

Lithuania's Sanctions Response to the Geopolitical Polycrisis: Reducing the Gap between Maximalist Aims and Limited Capacities

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Abstract. The article assesses how the Lithuanian authorities used sanctions as a response to the polycrisis engendered by the aggressive behaviour of Russia and its allies in 2020–2025. It investigates what ideas informed Lithuania's sanctions policy, how it was designed and implemented, and how the consequences of sanctions were managed as the polycrisis evolved. Sanctions as a crisis management tool are treated as part of the escalation/de-escalation of relations between conflicting parties, which can itself lead to the use of other instruments of weaponising interdependencies, or might trigger domestic political crises. It is argued that the perception of threats originating from the aggressive behaviour of Russia through the weaponisation of different channels of interdependencies with EU countries led Lithuanian decision-makers to prioritise the proactive use of sanctions as one of the main instruments of response to the geopolitical crisis, by both trying to upload them to the

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EU's agenda and adopting nationally. It has led to strengthening the institutional capacities of sanctions policy-making and learning during the policy implementation process. However, it has also exposed the divergent positions of the hard stance of Lithuania and its more cautious Western partners, as well as the susceptibility of crisis management to domestic politics.

Keywords: polycrisis, geopolitics, geoeconomics, economic sanctions, escalation, Lithuania, the EU.

Lietuvos sankcijų politika kaip geopolitinės daugialypės krizės valdymo priemonė: mažinant atotrūkį tarp maksimalistinių tikslų ir ribotų gebėjimų

Santrauka. Straipsnyje vertinama, kaip Lietuvos institucijos naudojo sankcijas reaguodamos į Rusijos ir jos sąjungininkių sukeltą daugialypę krizę 2020–2025 metais. Jame tiriama, kokios idėjos lėmė Lietuvos sankcijų politiką, kaip jos buvo rengiamos ir įgyvendinamos, kaip buvo valdomos sankcijų pasekmės vykstant krizės eskalacijai. Sankcijos, kaip krizių valdymo priemonė, traktuojamos kaip konfliktuojančių šalių santykių eskalavimo ir (arba) deeskalavimo dalis, o tai gali lemti kitų tarpusavio priklausomybės kanalų instrumentalizavimą arba sukelti vidaus politikos krizes. Teigiama, kad grėsmių suvokimas, kylantis iš agresyvaus Rusijos elgesio instrumentalizuojant skirtingus tarpusavio priklausomybės su ES šalimis kanalus, paskatino Lietuvos sprendimų priėmėjus prioritetą teikti aktyviam sankcijų, kaip vienos iš pagrindinių reagavimo į geopolitinę krizę priemonių, naudojimui tiek bandant jas perkelti į ES darbotvarkę, tiek taikyti nacionaliniu mastu. Tai padėjo sustiprinti institucinius sankcijų politikos formavimo gebėjimus ir mokytis iš patirties sankcijų įgyvendinimo metu. Tačiau tai taip pat atskleidė skirtumus tarp griežtos Lietuvos sankcijų politikos ir atsargesnių Vakarų partnerių pozicijų bei krizių valdymo poveikį vidaus politikai.

Reikšminiai žodžiai: daugialypė krizė, geopolitika, geoeconomika, ekonominės sankcijos, eskalacija, Lietuva, ES.

Introduction

Talking to the media on the margins of the EU Foreign Affairs Council meeting devoted to Russia's war against Ukraine, Lithuania's Minister of Foreign Affairs Gabrielius Landsbergis called the war 'the mother of all conflicts of the 21st century'. According to him, "if we are able to solve this, if we are able to secure Ukraine's territorial integrity and independence, I think the world can expect to go back to normal, to stability", but, until then, we must "adapt to the multi-crisis world".¹ A

¹ BNS, "Landsbergis Calls War in Ukraine Lithuania's Priority amid EU Gaza Ceasefire Talks," *Baltic News Service*, Vilnius, 23 October 2023.

month later, Landsbergis reaffirmed his diagnosis, by announcing that “we have entered a period of polycrisis”.²

Landsbergis' statements reflect the dominant view in his country, namely, that Russia is the primary source of overlapping crises which Lithuania and the EU have confronted in recent years. Specifically, both Europe's energy (cost of living) crisis and the migrant crisis in the EU's northeast are seen as the result of Russia's aggressive behaviour coordinated with other authoritarian countries, especially Belarus. Some of the country's elites have been inclined to frame Russia's aggression as representing a broader global conflict between Western democracies and revisionist autocracies, including China and Iran.³

To limit Europe's ability to manage this conflict, Russia has also made extensive use of various means of subversion, including cyberattacks, disinformation, and suspected acts of sabotage against critical infrastructure.⁴ A major tool for Russia has been the weaponisation of economic and energy interdependence to deter Western democracies from responding to the violation of existing international norms and raising the cost of sanctioning Russia and supporting Ukraine. Over the past decade, China, too, has been noted for its use of economic coercion against other states, further contributing both to the concerns about weaponised interdependence and about the emerging alliance of authoritarian powers.

At the same time, weaponising economic interdependence has also been a key pillar of the West and Lithuania's response to Russia's aggressive behaviour and the resulting ‘polycrisis’. Since Russia's annexation of Crimea, and especially since February 2022, the West has rolled out an expansive sanctions regime on Russia and

² ELTA, “The Clock is Ticking for Lithuania to Reconsider its Security Concept, Says Landsbergis,” *The Lithuania Tribune*, 24 November 2023, <https://lithuaniatribune.com/the-clock-is-ticking-for-lithuania-to-reconsider-its-security-concept-says-landsbergis/> Accessed 10 December 2024.

³ Interview with Politician 5, 8 February 2025, Vilnius, Lithuania.

⁴ State Security Department of the Republic of Lithuania, “National Threat Assessment 2025,” Vilnius, 2025. Online access: <https://www.vsd.lt/wp-content/uploads/2025/03/2025-ENG.pdf>

its allies, used to inflict pain on their regimes, raise the cost of their aggressive behaviour, and help manage the (de-)escalation dynamics of the conflict.

This article, therefore, assesses how the Lithuanian authorities used sanctions as a response to the polycrisis engendered by the behaviour of Russia and its allies in 2020–2025, as well as how the sanctions policy interacted with the responses to other crises that formed the polycrisis. In doing so, we follow the analytical framework presented in the introductory article to this special issue, which builds on the literature about polycrises, crisis policy responses and crisis management, to propose that Lithuania's policy response (dependent variable) can be understood by examining such intervening variables as the dominant paradigms of response, existing modes of crisis coordination, and governance capacity that collectively influence the strategic and operational policy choices, which feed into crisis management processes through learning and adjusting relevant policy norms and institutional structures.

We further theorise that the specific dynamics of the polycrisis can have a distinct impact on the individual crisis response and explore it in a dedicated section of the article. Throughout, we investigate what ideas informed Lithuania's sanctions policy, how they were designed and implemented, and how the consequences of sanctions have been managed as the polycrisis evolved. In our approach to sanctions as a crisis management tool, we treat them as part of the (de-)escalation dynamic in the relations between conflicting parties, which can itself lead to the use of other instruments of weaponising interdependencies or whose use might trigger domestic political crises.

We argue that Lithuania's perception of the threat posed by Russia led Lithuanian decision makers to relatively quickly prioritise the proactive use of sanctions as a key instrument of response to the geopolitical crises they encountered. The effort to conduct active sanctions policy and upload its preferences to the EU agenda has led to a strengthening of the institutional capacities of sanctions policy making, aided by continuous learning during the policy implementation

process. However, using sanctions as a crisis response also exposed divergent positions of the hard stance of Lithuania and its more cautious Western partners, leading Lithuania to sometimes seek national or regional measures, as well as the susceptibility of crisis-management to domestic politics.

The analysis of the weaponisation of economic relations as a crisis management instrument can provide interesting and novel insights in this respect. In recent years there has been a notable increase of academic interest in the 'weaponisation of everything' and the rise of the economic security state.⁵ Most of these studies explore different ways and channels for instrumentalising interdependence for (geo)political purposes and ways to hedge against them. However, there is still little research on how states deal with such crises in an environment characterised by high uncertainty and global conflict, in particular, how their public administrations and political elites cope with the challenge of managing several crises simultaneously, and how they use alliances and regional organisations to manage trans-boundary crises through escalation and de-escalation dynamics. For the reasons set out below, the study of dealing with the application of multiple sanctions regimes responding to several overlapping geopolitical crises can provide theoretically novel and policy-relevant insights.

First, the application of economic sanctions in the 2020s has significantly proliferated. In 2022–2025, the EU responded to Russia's aggression with 18 rounds of sanctions, an unprecedented action against a major economy. Before, in 2020, the EU had introduced sanctions in response to rigged presidential elections in Belarus. In the following years, these sanctions were expanded due to Minsk's repression of civil society at home, the weaponisation of illegal mi-

⁵ See Dale C. Copeland, *Economic Interdependence and War* (Princeton: Princeton University Press, 2015); Mark Galeotti, *The Weaponisation of Everything* (New Haven: Yale University Press, 2022); Mark Leonard, *The Age of Unpeace. How Connectivity Causes Conflict* (London: Bantam Press, 2022); Henry Farrell and Abraham Newman, "The New Economic Security State. How De-risking Will Remake Geopolitics," *Foreign Affairs* 102, no. 6, November/December 2023, 106–122.

gration by Minsk against Lithuania, Poland and Latvia, and the support for Russia's war against Ukraine. In addition to the presence of the above-mentioned sanctions, in 2021 Lithuanian exporters became the targets of undeclared economic sanctions applied by China. In short, during the period 2020–2025, Lithuanian authorities had to manage multiple sanctions regimes on two of its authoritarian neighbours, and deal with sanctions introduced by China.

