares and munitions, guarantees of minimum deliveries, and pre-agreed crisis management mechanisms.
 - Where possible, we should link Lithuanian and regional orders together (for example, joint Polish–Baltic munitions pools) so that U.S. suppliers see these as strategic portfolio contracts worth protecting even under stress or crisis. A separate diplomatic-military cooperation program could be established to promote such regional pools of U.S.-origin acquisitions.
- 11. Quietly prepare for partial U.S. retrenchment while still politely and reasonably arguing against it in Washington.** Lithuania must accept that the U.S. engagement is not eternal and listen to those arguments. The worst option would be to moralize the Americans or engage in “blaming and shaming” exercise (a particular favorite activity of one Lithuanian parliamentarian). However, the goal should be clear: Lithuania’s preparation for partial U.S. retrenchment should strengthen, not weaken, the case for staying.
- Deepen a Nordic–Baltic–Polish alliance and coordination in planning, procurement, and operational integration, and make that visible in Washington as Europe taking real responsibility.
 - Expand total defense at home (reserves, civilian resilience, and infrastructure hardening) and present it to U.S. audiences as “We will hold out until you arrive,” not “We plan to fight alone.”
 - In every U.S. capital-level conversation, spell out the strategic cost of retrenchment: emboldening Russia, weakening deterrence in Asia by undermining Article 5 credibility, and signaling to Taiwan and others that U.S. guarantees are negotiable. Use Lithuania’s first-hand experience with Russian and Chinese coercion as a unique analytic added value in these debates.

Tier B

The alternative set of recommendations involves an entirely new Lithuanian military strategy, more expensive preparations at home, and a radical shift toward a pro-European defense policy.

1. Lock Lithuania into a hard core of European defense, including Germany, the Nordics, Poland, and the U.K. If the U.S. steps back and announces a radical abandonment of European security, Lithuania's survival depends on a dense web of European security ties that can act fast without Washington. That means moving from "We are a good ally" to "We are in the inner ring of European defense decision-making."

- **Increase the stakes and turn the German brigade into a permanent, division-level anchor**, with explicit plans for reinforcement from Germany, the Netherlands, and possibly Polish or Nordic units. Prepare to formalize this politically through a bilateral Defense and Security Treaty (or multiple partner treaties) that goes beyond NATO language.
- **Institutionalize a Nordic–Baltic–Polish security compact (NBP+)**, with regular joint planning, integrated air and missile defense, and shared logistics corridors. The aim should be to form a de facto regional "shield" that can move even if NATO consensus is slow or U.S. interest is weak.
- **Deepen ties with the U.K. and France** as nuclear and expeditionary powers. Invite more frequent rotations, joint exercises, and pre-positioned equipment; explore U.K./French "assurance statements" for Baltic security in case NATO decision-making stalls. Engage in discussions on EU-nuclear sharing options.

2. Recast Lithuania's defense model into a true "porcupine state." Assuming slower, more limited external help, Lithuania must be able to absorb the first shock and fight for longer, largely with European support.

- **Adopt the universal conscription and radically expand reserve and territorial defense forces**, aiming for meaningful mobilization within days, not weeks. This includes simplifying mobilization law, expanding training capacity, and making service culturally and materially attractive.
- **Massive investment in cheap, numerous, autonomous capabilities**, such as drones (recon and strike), loitering munitions, anti-tank and anti-air systems, mines, EW, and cyber. The

strategic goal should be clear: an attack on Lithuania would be militarily prohibitive even without immediate U.S. high-end assets.

- **Harden and decentralize command, control, and logistics** so that Lithuanian forces can continue to fight and coordinate with Europeans even under heavy strikes and cyber disruption, without relying on U.S. ISR and satellite support as the default.
- 3. Become a front-line hub of the European defense-industrial base.** Without the U.S. as the main partner, survival hinges on European production capacity, and on Lithuania not being just a consumer but a producer and/or enabler.
- **Cofinance and host production or final-assembly lines** for ammunition, drones, armored vehicles, and air defense components from European companies (German, Polish, Nordic, and French). This makes Lithuania not just a defender but economically critical to Europe's rearmament.
 - Push for Lithuania to be a priority location in EU defense initiatives (EDIRPA, EDP, and ASAP-style schemes), arguing that production close to the front is strategically rational and improves surge capacity.
 - Tie industrial cooperation directly to long-term procurement commitments from Lithuania and regional partners, so factories have a clear demand signal and European capitals see Lithuania as a key node rather than a peripheral client.
- 4. Rewire the National Security Strategy, laws, and public narratives for a Europe-first security order.** If the U.S. partially or completely exits, Lithuania needs a mental and legal reset: the strategic "center of gravity" shifts decisively to Europe, namely to Poland and Germany.
- **Update core strategy documents** (the National Security Strategy and Military Strategy) with a Europe-first force planning baseline: assume European—not U.S.—air cover, logistics, and reinforcement as the main pillars. U.S. help becomes a bonus, not the foundation.
 - **Lock in high defense spending (6%+) by law**, not just a decision by the State Defense Council, explicitly linked to the reduced U.S. role. The public narrative should also be clear: "We must pay more because we can no longer outsource deterrence to Washington," "Everyone has to contribute if we want to keep our homes and well-being," or "We have built this country to defend it, not to abandon it."