Second, Lithuania's case is interesting because of its geopolitical situation. In addition to bordering Belarus and the Kaliningrad region, it is a transit country for Russian citizens and goods travelling to or from Kaliningrad to the mainland Russia. This has created additional challenges in drafting and applying national and EU sanctions policy, both in terms of international coordination and dealing with economic and political effects domestically.

Third, Lithuania's experience offers a case study of how a small state with an open economy can seek to shape patterns of economic exchange as part of a larger collective, in this case the EU. Lithuania's sanctions policy in recent years is part of a long-term effort by the country to minimise the risks associated with dependence on Russia, and, more recently, other authoritarian powers. Indeed, this consideration was a key driver of Lithuania's energy security policies aimed at diversifying sources of supply away from Russia, as well as an important background factor in the country's efforts to join NATO and the EU. At times, Lithuania's tendency to securitise economic ties with Russia was at odds with the policies of its partners, notably with respect to Germany's energy relationship with Russia and the Nord Stream 2 project. The risk that Lithuania's hard stance towards Russia may not align with the preferences of its larger allies, as is illustrated by the controversy that arose in the summer of 2022 regarding the sanctions applied to Kaliningrad transit, creates uncertainty and presents risks for a small state in a geopolitically challenging neighbourhood. These uncertainties, coupled with the need for the effective coordination of crisis management at the national level, put severe demands on domestic institutions.

In summary, this article aims to fill a research gap on the spillover effects of overlapping transboundary crises on the management of crises by a small open economy situated in a geopolitically challenging environment. It focuses on the spillover effects of escalating crises by analysing the (mis)match between political aims and the administrative capacities to implement them, as well as the interplay between pursuing an ambitious sanctions policy towards perceived aggressors and responding to retaliatory measures and their negative effects. In this way, it contributes to the literature on crisis management, the behaviour of small states in the EU, the use of economic sanctions, and the management of interdependencies in the environment of a polycrisis.

The article employs qualitative analysis based on a common analytical framework that helps formulate specific expectations regarding causal relationships between independent variables (the characteristics of polycrisis and dominant paradigms of policy response), intervening variables (crisis coordination and governance capacity) and dependent variables (strategic and operational policy responses), as well as their feedback dynamics. The empirical analysis was informed by primary sources, such as official documents and semi-structured interviews with key actors, mostly top-level policy makers and senior officials in the government of Lithuania (2020–2024), who participated directly in the crisis management process, as well as secondary sources, such as the Baltic News Service and other news archives, relevant scholarly work, and other material.

1. The crisis and its dominant paradigms of response

The main external shocks and trends that produced Lithuania's polycrisis of the 2020s, the COVID-19 pandemic, Russia's full-scale invasion of Ukraine, and the broader geopolitical confrontation between the West and authoritarian powers, also caused deep shifts in the global economy. In particular, the years since 2020 have seen a rapid increase in the use of economic means for geopolitical and

national security goals. Three major events in Lithuania's polycrisis (the sanctions response to Belarus' rigged elections in 2020 and Minsk's hybrid attacks on Lithuania in the summer of 2021, China's economic coercion targeting Lithuania in 2021, and the expansive economic sanctions regime on Russia and its allies since 2022) are specific instances of the underlying trend in the weaponisation of economic relations. The following case study discusses these events, and, insofar as they exemplify a broader strategic challenge, Lithuania's decision-making in the world of weaponised interdependence.

Specific features of the crisis

In the context of Lithuania's polycrisis, the case of economic sanctions and coercion is unique in that Lithuania was both a target and an agent of economic warfare. While Lithuania was targeted by Chinese economic coercion following its decision to strengthen ties with Taiwan, it imposed sanctions on Russia and Belarus. Still, irrespective of the direction, weaponising economic relations poses severe risks to the economy, as businesses, consumers and entire sectors are exposed to both the direct costs of sanctions and threats of retaliation. At the same time, the complexity it engenders creates a risk of overloading the state's capacity and strained crisis management resources, including political attention, funding, and expertise.

Second, the instances of economic warfare were both direct challenges that Lithuania needed to manage and parts of larger geopolitical crisis events. When applying economic warfare as a response to geopolitical crisis events, two aspects are important. The first involves determining the balance between the likely cost of sanctions to the sanctioning country compared to their effects on the target country. Typically, the sanctioning country has more control over the possible costs of the sanctions or potential retaliation, as it can foresee the potential effects and implement preventive and accommodating policies. Second, insofar as the sanctions seek to change the behaviour of the target, the cost of imposing sanctions (or retaliatory

measures) is weighed against the threat associated with the further continuation or escalation of this behaviour in the future. In the case of Russia, this is the direct, urgent and politically highly salient threat Moscow poses to Lithuania's security: the failure of sanctions to stop Russia's full-scale war implies not only the occupation of Ukraine but an increase in the probability of similar future military aggression by Russia against EU countries in its neighbourhood. *Considering these factors, we can expect that Lithuania's response to the crisis posed by Russia's aggression will be relatively fast, consensual, and more centralised.* By contrast, Lithuania was on the receiving end of Chinese coercion, and there was no widespread perception in Lithuania that China posed a direct and urgent threat to its national security. As such, both the complexity of managing the crisis and the decision on whether to (de-)escalate differ significantly from the case of sanctions on Belarus or Russia. *Considering these two factors together, we expect that the crisis response to China's economic coercion would be both more difficult to define, to forge domestic political consensus around it, and to implement.*

The third and related feature has to do with the allocation of competences inside the multilevel system of governance of the EU, and coordination with other allies such as the US and other non-EU G7 countries. The weaponisation of economic interdependencies cuts across different policy areas, including external trade policies, that are under the exclusive competence of the EU, and national security policies under the competence of member states. This is likely to complicate decision-making processes, especially when decisions on sanctions require unanimous agreement among all 27 member states. Individual sanctions can be adopted by individual member states, while economic sanctions affecting trade have to be agreed by all EU member states. Besides, the implementation of sanctions is largely the responsibility of member states. *Considering this institutional context, we expect that in cases where reaching a consensus on the EU level is lengthy or not achieved, Lithuania may initiate national sanctions which are legally possible or try to forge coalitions of willing EU countries.*

Dominant global and regional paradigms of policy response

Over the 20th century, sanctions have been entrenched and widely adopted as an ‘economic weapon’ to deter, replace, or complement inter-state conflict.⁶ Similarly, recent studies discuss the historical practice of the US and other economic powers to weaponise economic relations, as well as the control of important critical infrastructure, networks, or other ‘strategic chokepoints’, as part of their broader geopolitical strategy.⁷ Given the centrality of sanctions and weaponised interdependence to modern foreign policy, the scholarly literature offers several key observations about how global (and especially Western) powers use, or seek to protect against, economic coercion.

The first paradigm of response is preventive: to minimise vulnerabilities arising from interdependence. The prevailing scholarly view emphasises the diversification of external relations, but the literature also stresses the importance of state administrative capacities, the flexibility of the economy, and societal resilience as important factors.⁸ The calls for friend-shoring, which became popular after the disruptions of global supply chains caused by the Covid-19 pandemic and the growing use of economic statecraft in US-China relations, represent a new reframing of the same concept of diversification with a focus on allies (and geographically close markets). Debates on (open) strategic autonomy within the EU represent another version of hedging against vulnerabilities originating from interdependence. So, in the case of Lithuania, which actively aimed to diversify away its dependence on Russia to its allies in the last few decades, *we expect that reduced vulnerabilities should provide more room for an active sanctions policy.*

⁶ Nicholas Mulder, *The Economic Weapon. The Rise of Sanctions as a Tool of Modern War* (New Haven: Yale University Press, 2022).

⁷ Henry Farrell, Abraham Newman, *Underground Empire. How America Weaponised the World Economy* (Penguin Random House, 2023).

⁸ Leonard. *The Age of Unpeace*; Joseph Jr. Nye, *The Future of Power* (New York: Public Affairs, 2011).

Moreover, there are at least two approaches to reducing vulnerability from economic dependence in terms of the role of the state: one assumes that adjusting to and dealing with political risks should be left to market participants, while the other prioritises state-led measures aiming to direct business decisions by a mix of positive and negative incentives. As previous research on Lithuania's responses to external shocks has concluded, the focus of Lithuania's political authorities during earlier episodes of crisis management was on strategic diversification, while leaving businesses to deal with the immediate political risks of losing market access on their own.⁹ Therefore, *we expect that during the geopolitical polycrisis, foreign policy authorities may follow the practice of initiating and implementing sanctions, while leaving economic adjustment to private actors.*

The second paradigm of response relates more specifically to choices between unilateral and multilateral action. While sanctions scholarship finds that multilateral or collective sanctions regimes can enact greater pain on the target and make circumvention more difficult, the literature also shows that multilateral coalitions experience free rider problems and can be difficult to initiate.¹⁰ As such, multilateral sanctions may be more effective *if* they are imposed, but threats of sanctions are more credible when made unilaterally.¹¹ Recent contributions to the debate underscore the importance of economic convergence in the sender coalition (i.e. the closeness of interdependence among states imposing sanctions) and the presence of institutions that help bind the commitments to sanctions implementation.¹² For a small state like Lithuania, multilateral cooperation is a prerequisite for any mean-

⁹ See Vytautas Kuokštis, Ramūnas Vilpišauskas, "Economic Adaptability in the Absence of Democratic Corporatism: Explaining Lithuania's Export Performance," *Politologija* 108, no. 4 (2022): 116–157, DOI: <https://doi.org/10.15388/Polit.2022.108.4>.

¹⁰ Patrick M. Weber, Gerald Schneider, "How Many Hands to Make Sanctions Work? Comparing EU and US Sanctioning Efforts," *European Economic Review* 130 (November 2020): 103595, <https://doi.org/10.1016/j.euroecorev.2020.103595>.

¹¹ Navin A. Bapat, T. Clifton Morgan, "Multilateral Versus Unilateral Sanctions Reconsidered: A Test Using New Data," *International Studies Quarterly* 53, no. 4 (1 December 2009): 1075–1094, <https://doi.org/10.1111/j.1468-2478.2009.00569.x>.

¹² Weber and Schneider, "How Many Hands to Make Sanctions Work?"

ingful sanctions effect, both because the EU or G7 have a much more significant impact, and because national sanctions can be circumvented via other EU members. Therefore, *we expect that a country's authorities will focus on uploading their sanctions policy to the EU level by using national sanctions and unilateral action mostly as a bargaining tool vis-à-vis member states that are more cautious in their sanctions policy.*

2. Managing the crisis

Drawing on the discussion in the previous section, we should expect that Lithuania's use of sanctions to manage the polycrisis of 2020–2025 was shaped by its level of interdependence, on the one hand, with the EU/NATO, and on the other hand, with Russia, Belarus, and China, the constraints associated with coordinating a multilateral sanctions regime, and national governance capacities to implement sanctions and to mitigate the negative effects of weaponised interdependence. As the polycrisis and the sanctions response to it evolved, there were several key moments (critical junctures) where the interactions between these factors produced adaptive changes in Lithuania's crisis management and policy choices.

Before analysing the key moments in the polycrisis, two contextual factors deserve a brief discussion. First, as is mentioned above, Lithuania's long experience with Russia's weaponisation of economic (especially energy) relations resulted in a sustained effort to reduce dependence on Russia well before the polycrisis hit. The relative success of this effort – as Lithuania significantly cut imports of Russian gas after building an LNG terminal in 2014, and became the first EU member state to completely stop importing Russian energy in May 2022 – gave Vilnius more space for a maximalist position in sanctioning Russia as much as possible, and was used as an argument in trying to convince other EU member states that diversification works.

Second, despite this hard-line stance on constraining Russia, Lithuania's sanctions regime was relatively underdeveloped before the

polycrisis. It adopted the Law on International Sanctions at the time of its EU accession in 2004, which was intended to align national sanctions policy with EU norms. However, there was little expertise on the use of sanctions, and no dedicated administrative unit responsible for the sanctions policy in the Ministry of Foreign Affairs.¹³ The sanctions policy was based on very general principles that aggressive behaviour by authoritarian countries should be punished or deterred, while democratisation and cooperative behaviour should be encouraged and rewarded. It was in line with Lithuania's Eastern neighbourhood policy of supporting political and economic reforms in the EU's neighbouring countries, such as Ukraine, Georgia, Moldova, and Belarus, as well as trying to extend the area of peace, freedom and prosperity further to the east by integrating those countries into the EU and other Western organisations.

The Lithuanian authorities thus supported the introduction of EU sanctions against Russia in 2014. Although retaliatory measures adopted by Russia on food and agricultural imports from EU member states affected Lithuanian farmers and other exporters, they soon managed to reorient to other markets, or found ways to circumvent the barriers imposed by Russia.¹⁴ The government offered some compensation for businesses hit by Russia's retaliation, but there was little domestic debate about the effectiveness of economic sanctions. The focus of policymakers was on allocating more funding for defence and the diversification of economic dependencies. Later, especially after Russia starting a full-scale war in 2022, the policy makers adopted a position that it is the responsibility of businesses: if they risk engaging in business activities with entities in authoritarian countries, they should know that they might end up with financial losses.¹⁵

¹³ Interview with Civil Servant 2, 27 June 2024, Vilnius, Lithuania; interview with Politician 5, 8 February 2025, Vilnius, Lithuania.

¹⁴ On dealing with this and other exogenous shocks by Lithuanian economic actors, see Vytautas Kuokštis, Ramūnas Vilpišauskas, "Economic Adaptability in the Absence of Democratic Corporatism: explaining Lithuania's Export Performance," *Politologija* 2022, 108, no. 4 (2022): 116–157, DOI: <https://doi.org/10.15388/Polit.2022.108.4>

¹⁵ Interview with Politician 5, 8 February 2025, Vilnius, Lithuania.

Also, following the example of the US, in late 2017 the Lithuanian Parliament adopted the so-called ‘Magnitsky Law’, which provided the legal basis to sanction officials suspected of violating human rights, and committing crimes associated with money laundering and corruption, by forbidding them entry into Lithuania. Gabrielius Landsbergis, the head of the (opposition) conservative party, appealed to other EU and NATO member states to adopt similar laws, following the example of the US, Canada, Estonia and Lithuania.¹⁶ The initial list of targeted Russian officials was expanded in 2018 to show solidarity with the UK after the poisoning of the double agent Sergei Skripal by suspects linked to Moscow. According to diplomats working on sanctions, before Brexit, the UK was usually the leader in initiating EU sanctions towards violators of international norms, and Lithuania’s sanctions policy in recent years was modelled on the British example.¹⁷ Lithuania’s sanctions policy was thus most influenced by its two strategic allies, the US and the UK, neither of which are members of the EU.

Critical juncture: fortifying sanctions against Belarus and managing multilateral and domestic politics

The sanctions policy received increasing political attention after the rigged presidential elections in Belarus in August 2020 and the subsequent repressions against protesters. In response, Lithuania both advocated for strict sanctions on Belarusian officials and entities and welcomed fleeing opposition activists and significant numbers of regular Belarusian migrants looking for employment opportunities.¹⁸ While Vilnius adopted national measures against officials in

¹⁶ LRT.lt, “Seimas priėmė Magnitskio įstatymą: į sąrašą siūlo įtraukti 44 asmenis,” 16 November 2017, https://www.lrt.lt/naujienos/lietuvoje/2/193629/seimas-prieme-magnitskio-istatyma-i-sarasa-siulo-itraukti-44-asmenis?srsId=AfmBOoqNU49iP4qbcpxBX4KR4Gp3DH9Q-W7pO8hC5VkJAYU0_PtonY17f, accessed 25 July 2025.

¹⁷ Interview with Civil Servant 5, 30 August 2024, Vilnius, Lithuania.

¹⁸ See Evija Džatkoviča et al., *Baltic and Nordic Responses to the 2020 Post-Election Crisis in Belarus* (Riga: Latvian Institute of International Affairs) (March 2021), https://www.liia.lv/en/publications/baltic-and-nordic-responses-to-the-2020-post-election-crisis-in-belarus-914?get_file=1

Minsk, often in coordination with other Baltic capitals, the Lithuanian authorities consistently called for the introduction of EU-level sanctions. The threats by Alexander Lukashenko to impose retaliatory measures on the railway transit to Klaipėda Seaport and other economic exchanges triggered a public debate in Lithuania on the potential costs of such measures, but did not affect Lithuania's support for stricter sanctions.¹⁹ The programme of the conservative-liberal coalition government formed in late 2020 underlined the need for targeted and sectoral sanctions on both Russia and Belarus.²⁰

In 2021, several actions by Minsk contributed to the expansion of the national and international sanctions applied to individuals and entities in Belarus.²¹ First, new sanctions were implemented after the forced landing of the Ryanair Athens-Vilnius flight (FR4978) in Minsk on 23 May 2021 to detain an opposition blogger and his girlfriend. In May 2021, a dedicated Sanctions Group staffed by three diplomats was established at the Lithuanian MFA, an increase from one person working in the Eastern Neighbourhood Department. Second, rather than retaliating with its own sanctions, Minsk instrumentalised illegal migration: in June and July 2021, the Lithuanian authorities had to deal with a sudden spike in attempts to cross the national border from Belarus. This was an important new step in the direction of escalation taken by Belarus (in coordination with Moscow), which could be seen as an attempt to force Lithuania to soften its stance on sanctioning Belarus and persuade the EU to relax its sanctions.

In response to this 'hybrid attack' of weaponised migration organised by Minsk, the government declared a national state of emergen-

¹⁹ LRT, BNS, "Belarus Threatens Sanctions on Lithuania to "Show them their Place"," BNS, 28 August 2020,

<https://www.lrt.lt/en/news-in-english/19/1221403/belarus-threatens-sanctions-on-lithuania-to-show-them-their-place?srsId=AfmBOopLa724QgutEYwV0f5QOi4cNZHT5iMRyb21nUQ8cMoQMgnWvN8n>, accessed 25 July 2025.

²⁰ Lietuvos Respublikos Seimas, „Nutarimas dėl Aštuonioliktos Lietuvos Respublikos Vyriausybės programos," December 11, 2020. Nr. XIV-72, Vilnius, 104, <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/973c87403bc311eb8c97e01ffe050e1c>, accessed 25 July 2025.

²¹ Interview with Politician 4, 21 January 2025, Vilnius, Lithuania.

cy on 2 July 2021. In addition to asking for EU support to strengthen the border control, deporting illegal migrants back to their countries of origin, and constructing a physical barrier along the border with Belarus, Lithuania also intensified the use of sanctions as a crisis management response, and continued to push for stronger international sanctions on Minsk.

Shortly thereafter, the EU, in coordination with the US, Canada and the UK, adopted a fifth package of sanctions on Belarus. The sanctions adopted by the US were more numerous, and included sanctions against *Belaruskali*, a major fertiliser producer. The lack of alignment of sanctions policy between the US and the EU, and the implications for managing transit through Lithuania, soon developed into a domestic political crisis in Lithuania. The discovery that *Belaruskali* would continue fertiliser transit via Lithuania after the US sanctions came into force on 8 December 2021, since the company had transferred advance payments to the state-owned Lithuanian Railways, led to a bitter political debate about the Government's sanctions policy that tested the strength of the ruling coalition.