- **Frame the German, Nordic, Polish, and U.K. presence and bilateral security treaties as the new political guarantee**, and prepare society for a world where “NATO” is de facto a European-dominated alliance with a more distant U.S., rather than the old American-led NATO.
- 5. Build maximum resilience at home to make European support politically sustainable.** European allies will only commit heavily if they believe Lithuania/the Baltics can hold, cope, and host under severe stress, without U.S. backstopping everything.
- **Complete the shift toward energy and infrastructure resilience.** Reassess additional needs to establish backups for electricity generation, significantly increase governmental support for autonomous local renewable generation and storage capacities, and reinforce decentralized energy, telecoms, data, and transport nodes. Europe must regard Lithuania as a secure forward operating area, not a vulnerability.
 - **Scale up civil defense** (shelters, stockpiles, crisis communications, and evacuation plans) and integrate it with regional partners. Recruit professionals from Finland to reorganize, plan, and even build, if needed, the shelter system in Lithuania. The construction industry can become a core driver of the national economy. The message to Berlin, Stockholm, Warsaw, and London should be “Our society can absorb shocks; your troops and matériel here are protected by serious resilience, not wishful thinking.”
 - **Develop legal/operational frameworks for rapid European deployments**, with streamlined cross-border movement, pre-cleared rules for foreign forces using Lithuanian infrastructure, and simplified decision-making in emergencies. That removes friction and makes Lithuania the easiest place for Europeans to show up quickly if the U.S. does not.
 - **Consider controversial and risky decisions**, for example, inviting Ukrainian ex-soldiers to form a foreign legion (evaluate the risks of integration into national military structures and operational differences).

Conclusions

Lithuania's strategic environment is being reshaped by a profound geopolitical shift in the role of the United States, both globally and in ensuring European security. During President Trump's second administration, Washington is not simply adjusting policy at the margins; it is reshuffling its hierarchy of strategic interests. The U.S. National Security Strategy 2025 places clear emphasis on the Western Hemisphere and the Indo-Pacific while treating European security commitments as increasingly conditional and subject to strict cost-benefit calculations. For Lithuania, which relies on a post-accession security strategy rooted in strong and consistent U.S. leadership within NATO, this marks not just a temporary policy change but a significant strategic shift.

The NSS 2025 should be treated as the initial step in a broader strategic posture change, pointing toward a reduced U.S. role in European security and in deterring Russia. It is unlikely to be a standalone document. Forthcoming revisions of the U.S. National Defense Strategy and National Military Strategy are expected to extend these political priorities into concrete guidance on force planning, military posture, and operational concepts, including decisions about the scale and location of the U.S. forces in Europe. Taken together, these documents should establish a trajectory in which European allies assume primary responsibility for conventional deterrence against Russia by the late 2020s, while the United States concentrates more narrowly on nuclear deterrence, advanced capabilities, and crisis management in support of its global posture.

At the same time, this study highlights that this critical shift is unlikely to unfold abruptly or chaotically. U.S. strategy is implemented through a structured planning, programming, and budgeting process. Changes articulated in strategic documents must be reflected in service-level plans, posture reviews, and, critically, in congressional appropriations. Even where there is strong political momentum for retrenchment, major reallocations of resources and force deployments typically require two to three years to move from strategic guidance to concrete outcomes. This lag does not eliminate risk; rather, it creates a valuable window in which Lithuania and other NATO frontline states retain the ability to influence decisions, secure favorable arrangements, and prepare credible alternatives.

This study was designed to examine how Lithuania can make use of that window. It began with a set of fundamental questions: how the Lithuanian and U.S. relationship is being reshaped by Washington's strategic changes under Trump's second term; through which channels and arguments Lithuania can most effectively sustain U.S. attention and commitment; and what political, military, and economic adjustments are required should the United States substantially reduce its role in European security.