After criticisms of the inconsistencies between the rhetoric of strong support for sanctioning Minsk and the actual actions in allowing it to benefit from transit via Lithuania, Landsbergis, the Minister of Foreign Affairs, and Marius Skuodis, the Minister of Transport and Communications, submitted their resignation to the Prime Minister Ingrida Šimonytė. After several days of public blame games, it was announced that the head of Lithuanian Railways would resign, and that Ingrida Šimonytė would not accept the ministers' resignation, as it would be irresponsible to risk the uncertainty, "taking into account the worsening geopolitical situation, ongoing challenges related to the COVID-19 pandemic and migration".²² She also committed that, by the end of January 2022, the Government would propose a solution taking into consideration the national security interests and would minimise the financial risks related to the termination of the

²² BNS, Vyriausybės tęs darba, ministrai G. Landsbergis ir M. Skuodis lieka – premjerė (dar papildytas), *Baltic News Service*, 14 December 2021.

Belaruskali transit. In addition, Šimonytė promised to seek that the EU should expand the list of sectoral sanctions on Belarus and align them with the sanctions applied by the US. The transit of *Belaruskali* fertilisers terminated in February 2022.

While the crisis was triggered by the perceived misalignment of national and international sanctions, one senior Lithuanian government official closely involved in the process stressed that this was a political crisis of “purely domestic political origins”, possibly influenced by business interests that used to benefit from the transit of fertilisers through Klaipėda Seaport, and which had links with one of the ruling coalition parties, the Liberal Movement.²³ While it was a coalition partner, this party was a competitor of the libertarian Freedom Party, which had delegated Marius Skuodis to the position of the Minister. The continuation of transit was also publicly criticised by members of the conservative party and some influential public commentators as contradicting the value-based foreign policy pursued by the conservative-led coalition government.

Further, disagreements gradually emerged between the ruling coalition (in particular, the leading conservative party) and President Gitanas Nausėda on how to best manage the Belarus crisis. After the rigged elections in August 2020 and the subsequent repression of civil society, the government and the President were aligned on the need to step up sanctions on Belarus. However, while Nausėda expressed support for the initiative of the German Chancellor Angela Merkel to have a phone call with Lukashenko in an attempt to manage the crisis, members of the ruling coalition argued sharply that such talks with Lukashenko would only legitimise him and his oppressive regime. The supporters of a more hawkish position were vindicated by the further escalation of the geopolitical crisis, in particular, Minsk's weaponisation of migrant flows, and especially the support provided by Belarus to Russia's full-scale war against Ukraine in 2022.

²³ Interview with Politician 1, 17 July 2024, Vilnius, Lithuania.

As it became known publicly later, there were also inter-institutional debates regarding the need for sectoral sanctions with respect to Belarus, including sanctions on the transit of *Belaruskali* fertilisers, considered by the government. In early 2024, the deputy minister of foreign affairs Jonas Survila testified to a temporary parliamentary commission investigating the charges that President Nausėda or his office were under the influence of businesspeople profiting from the transit of Belarusian fertilisers, that the President's office was the only institution in Lithuania which had doubts about the necessity of sanctioning the transit of *Belaruskali* fertilisers.²⁴ The President's advisor for communications Frederikas Jansonas responded that the President simply asked to assess the potential effects of the sanctions on Lithuanian Railways and the seaport of Klaipėda, which were estimated at 100 million euros. He also maintained that the principle of responsible governance required to assess the potential costs of sanctions, "something that was not a characteristic function of or sought by the MFA at the time", while adding that "we saw the same pattern with the China case, when you take a step without knowing how much exactly it would cost you".²⁵ The China case, referred to by Jansonas, constitutes the second critical juncture in Lithuania's polycrisis.

Critical juncture: managing Chinese economic coercion and domestic politicisation

The domestic political crisis surrounding *Belaruskali* transit broke out just as another crisis of weaponised interdependence, that of China's undeclared sanctions and economic coercion on Lithuania, was reaching its peak. The proximate cause for China's actions was Lithuania's decision to allow the opening of a Taiwanese representative office in Vilnius in the summer of 2021. Shortly afterwards, China ceased

²⁴ BNS, F. Jansonas: prezidentūra siekė tik įvertinti galimą sankcijų baltarusiškomis transporto žala (papildytas), *Baltic News Service*, 6 February 2024.

²⁵ Ibid.

granting export licenses to Lithuanian exporters, removed Lithuania from its customs base, and applied multiple other forms of informal sanctions. Lithuanian-Chinese relations had already significantly deteriorated over 2020 and 2021, as the conservative government began to criticise Chinese human rights abuses and geopolitical stances more actively, and to pursue deeper relations with Taiwan. This twin turn in Lithuania's policy was presented by conservative party leaders as an expression of a values-based foreign policy, aligning more closely with the US, and the strategy of closer cooperation between democracies in opposition to aggressive authoritarian actors.²⁶ Thus, while, in this case, Lithuania was subject to, rather than a sender of, sanctions, the underlying conflict was another instance of escalation in the conflict between democratic and authoritarian actors.

The government's decision-making was criticised heavily by the Lithuanian President, the opposition, and several vocal business representatives. The opposition Social Democrats attacked the government's China policy in the mainstream and social media, and the President took the opportunity to criticise the government in his annual *State of the Nation Address*.²⁷ The domestic political crisis, a case of politicisation seldom seen in Lithuanian foreign policy, revolved chiefly around the government's perceived failure to assess the full potential impact of losing trade with China, and to foresee the risk of Chinese secondary sanctions, i.e. Beijing's pressure on foreign

²⁶ See, for example, Gabrielius Landsbergis, "Geopolitical Future and Lithuania's Foreign Policy. Speech by Gabrielius Landsbergis, the Minister of Foreign Affairs of Lithuania, at the Annual Meeting of Lithuanian Ambassadors on 29th of August," Ministry of Foreign Affairs, 29 August 2024, <https://www.urm.lt/storage/main/public/uploads/2024/02/speech-by-gabrielius-landsbergis-at-the-annual-meeting-of-lithuanian-ambassadors.pdf>. See also Ministry Foreign Affairs, "In the U.S. Congress, Lithuania's Foreign Minister Gabrielius Landsbergis Heard Strong Support for Lithuania's Values-Based Foreign Policy," MFA, 15 September 2021, <https://www.urm.lt/en/news/928/in-the-u.s.-congress-lithuanias-foreign-minister-gabrielius-landsbergis-heard-strong-support-for-lithuanias-values-based-foreign-policy:34748>, accessed 25 July 2025.

²⁷ See Gitanas Nausėda, President of the Republic of Lithuania, *State of the Nation Address* (2022), <https://www.lrp.lt/en/activities/state-of-the-nation-address/-2022/38598>, accessed 10 December 2024.

investors to terminate business with Lithuanian companies. A related charge of reckless behaviour revolved around the MFA agreeing to the name ‘Taiwanese’ rather than ‘Taipei’, as is customary in other EU states, as well as failing to coordinate with the EU. The intense focus on the economic consequences in this episode differed sharply from the case of sanctions on Belarus, and later Russia.

Faced with immense pressure, the government actively engaged in politicisation management both at the national level and internationally. At home, the government’s efforts ranged from active counter-messaging in the media²⁸ to setting up a hotline with businesses and (partially) admitting responsibility in not accounting for the threat of China’s secondary sanctions, to Europeanising the crisis by seeking support from the European Commission.²⁹ While coordination in the run-up to the crisis was lacking, after the crisis broke out, Lithuania actively framed Beijing’s actions as an attack on the single market, and, in January 2022, the Commission launched a WTO case against China.³⁰

The Commission’s public support for Lithuania restricted the scope for criticism of the government as going against the EU. Helpfully, by then, the worst of the economic pressure had subsided as well. Ultimately, while the MFA had prepared a ‘plan for de-escalation’ by February 2022,³¹ Lithuania did not change its policy with

²⁸ See, for example, TS-LKD, “Lietuvos užsienio politika: vertybės, strategija, perspektyvos,” *Facebook* (video recording), 13 October 2021, <https://www.facebook.com/watch/live/?ref=search&v=899167504309393>, accessed 20 November 2024.

²⁹ Sniegė Balčiūnaitė, “J. Neliupšienė: Lietuva neįvertino galimo Kinijos atsako apimties,” *Diena.lt*, 11 January 2022, <https://diena.lt/naujienos/verslas/ekonomika/j-neliupsiene-lietuva-neivertino-galimo-kinijos-atsako-apimties-1059052>, accessed 5 December 2024.

³⁰ AFP/Reuters, “EU Launches WTO Case against China over Lithuania,” *DW.com*, 27 January 2022, <https://www.dw.com/en/eu-launches-wto-case-against-china-over-lithuania-mistreatment/a-60572038>, accessed 5 December 2024.