Methodologically, the study rested on three complementary pillars. First, a series of in-depth consultations with U.S. experts and practitioners addressed four critical areas: national security and defense; technology and innovation; the U.S.-Lithuania-Taiwan-China nexus; and economic relations, including tariffs, investment screening, and derisking from China. Second, the Range Workshop in Vilnius brought together Lithuanian and international experts to identify key drivers of U.S. behavior and to develop qualitative scenarios-conditional deterrence, managed disengagement, and strategic ambiguity that frame plausible futures for U.S. engagement on NATO's eastern flank. Third, a dedicated crisis simulation conducted using Anadyr Horizon's North Star AI platform modeled a "Šalčininkai crisis" involving a hybrid incursion from Belarus into Lithuania, followed by a 30-day NATO and Russia confrontation. Hundreds of simulation runs tested the extent to which the U.S. would, in practice, commit to Lithuania's defense under current political conditions.

Findings from these three parts were consolidated into two tiers of policy recommendations. Tier A assumes a scenario in which the U.S. does not abruptly withdraw from Europe but gradually reduces its investments while raising expectations of allied burden-sharing. It outlines measures through which Lithuania can maximize U.S. support: exceeding NATO defense-spending benchmarks; linking defense investments to U.S.-relevant capabilities; securing a durable U.S. military presence; strengthening engagement with Congress and U.S. industry; and positioning Lithuania as a technology-friendly, China-free partner that supports the U.S. strategic focus on the Indo-Pacific. Tier B addresses a lower-probability but higher-impact scenario in which the United States rapidly reduces its military and political presence in

Europe following a deal with Russia, a major crisis in the Indo-Pacific, or a combination of both. In this case, the study proposes a more radical shift toward a Europe-first security framework, including deeper integration with Germany, Poland, the Nordic states, and the United Kingdom. This could lead to a transformation toward a more resilient state capable of prolonged resistance and to Lithuania's development as a forward-operational hub within Europe's defense industrial ecosystem.

One of the study's central conclusions is that, in both scenarios, the U.S. Congress remains a vital player capable of affecting, postponing, or partially reversing executive decisions that might reduce U.S. involvement in European security. Its control over authorizations and funding, along with its influence on specific initiatives such as the BSI, can delay or alter the enforcement of a more "unconventional" NSS and the eventual Defense Strategy. Recent discussions about the BSI, where Congress pushed to restore funding despite the administration's intent to end it, exemplify this influence.

For Lithuania, this means that systematic, patient, and well-targeted engagement with the U.S. Congress is not a peripheral activity but a strategic necessity. The study, therefore, recommends a substantial expansion of lobbying efforts in both chambers, with particular attention to the Armed Services and Appropriations Committees, alongside renewed human investment in JBANC and other diaspora-based advocacy networks. The message conveyed to Congress should extend beyond traditional appeals to alliance solidarity. Lithuanian diplomacy needs to demonstrate that a strong and resilient Euro-Atlantic security architecture directly serves U.S. economic and strategic interests. A Europe that remains vulnerable to Russian coercion would generate systemic risks for global markets, supply chains, and financial stability, ultimately undermining U.S. prosperity and global influence. European weakness is not merely a regional problem; it has global consequences for American power.

Another key conclusion is that Lithuania must move beyond denial or moralized frustration and adopt a posture of rational adaptation. The Trump administration's intention to reduce the U.S. role in European security is not a temporary anomaly but a structural shift driven by domestic political, economic, and strategic trends in the United States. Lithuania cannot reverse this trajectory through criticism or optimistic disbelief. Instead, it must adjust to a more transactional U.S. leadership while preparing for a future in which American security guarantees are narrower and more conditional.

This requires a careful balance in both policy and messaging. Lithuania should continue to argue forcefully for a sustained U.S. military presence, highlighting the political, operational, and financial advantages it offers Washington. Our investments in host-nation support and infrastructure should be framed as long-term commitments that reduce costs and friction for U.S. forces. At the same time, Lithuanian decision-makers must recognize that the ultimate measure of success is not the permanence of U.S. deployments but Lithuania's ability to use this period to strengthen deterrence, deepen European defense integration, and build national resilience.

Perhaps the most challenging conclusion concerns the limits of the America First approach to long-term contracts and defense procurement. In the short to medium term, there are compelling reasons to remain an exemplary ally: sustaining defense spending above 5% of GDP, prioritizing U.S.-made systems where operationally and politically justified, and aligning closely with U.S. positions on China and critical technologies. These choices strengthen the case for continued U.S. engagement by demonstrating that Lithuania is contributing credibly to shared security objectives.

However, the study cautions against treating this approach as unconditional or permanent. Deep reliance on U.S. systems, standards, and industrial partnerships carries risks if American strategic attention and industrial capacity increasingly shift toward the Indo-Pacific, or if U.S. restraints are directed at preventing any direct engagement with Russia at all costs. In such a scenario, procurement choices that depend heavily on U.S. suppliers could become a vulnerability rather than an asset. The objective is not to disengage from U.S. cooperation but to diversify, maintain interoperability with European partners, and preserve the ability to move toward a Europe-first defense-industrial model within a three- to five-year timeframe.

The study argues that Lithuania should begin developing a pragmatic contingency plan that could be implemented within approximately three years, in line with the expected maturation of U.S. strategic and budgetary shifts. This plan would gradually rebalance Lithuania's security posture from an America-first to a Europe-first orientation, while continuing to incorporate any remaining U.S. support. Key elements include strengthening bilateral defense ties with Germany, Poland, the Nordic states, and the United Kingdom; adapting legal and doctrinal frameworks to prioritize European air and missile defense solutions; and further reinforcing national resilience and total defense concepts.

All of these conclusions must be situated within a highly fluid strategic environment. The timing and terms of any ceasefire or settlement in Ukraine will have far-reaching implications for European security and U.S. global priorities. Lithuania, therefore, cannot anchor its planning to a single forecast of either Ukraine's trajectory or U.S. policy choices. Instead, it must prepare for a spectrum of plausible scenarios marked by uncertainty and volatility. This calls for flexible security planning, continued close engagement with the United States, accelerated integration into European defense structures, and sustained public support for the financial and political costs associated with greater self-reliance.

Lithuania is entering a period in which its long-standing security assumptions will be tested more severely than at any point since NATO accession. The United States is not withdrawing from Europe, but it is redefining its role in ways that may leave frontline allies more exposed. The NSS 2025, together with forthcoming defense and military strategies, points toward a future in which U.S. guarantees are narrower, more conditional, and increasingly linked to

demonstrable European capability and political will. While Congress may temper this trend, and Lithuanian diplomacy retains real agency in shaping narratives and legislative outcomes in Washington, broader structural forces—U.S. domestic polarization, strategic competition with China, and economic nationalism—will continue to favor a reduced American footprint in Europe.

Lithuania's optimal course is neither fatalism nor nostalgia. It should continue to act on the assumption that the United States remains a vital security partner by investing in defense, hosting U.S. forces, aligning with compatible U.S. priorities, and positioning itself as a reliable ally across both European and Indo-Pacific dimensions. At the same time, it must prepare seriously for a potential decline in U.S. engagement in Europe after 2027–2028. This entails building a dense network of European defense commitments, developing robust "porcupine" capabilities at home, and establishing Lithuania as a meaningful contributor to Europe's defense-industrial and resilience agendas.

Annex 1.

List of Discussions and Participating Experts

Session 1: Security and Defence

- Robert Hamilton, US Army Col (Ret). President, Delphi Global Research Center
- Paul McCarthy, Senior Research Fellow for European Affairs, Heritage Foundation
- John Deni, Research Professor, US Army War College, Strategic Studies Institute

Session 2: Technology and AI

- Joseph Coniglio, Information Technology and Innovation Foundation
- Ryan Fedasiuk, American Enterprise Institute

Session 3: Transatlantic Relations, China, and Taiwan

- Robert Hamilton, President, Delphi Global Research Center
- Jacques deLisle, University of Pennsylvania
- Brian Carlson, US Army War College
- Alexis Turek, AEI, China-Taiwan Weekly Update

The 4: Economy and Trade

- Max Hess, Delphi Global, Ementena Advisory
- Stan Veuger, Senior Fellow, The American Enterprise Institute
- Dalibor Rohac, Senior Fellow, The American Enterprise Institute

Annex 2.

List of Participating Institutions

Bertelsmann Foundation

Bertelsmann Stiftung

Cultivate Labs

Delfi

General Jonas Žemaitis Military Academy of Lithuania

Geopolitics and Security Studies Center

Lithuanian Confederation of Industrialists

Ministry of Foreign Affairs of the Republic of Lithuania

Ministry of National Defence of the Republic of Lithuania

Ministry of the Economy and Innovation of the Republic of Lithuania

Office of the Government of the Republic of Lithuania

Office of the Parliament of the Republic of Lithuania

State Security Department of the Republic of Lithuania

STRATA

Vilnius University