³¹ Leonardas Marcinkevičius, „Prezidentūra: Landsbergio pateiktas santykių su Kinija planas turėtų būti pristatytas ir Seimo nariams,“ *DELFI*, 17 February 2022, <https://www.delfi.lt/news/daily/lithuania/prezidentura-landsbergio-pateiktas-santykiu-su-kinija-deeskalavimo-planas-turetu-buti-pristatytas-ir-seimo-nariams-89479069>, accessed 2 December 2024.

respect to the name of the Taiwanese office or its presence in Vilnius. Later in the year, the government announced 130 million euros in support for businesses affected by China's coercion, although the main focus was again on diversification, especially the promise of expanded economic cooperation with Taiwan to compensate for the loss of the China market. Since 2024, the new centre-left coalition government led by the social democrats, despite their criticism of the government during the crisis, exhibited policy continuity, and insisted on the EU proceeding with the WTO case when it was suspended due to the lack of evidence.³²

Critical juncture: scaling-up sanctions after Russia's full-scale war and managing escalation

The successive adoption of EU sanctions which followed Russia's full-scale war against Ukraine strengthened political attention to the formation and implementation of the sanctions policy in Lithuania. The fast expansion and the depth of individual and sectoral sanctions vis-à-vis Russia, and countries assisting its war effort (such as Belarus and Iran), led to important changes in the coordination of the formation and implementation of the sanctions policy as early as in April 2022. The MFA established a dedicated Sanctions Group (staffed by eight members) as the coordinating institution for the formation of sanctions policy, legal compliance and legislative activities. While this led to the centralisation of the formation of the sanctions policy, line ministries (such as the Ministry of Transport and Communications and the Ministry of the Environment), as well as the Customs Department, the Migration Department, and other relevant agencies, maintained responsibility for implementing sanctions in their areas of

³² LRT.lt, „Nausėda ragina EK testuoti PPO bylą dėl Kinijos taikytų prekybos ribojimų Lietuvai,“ 19 January 2025, <https://www.lrt.lt/naujienos/verslas/4/2463783/nauseda-ragina-ek-testi-ppo-byla-del-kinijos-taikytu-prekybos-ribojimu-lietuvai?srsltid=AfmBOorS4Uiftg8gFb8Hf6Fde6qIzrzHGOjq75QkjTVDs1mxK1zZ5ku0>, accessed 25 July 2025.

competences. Further developments followed in May 2022, when the International Sanctions Coordination Commission was established, chaired by the deputy of the MFA, and consisting of deputy ministers from most ministries, and officials from institutions such as the Bank of Lithuania, the State Security Department, and others.

Although state institutions and private companies have been developing expertise in terms of application and compliance with sanctions in recent years, the lack of previous experience in implementing sanctions was also indicated as an important constraining factor for their implementation. The intense headhunting for legal experts on sanctions has been further noted by MFA officials as a challenge, as well as the need to divert resources from other public policy areas.³³ Overall, as multiple officials involved in the matter have stressed, although both political attention and human resources were increased to strengthen the governance capacity, they were still considered insufficient relative to the demands.³⁴

According to a diplomat working in this area, Lithuania established itself as an active EU member state, initiating new sanctions proposals, and trying to form coalitions with other ‘hawkish’ EU member states, such as Poland, Estonia, Latvia, and the Nordic countries.³⁵ Lithuania advocated the principle of uniform implementation of sanctions across the EU to restrict opportunities for evasion. In the face of resistance to common EU actions, however, it opted for closer cooperation among the countries bordering Russia. The Baltic States, Poland and Finland started working on harmonising procedures, documents and practices in monitoring compliance with sanctions to close potential loopholes, with the longer-term aim of uploading these sub-regional rules to the EU level.³⁶

³³ Interview with Civil Servant 2, 27 June 2024, Vilnius, Lithuania.

³⁴ Interview with Civil Servant 2, 27 June 2024, Vilnius, Lithuania; interview with Politician 2, 27 August 2024, Vilnius, Lithuania.

³⁵ Ibid.

³⁶ Interview with Politician 4, 13 January 2025, Vilnius, Lithuania; interview with Civil Servant 9, 7 January 2025, Vilnius, Lithuania.

Lithuanian diplomats also developed an informal cooperative relationship with influential European Commission officials working on sanctions by suggesting new targets and ways to improve compliance. Lithuania also established working contacts with G7 countries, and was invited to share its perspectives on several sanctions proposals with the group, trying to use this format as a channel for testing new initiatives which could then be adopted by the EU. In addition, Lithuania regularly stressed the issue of sanctions circumvention in its bilateral contacts with countries such as Kazakhstan, Georgia, and other potential transit routes for Western goods to Russia.³⁷

On 18 June 2022, after the Lithuanian authorities started applying recently adopted sanctions on Russia transiting certain goods to Kaliningrad Region, Moscow threatened to retaliate ‘seriously’. Shortly afterwards, Lithuanian officials held informal discussions with the Commission, key EU member states, and the US. The initial public communication from the officials of the Commission seemed contradictory, and was described as “chaos in EU sanctions policy” by senior Lithuanian officials.³⁸ However, after intense debates between the Commission and Lithuanian officials, it was soon agreed that the Commission would propose guidelines on how transit to Kaliningrad should be treated. The proposal, which allowed the transit of goods up to certain limits, and allowed the Lithuanian authorities to monitor goods transiting the country’s territory, led to the lifting of sanctions.³⁹ This was a rare episode of de-escalation, as Lithuania made concessions to the US, Germany, and other strategic partners which had taken a more cautious approach to sanctioning Russian transit, perceived as particularly sensitive to Moscow, and exhibited more concern for possible escalation.

Russia’s full-scale war, supported and aided by Belarus, made the position of Lithuania’s main political institutions regarding the need for sanctioning Minsk and Moscow more aligned. Both the Foreign

³⁷ Interview with Civil Servant 2, 27 June 2024, Vilnius, Lithuania.

³⁸ Interview with former Civil Servant 8, 24 September 2024, online.

³⁹ Interview with Civil Servant 9, 7 January 2025, Vilnius, Lithuania.

Minister and the President urged other EU member states to expand the list of sanctions, reduce exemptions, and close loopholes. In the spring of 2022, when the Commission started consultations on exempting *Belaruskali* fertilisers from the EU sanctions list due to the alleged negative effects on food security in Africa, President Nausėda met Baltic and Nordic leaders and subsequently argued that he had their support in opposing the softening of the sanctions.⁴⁰ On the margins of the European Council meeting on the 11th Russia sanctions package, Nausėda urged leaders to “consistently reinforce” the sanctions, and rejected the idea of “sanctions fatigue”, by stating that “the talks about softening sanctions in one form or another are completely unacceptable ... as long as Ukrainian blood is being spilled by Russian hands”.⁴¹ In short, while the President had been more cautious towards Belarus before 2022, since the outbreak of the full-scale war, his position became nearly identical to that of the more hawkish MFA.

In summary, the geopolitical crisis in Belarus since 2020, and Russia’s full-scale war since 2022, resulted in a significant reform of the sanctions policy, characterised by several parallel shifts. First, greater centralisation was pursued in terms of policy making; a similar trend could be observed in the broader crisis management system with the establishment of the *National Crises Management Centre*. Second, greater attention was devoted to sanctions compliance and enforcement, including by issuing increasingly large fines for market participants when non-compliance is detected. Third, intensified co-operation was sought with the European Commission, neighbouring EU member states, and key strategic partners, such as the US, Germany, and other members of the G7.

Finally, the role of the media and NGOs in reporting cases of non-compliance and attempts at evading sanctions has been noted

⁴⁰ BNS, “G. Nausėda ragina dėl trąšų nesuteikti progų Baltarusijai švęsti, sako turintis palaikymą,” *Baltic News Service*, 23 March 2023.

⁴¹ BNS, “Prezidentas: sankcijų Rusijai nuovargio negali būti, kalbos apie švelninimą – nepriimtinos,” *Baltic News Service*, 23 March 2023.

as an important bottom-up support factor by Lithuanian officials.⁴² Also, Lithuanian companies which continued operating in Russia after February 2022 faced public pressure amid calls to publicly identify and boycott their goods. However, it is difficult to assess the actual impact of such initiatives.

3. Policy reaction to the crisis

While the previous section examined the critical junctures in Lithuania's use of sanctions in response to the events of geopolitical crises, we examine here the strategic decision-making during the polycrisis: what overall policy goals and instruments were selected, how they cohered with the dominant paradigms of response, and to what extent these decisions were marked by consensus or politicisation. We then analyse how the decisions on both operational and strategic levels were implemented, and whether the crisis management effort resulted in any unintended consequences or policy learning. We focus throughout on the role of politicisation in the process of adopting, implementing and entrenching crisis management regimes.

Strategic decisions and the policy of reducing exposure to authoritarian states

Lithuania's overall strategic position on managing economic interdependence was most recently defined during the revision of the *National Security Strategy* in 2020 and 2021. The strategy defines the long-term threats, interests and objectives of Lithuania's security policy, and functions as a highest-level document in the strategic planning system. The revised Strategy highlighted the threat of "foreign state influence through creating and maintaining economic and energy dependences", and set multiple objectives for ensuring economic security: to incentivise Lithuanian firms to "redirect economic

⁴² Interview with Civil Servant 5, 30 August, 2024; interview with Politician 5, 8 February 2025, Vilnius, Lithuania.

relations from authoritarian states to states adhering to democratic values”, to strengthen export controls for dual-use items, to see that investment in strategic sectors comes only from countries that meet the “European and transatlantic integration criteria”, and to promote trade diversification and supply chain resilience.⁴³ It also committed to supporting and implementing international sanctions, and to strengthening national laws and frameworks for sectoral sanctions policy in particular. The Strategy was approved by the Seimas on 16 December 2021 by a majority of 100 to seven (with 16 abstaining), at the height of the crisis of Chinese economic coercion, and just a few months away from the Russian invasion.⁴⁴ The document is a relevant and largely consensual statement of Lithuania’s strategy in dealing with the weaponisation of economic interdependence.

Such strategic objectives are not unprecedented: economic and energy security have long been elements of state strategy, and Lithuania has pursued an explicitly geopolitical goal of ‘energy independence’ for over a decade. Nor are the particular instruments new: besides energy diversification from and sanctions on Russia, Lithuania had also begun restricting Chinese FDI in the late 2010s, partially urged by the US.⁴⁵ The 2021 Strategy nevertheless expanded and sharpened the previous policy stances. For example, the previous edition of the National Security Strategy, while also treating trade diversification and FDI control as economic security objectives, placed less focus on managing foreign dependencies, and instead framed

⁴³ Lietuvos Respublikos Seimas, “Dėl Lietuvos Respublikos Seimo 2002 m. gegužės 28 d. nutarimo Nr. IX-907 „Dėl Nacionalinio saugumo strategijos patvirtinimo“ pakeitimo” (XIV-795), *TAR*, 21 December 2021, <https://www.e-tar.lt/portal/lt/legalAct/f54863b0623a11eca9ac839120d251c4>, accessed 20 August 2024.

⁴⁴ Lietuvos Respublikos Seimas, “Dėl Lietuvos Respublikos Seimo 2002 m. gegužės 28 d. nutarimo Nr. IX-907 „Dėl Nacionalinio saugumo strategijos patvirtinimo“ pakeitimo” projektas (nauja redakcija) + strategija (Nr. XIVP-1085(2)); https://www.lrs.lt/sip/portal.show?p_r=37067&p_k=1&p_kade_id=9&p_ses_id=124&p_fakt_pos_id=-501675&p_bals_id=-44707#balsKlausimas, accessed 15 August 2024.

⁴⁵ Raigirdas Boruta, Elzė Pinelytė, “Sino-Lithuanian Relationship: Cautious Engagement, Ties and its Impact on the EU De-Risking Policy,” GSSC, 29 December 2023, <https://www.gssc.lt/en/publication/sino-lithuanian-relationship-cautious-engagement-ties-and-its-impact-on-the-eu-de-risking-policy/>

economic security in terms of macroeconomic stability, sustainable growth, the prevention of financial crises, and transparency.⁴⁶ It also made no mention of economic sanctions, despite the fact that Lithuania has been implementing the EU's sanctions on Russia since 2014. The 2021 Strategy thus signifies a newly prominent geopolitical direction in Lithuania's economic policy, centred on retrenching economic relations with allies, and close to paradigm responses such as 'friend-shoring' and 'decoupling' relations with adversaries.

A more geopolitically informed attitude to external economic relations was also reflected in the contemporary statements by Lithuanian leaders. In an interview with the press in October 2021, for example, Minister Landsbergis maintained that "the state's national interest is to cooperate with those who think like us and abide by the same rules as us".⁴⁷ Earlier in the year, he voiced opposition to the EU's investment treaty with China, by claiming that it was "an unfortunate time to build closer relations".⁴⁸ In his 2022 *State of the Nation Address*, President Nausėda stressed the threat of economic dependence on authoritarian states (e.g. "countries under Russian economic and political influence are *de facto* subject to occupation"), the importance of choosing a side ("in this time of geopolitical tensions, Lithuania cannot afford the luxury of the golden mean, balancing between the East and the West"), and the need to "diversify exports and investment".⁴⁹ While such general statements of national interest do

⁴⁶ Krašto apsaugos ministerija, Nacionalinio saugumo strategija, *Krašto apsaugos ministerija* (2017), <https://kam.lt/wp-content/uploads/2022/03/2017-nacionalinio-saugumo-strategija.pdf>, accessed 20 November 2024.

⁴⁷ Benas Brunalas, "G. Landsbergis įspėjo kai kuriuos Lietuvos politikus: „Nepamirškite nusišluostyti rankų, nes jos yra kruvinos“,” *LRytas.lt*, 23 October 2021, <https://www.lrytas.lt/lietuvosdiena/aktualijos/2021/10/23/news/g-landsbergis-ispejo-kai-kuriuos-lietuvos-politikus-nepamirskite-nusisluostyti-ranku-nes-jos-yra-kruvinos--21170418>, accessed 20 November 2024.

⁴⁸ Andrew Rettman, "Lithuania: US is still EU Partner on World Stage," *EUobserver*, 8 January 2021, <https://euobserver.com/eu-and-the-world/ar674e6778>, accessed 20 November 2024.

⁴⁹ Gitanas Nausėda, President of the Republic of Lithuania, *State of the Nation Address* (2022), <https://www.lrp.lt/en/activities/state-of-the-nation-address/-2022/38598>, accessed 10 December 2024.

not preclude division over particular policies, they point to the fact that the Lithuanian authorities followed a shared strategic outlook.

Beyond Lithuania's overall geo-economic choice to diversify away from authoritarian markets, Vilnius' strategic decision-making in specific bilateral settings varied across the three cases examined in the article, as well as across time. Deciding on the response to Minsk's rigged 2020 presidential elections and the repression of Belarusian citizens involved a strategic dilemma between the goal of a democratic Belarus and the risk of pushing Belarus closer to Moscow, in addition to any concerns over the economic consequences of the disruption of bilateral relations. The perceived need to engage Minsk was voiced as recently as in June 2020, when the President welcomed 'renewed dialogue' with Belarus in his annual address to the Parliament.⁵⁰ In the face of Minsk's crackdown on citizen protests, Nausėda initially declared that "sanctions can only be imposed after attempting mediation", and submitted a mediation proposal to Lukashenko, which was promptly rejected.⁵¹ Following the failed attempt at a diplomatic response, described by the then-Prime Minister Saulius Skvernelis as 'expected',⁵² the Lithuanian authorities became prominent advocates of sanctions against Belarus: restrictive measures were supported both by Skvernelis' government and the parties that went on to form the new government in late 2020, which enshrined the commitment to sanctions in its programme.⁵³ Overall,

⁵⁰ Gitanas Nausėda, "Lietuvos Respublikos Prezidento Gitano Nausėdos metinis pranešimas," *LRP*, 8 June 2021, <https://lrp.lt/lt/veikla/metiniai-pranesimai/2021-m./35943>, accessed 20 November 2024.

⁵¹ BNS, "G.Nausėda: sankcijos Baltarusijai turi būti įvestos tik išbandžius tarpininkavimą," *15min*, 13 August 2020, <https://www.15min.lt/naujiena/aktualu/lietuva/g-nausedos-planas-kaimynems-tiko-dabar-laikia-atsako-is-baltarusijos-56-1360968>, accessed 20 November 2024.

⁵² Viktorija Rimaitė, "S. Skvernelis sureagavo į Baltarusijos atmetą G. Nausėdos planą: „To buvo galima tikėtis“,“ *LRytas.lt*, 17 August 2020, <https://www.rytas.lt/lietuvsdiena/aktualijos/2020/08/17/news/s-skvernelis-sureagavo-i-baltarusijos-atmesta-g-nausedos-plana-to-buvo-galima-tiketis-16001167>, accessed 20 November 2024.

⁵³ Lietuvos Respublikos Seimas, "Dėl Aštuonioliktosios Lietuvos Respublikos Vyriausybės programos" (XIV-72), *e-seimas*, 11 December 2020, <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/973c87403bc311eb8c97e01ffe050e1c>, accessed 20 November 2024.

the notion that Western sanctions can push Belarus further towards Russia gave way to the stance that the Minsk regime had already ceded sovereignty to Moscow, thus resolving the longstanding dilemma between pressure and engagement, well before Belarus' involvement in Russia's war effort against Ukraine made it a key target of Lithuanian and EU sectoral economic sanctions.

In contrast to relations with Belarus, where the strategic decision-making involved a rebalancing of two longstanding goals, Lithuania's dominant strategy towards economic relations with China underwent a radical change in 2020–2022, from pursuing cooperation to reducing exposure. Lithuania actively pursued deeper trade and investment relations with China throughout the 2010s, while describing China as a 'strategic partner' in Asia, and looking in particular to attract FDI to Lithuania.⁵⁴ With China's growing geopolitical ambitions, the intensifying US-China rivalry, and Beijing's increasingly repressive domestic politics, the Lithuanian authorities began speaking of security risks related to Chinese investment in critical infrastructure in 2018 and 2019.⁵⁵ By early 2020, the State Security Department's annual threat report presented an extensive treatment of the security risks posed by Chinese investment, and other tools of economic statecraft.⁵⁶ Following the parliamentary elections, the newly formed Seimas passed a resolution on Lithuania's foreign policy directions in a vote of 112 to zero in December 2020, which

⁵⁴ Vida Mačikėnaitė, "One Country – Two Faces: China's Turn from an Economic Partner to Security Concern for Lithuania," *China in the Baltic States*, ed. Maris Andžans et al. (Rīga Stradiņš University, 2022), https://dspace.rsu.lv/jspui/bitstream/123456789/9856/1/China%20in%20the%20Baltic%20states_final_55-88.pdf.

⁵⁵ BNS, "G. Nausėda: Kinijos investicijos į Klaipėdos uostą gali pakenkti saugumui," *VZ.lt*, 27 July 2019, <https://www.vz.lt/transportas-logistika/2019/07/27/g-nause-da-kinijos-investicijos-i-klaipedos-uosta-gali-pakenkti-saugumui>, accessed 20 November 2024. Sniegė Balčiūnaitė, BNS, "VSD perspėjant dėl Kinijos investicijų į Lietuvą grėsmių, Seime numatomos diskusijos," *15min.lt*, 28 August 2018, <https://www.15min.lt/naujiena/aktuali/lietuva/vsd-perspejant-del-kinijos-investiciju-i-lietuva-gresmiu-seime-numatomos-diskusijos-56-1020902>, accessed 25 November 2024.

⁵⁶ Valstybės saugumo departamentas, "Grėsmių nacionaliniam saugumui vertinimas," *State Security Department* (2020), <https://www.vsd.lt/wp-content/uploads/2020/02/2020-Gresmes-LT.pdf>, accessed 25 November 2024.

declared that ‘strategic economic independence’ should be a top priority for the EU and Lithuania; it also mandated the government to seek closer economic ties with Taiwan.⁵⁷ Shortly afterwards, in early 2021, President Nausėda announced that he would not be attending the summit of the China-sponsored 17+1 format with other CEE leaders. By May 2021, the Lithuanian government had officially withdrawn from the format.⁵⁸ Despite the fact that the newly emergent strategy presented a sharp break from its past policy, Lithuania’s strategic decision-making on China was relatively depoliticised and consensual.

Still, the crisis surrounding China’s economic coercion in late 2021 was marked by high levels of politicisation and open contestation between the government, on the one hand, and the opposition and the President, on the other. As noted above, however, the criticism focused chiefly on tactical mistakes (the failure to account for secondary sanctions, to consult the President on the name of the Taiwanese representation, and to coordinate the policy with the EU allies), rather than the strategic choice of diversifying away from China. Nevertheless, the politicisation of the crisis was reflected in public opinion (a survey commissioned by the MFA showed that 60% of the public disapproved of the ‘values-based policy’ on China⁵⁹),

⁵⁷ Užsienio reikalų ministerija, “Lietuvos Respublikos Seimo rezoliucija dėl Lietuvos Respublikos užsienio politikos kryptių,” *Ministry of Foreign Affairs* (2020-12-10). URL: <https://www.urm.lt/svarbiausi-dokumentai/lietuvos-respublikos-seimo-rezoliucija-del-lietuvos-respublikos-uzsienio-politikos-kryptiu/680>, accessed 14 August 2024.

⁵⁸ BNS, LRytas, “G. Nausėda nedalyvaus 17+1 lyderių susitikime su Kinija, Lietuvai atstovaus M. Skuodis,” *lrytas.lt*, 8 February 2021, <https://www.lrytas.lt/lietuvosdiena/aktualijos/2021/02/08/news/g-nauseda-nedalyvaus-17-1-lyderiu-susitikime-su-kinija-lietuvai-atstovaus-m-skuodis-18209831>, accessed 25 November 2024; Elzbieta Reivytytė, ELTA, “Lietuva pasitraukė iš Kinijos „17+1“ bloko Rytų Europoje, tai daryti ragina ir kitas ES šalis,” *LRT*, 22 May 2021, <https://www.lrt.lt/naujienos/lietuvoje/2/1415203/lietuva-pasitrauke-is-kinijos-17plus1-bloko-rytu-europoje-tai-daryti-ragina-ir-kitas-es-salis>, accessed 25 November 2024.

⁵⁹ Vaidotas Beniušis, “Apklausa: dauguma Lietuvos gyventojų nepritaria politikai Kinijos atžvilgiu,” *15min.lt*, 11 January 2022, <https://www.15min.lt/naujiena/aktualu/lietuva/apklausa-dauguma-lietuvos-gyventoju-nepritaria-politikai-kinijos-atzvilgiu-56-1626212>, accessed 9 March 2024.

unlike on questions relating to Russia or Belarus, where a strong consensus prevailed.

Perhaps more importantly, Lithuania's public mood shifted dramatically as Russia began preparing for, and then proceeding with, its full-scale invasion of Ukraine. The choice for a swift and decisive economic response to Russia's aggression, including sanctions, disinvestment, and a boycott, was supported by all political parties and actors, while also being backed by a mobilised public opinion. The key driver of this decision was the acute perception of the existential threat that the potential escalation of Russian aggression meant to Lithuania. At the same time, as one senior official noted, a preliminary sanctions impact assessment by the Central Bank, which showed that the expected damage would not be dramatic, had a permissive effect on a hardline sanctions policy.⁶⁰ The established consensus on reducing dependence on Russian energy and exposure to Russia's markets helped to ensure speedy response: Lithuania was the first EU country to become fully independent of Russian energy imports by May 2022. The case for sanctions and reducing exposure also applied to Russia's allies, such as Belarus and China, given Beijing's commitment to a 'no limits partnership' with Russia on the eve of the invasion, and China's documented support of Russia's war effort. The simultaneous shift in the public discourse, and the association between China and Russia as two allied authoritarian states, with the former tacitly supporting Russia's war against Ukraine, is likely to have significantly restricted the scope for politicising Lithuania's decision to reduce economic exposure to China. It also helps explain the policy continuity under the centre-left government formed in 2024.

In 2020–2022, therefore, Lithuania defined and followed a clear and partially novel strategic position on engaging in and managing external economic relations, which committed the state to reducing economic dependence on and exposure to authoritarian states. This

⁶⁰ Interview with Politician 4, 13 January 2025, Vilnius, Lithuania.

strategic position informed and was evidenced in the events of all three crises analysed in the case study: the shift from a mixed policy approach to a sanctions-focused one on Belarus, the push to diversify away from China, and the quick and decisive separation from the Russian economy.

New operational practices of public sector governance

Lithuania's operational response to the three cases of weaponised interdependence saw the introduction of new practices and institutions in both national and EU governance. Most of the operational innovations in the period reflect policy learning, as EU member states and institutions gradually rolled out, revised, and extended the economic sanctions regime on Russia and its allies in the war effort since 2022. However, led principally by the European Commission, the EU also launched new collaboration frameworks and invested in new capacities seeking to adapt to the broader challenge of ensuring economic security amid weaponised interdependence.

Lithuania both shaped and was influenced by the changes at the EU level. The first major institutional development at the national level to originate in the crisis response was the establishment of the MFA Sanctions Group in May 2021. The creation and expansion of the group was driven by the rising scope of European sanctions, and, since its founding, the group had become the principal interlocutor with the Commission when drafting EU sanctions packages. This improved the capacity to initiate and coordinate new sanctions proposals. At the same time, the procedural changes in how the sanctions policy was formulated at the EU level, skipping several stages of technical negotiation and empowering the COREPER format, which convenes the permanent representatives of member states to the EU and is the highest intergovernmental decision-making body below ministerial councils, made the decision-making more political, and increased the importance of close coordination between the national leadership and the representative in Brussels.

In Lithuania's case, where the government was clearly in support of strong sanctions, and where the sanctions group served as a vehicle to draft proposals for further sanctions, the permanent representative was empowered to pursue a consistent and strong stance and to push other more constrained members of the COREPER to act faster. This helped Vilnius become a leading voice in drafting new EU sanctions: according to an MFA official involved in the group, Lithuania accounts for over a fifth of all proposals for new sanctions coming from the member states.⁶¹ Importantly, the programme of the new centre-left government maintained that Lithuania would become a competence centre for EU sanctions policy, signalling continuity and political consensus.⁶² It also stated the need for further strengthening the sanctions, and closing the existing loopholes, as well as committing to improving the administrative capacities of institutions involved in the formation and compliance of the sanctions policy.

The focus on drafting and proposing new sanctions was also enshrined in the revised law on international sanctions in April 2022.⁶³ The revised law gives the MFA a formal right to propose sanctions on its own initiative or based on the recommendations of other national institutions involved in sanctions implementation. Until then, the process of how the sanctions were drafted and proposed was not explained in law. Informed by the experiences of the first year of implementing the EU sanctions programme on Russia, a further revision of the law in March 2023 addressed issues of non-compliance, outlining the responsibilities of economic operators and establishing the rules for the application of financial penalties in cases of non-compliance.⁶⁴

⁶¹ Interview with Civil Servant 9, 7 January 2025, online.

⁶² Lietuvos Respublikos Seimas, *Nutarimas dėl Devynioliktosios Lietuvos Respublikos Vyriausybės programos*, 12 December 2024. Nr. XV-54, Vilnius, 33–34.

⁶³ Lietuvos Respublikos Seimas, "Lietuvos Respublikos tarptautinių sankcijų įstatymas (IX-2160)," 22 April 2022, <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.232047/OkISvmDVK>, accessed 25 November 2024).

⁶⁴ *Ibid.*

Sanctions compliance also became a critical question at the European level, as the EU institutions and member states became increasingly aware of sanctions circumvention and the various legal loopholes in the sanctions regime.⁶⁵ In addition to sanctions aimed at third country economic subjects helping Russia avoid the EU sanctions, in December 2022, the EU appointed a special envoy for sanctions, David O’Sullivan, whose task was to maintain continuous relations with third countries to help fight sanctions evasion and circumvention.⁶⁶ Despite the higher visibility, this decision accorded to the effective and coherent implementation of the EU sanctions regime, Lithuania has been somewhat critical of the special envoy, seeing that the option to discuss sanctions with O’Sullivan allowed some third countries to avoid discussing sanctions on a bilateral basis. For a sanctions hawk such as Lithuania, which seeks to include the question of sanctions compliance in relevant bilateral agendas (e.g. with Georgia), this has reduced, rather than expanded, the ability to pressure third countries in which certain economic operators help Russia circumvent European sanctions.

At the same time, however, Lithuania has been a leading, if sometimes isolated, champion of the Commission’s efforts to develop new EU-level instruments to respond to the broader threats to economic security stemming from weaponised interdependence. In 2023, the European Commission placed economic security on the EU agenda by publishing the EU’s first economic security strategy, and subsequently initiated new intergovernmental coordination and collaboration frameworks to identify and mitigate the supply chain, invest-

⁶⁵ For an example of political attention at the EU level, see the study commissioned by the European Parliament: Clara Portela, Kim B. Olsen, *Implementation and Monitoring of EU Sanctions’ Regimes, Including Recommendations to Reinforce the EU’s Capacities to Implement and Monitor Sanctions*, study for the AFET Committee of the European Parliament, October 2023, <https://www.europarl.europa.eu/committees/en/implementation-and-monitoring-of-the-eu/product-details/20231221CAN72405>, accessed 20 December 2024.

⁶⁶ European Council, “EU Sanctions against Russia Explained,” <https://www.consilium.europa.eu/en/policies/sanctions-against-russia/sanctions-against-russia-explained/>, accessed 20 August 2024.

ment and technology risks.⁶⁷ In late 2023, all EU member states began a joint economic security risk assessment in an effort to identify what specific risks of economic origin different member states are facing, and what kinds of instruments, policies or practices are needed to anticipate and mitigate them. While originating in Brussels, the development has been transposed into the national practice, and the Lithuanian MFA, in collaboration with other government ministries and agencies, has been assessing national trade dependencies, critical technology ecosystems, and investment patterns to and from the country so that to identify potential security risks.

4. Complexities of the polycrisis and its spillover effects

As statements of various Lithuania's policymakers illustrate, the 2020–2025 polycrisis has been widely perceived as sharing a common geopolitical driver, the aggressive behaviour of Russia and other authoritarian states. While the sanctions policy was arguably a key response to the aggression itself, some elements of the polycrisis, such as the 2021 irregular migration crisis or the energy (cost of living) crises of 2021–2023, required distinct policy responses involving different policies, institutions, or capacities. This not only placed multiple claims on the overall state capacities and resources, but also directly affected the decision-making surrounding the sanctions policy. The following part aims to elucidate the spillover effects of the distinct components of the polycrisis on Lithuania's sanctions policy, to what extent this increased the complexity of crisis management, and how this affected the patterns and processes of organisational change.

Most fundamentally, the overlapping but distinct crises placed a practical constraint on the Lithuanian authorities, overloading the capacities of state institutions and agencies, straining finances, and

⁶⁷ European Commission, "Commission Proposes new Initiatives to Strengthen Economic Security," 24 January 2024, https://ec.europa.eu/commission/presscorner/detail/en/IP_24_363, accessed 20 August 2024.

diverting political attention. As one senior government official noted, the co-occurrence of multiple crises generated a sense of ‘fatigue’, by demanding attention and other resources.⁶⁸ However, the ultimate impact of this effect is ambivalent: the management of those overlapping crises remained functionally separate. Another official emphasised that the polycrisis motivated efforts to build ‘resilience’ and improve policy learning and response capacity.⁶⁹ Either way, as the preceding analysis showed, whatever the increased pressure on the state capacities, it did not alter the dominant strategy to apply maximum possible economic pressure on geopolitical aggressors, based on the calculus that failure to deter the aggressor could lead to a future attack against the NATO/EU countries.

Beyond the general, if ambivalent, effect of placing a strain on state capacity, the other key crisis events of the polycrisis, irregular migration and energy price crises, differed in their interaction with and spillover effects on Lithuania’s sanctions policy. As it has been discussed above, Belarus’ weaponisation of migration was itself part of the escalatory dynamic that pervaded sanctions policy management. Further, as a sudden and time-limited spike in the escalation ladder, the migration crisis interacted with the sanctions policy in a rather linear pattern, generating direct policy responses. Substantively, insofar as Minsk sought to test if escalation of pressure on Lithuania might push its authorities to deescalate from their commitment to maximum sanctions on Belarus, the opposite happened. While there were some policy debates about the appropriateness of migrant pushbacks, asylum provision and border fortification, and while the functional pressure to survey the border and handle migrant flows posed organisational challenges to national and local institutions, the impact on the sanctions policy and implementation was clear: in the face of the escalation from Minsk, Vilnius maintained and intensified the sanctions regime. Indeed, according to one senior civil servant closely involved in the issue, Minsk’s attack confirmed the need to

⁶⁸ Interview with Politician 1, 17 July 2024, Vilnius, Lithuania.

⁶⁹ Interview with Civil Servant 9, 7 January 2025, online.

ensure long-term and effective pressure on the regime, and was therefore a 'key push' to strengthen the sanctions coordination.⁷⁰ Besides, there was a spillover effect on domestic unrest and public riots by the Parliament in early August 2021, in anticipation of which the Lithuanian authorities accelerated pushbacks of illegal migrants on the border with Belarus, in an attempt to reduce the significance of this crisis as a reason for public protests. The riot still took place under slogans criticising the COVID-19 pandemic restrictions, and was considered by the authorities to represent a hybrid attack orchestrated from authoritarian neighbours.⁷¹

The energy price crisis, meanwhile, had a less direct and less linear interaction with the sanctions policy. First, as discussed above, minimising its energy dependence on Russia, and investing in broader energy security, had been a part of Lithuania's strategy for decades, which served to limit both the material and the political consequences of the rising energy prices in 2021–2023, including any negative spillovers into the sanctions policy. At the same time, the long-term commitment to sanctions on geopolitical aggressors, and the heightened awareness of the risks of economic interdependence with authoritarian states, created a positive political environment for Lithuanian policymakers and energy sector interests who favoured the expansion of domestic production of renewable energy, including the then-leadership of the Ministry of Energy. In other words, Lithuania's previous experience in energy security limited the effect of the 2021–2023 energy price crisis on the sanctions policy, while the recent escalation in sanctions affected the decision-making space in the energy field.

Overall, the interactions between distinct crisis events during the geopolitical polycrisis did not add significantly to the inherent complexities of Lithuania's sanctions policy. These, however, were considerable, especially as the widening multilateral sanctions regime evolved to encompass more sectors, institutions, and stakeholders.

⁷⁰ Interview with Politician 4, 13 January 2025, Vilnius, Lithuania.

⁷¹ Interview with Politician 2, 27 August 2024, Vilnius, Lithuania.

Importantly, the legal and institutional changes to improve the capacity to coordinate and implement sanctions began with the establishment of the sanctions group in May 2021, before the Russian invasion, Minsk's weaponisation of migration, or Chinese coercion and largely reflected professional self-organization within the MFA.

Despite the growing complexity, the state policy remained committed to the dominant response paradigm, namely, that the sanctions need to hit the aggressor "as much as possible and as fast as possible".⁷² As the paradigm was broadly shared among policymakers and the public, and the business community was acquiescent (with the exception of transport and logistics, relatively few sectors of the Lithuanian economy were directly or significantly exposed), there was limited space for policy clashes or coercive bargaining dynamics. Instead, the operational response to the crisis, including organisational changes to make the sanctions work better, was defined largely by the logic of appropriateness, that is, the shared normative commitment to the response paradigm.

As the complexity increased with the expanding scope of sanctions and the multilateral nature of the sanctions regime, the formal and informal organisational changes, e.g. the centralisation of the formation and coordination of sanctions under the MFA, the decentralisation of their implementation, closer informal coordination between the political leadership in Vilnius and its diplomats in Brussels, as well as with the European Commission officials and G7 partners, still primarily followed the normative logic by which the ties of professional interdependence were reorganised to speed up the drafting of sanctions proposals and increase the effectiveness of Lithuania's efforts to Europeanise its preferences. As noted by senior officials, the need to convince the EU partners regarding the need to escalate sanctions led to the mobilisation of resources and learning in Lithuanian institutions.⁷³ Some organisational changes aimed to make it easier to follow (or harder to deviate from) the shared logic

⁷² Interview with Civil Servant 2, 27 June 2024, Vilnius, Lithuania.

⁷³ Ibid.

of appropriateness, including capacity-enhancing measures (e.g. providing training for companies, sharing more information with stakeholders, such as in the form of sanctions newsletters) and compliance measures (e.g. increasing fines against violators of sanctions). At the same time, although more resources were mobilised, they were considered insufficient by officials working in sanctions implementation who have been critical of the approach of the Ministry of Finance pressing institutions to find internal resources, or redirecting them, for example, after some border crossing checkpoints with Belarus had been closed.⁷⁴

The dominance of normative logic without sufficient capacity to back it up could be the reason for the geopolitical crisis spilling over into the domestic politics, as happened with the *Belaruskali* scandal, when the publicly exposed gap between the official rhetoric of the ruling coalition and the actual implementation of sanctions led to a government crisis. Besides, the dominance of normative logic might explain the relative neglect in terms of the advance coordination of sanctions on Kaliningrad transit, which Lithuania introduced briefly in the summer of 2022, to revoke them soon afterwards (following unofficially and confidentially expressed concerns from the US, the UK, and Germany), or the lack of consideration of the possibility of unofficial secondary economic sanctions applied by China in late 2021.⁷⁵

It seems that normative logic dominated the initial operational response, especially after the formation of the centre-right coalition government which emphasised a “values-based foreign policy”. However, as the parliamentary elections of 2024 brought to power a centre-left coalition government with parties that had been criticising the previous ruling coalition for some episodes of the sanctions management, we might observe that the logic of consequences becomes increasingly important (although probably not prevailing). However,

⁷⁴ Interview with Civil Servant 8, 24 September 2024, online.

⁷⁵ Interview with Politician 4, 21 January 2025, Vilnius, Lithuania; interview with Politician 5, 8 February 2025, Vilnius, Lithuania.

the question remains whether this will only alter operational responses, or whether it will also affect strategic policy directions, and what the role of the President and the public/NGOs will be.

Conclusions and discussion

The use of economic sanctions has become an increasingly important instrument for managing geopolitical crises by Western countries unwilling to become direct participants in military conflicts. The response of the EU, the US and other democracies to Russia's aggression against Ukraine is no exception. The successive rounds of sanctions introduced prior to 2025 are often described as unprecedented in terms of their scope and the target country being a significant economy, especially in terms of the global supplies of energy, as well as mineral and agricultural resources. Sanctioning Russia aims at reducing its capacity to continue its war against Ukraine, while the support of Ukraine aims to enhance its capacity to defend its territory and sovereignty.

Most debates on the Western sanctions against Russia focus on their effectiveness. While these debates remain pertinent, our research had a different objective: to assess the role of sanctions as an instrument in the management of geopolitical crises by a 'front-line state' concerned about the future escalation of war in Europe. We outlined the dominant paradigm behind the sanctions policy in Lithuania, the pathways of its change, the reasons behind it, and its consequences, in particular with respect to spillovers into the management of other crises and triggering domestic political disagreements.

In Lithuania, the use of sanctions has been driven by security concerns related to the potential escalation of Russia's war beyond Ukraine into the EU/NATO countries. It is not only about the current violation of international norms by the aggressor, but also about the potential for the continuation of territorial expansion in the future. In other words, the dominant paradigm focuses on the worst future scenarios, rather than a detailed consideration of the economic costs and

benefits of introducing the sanctions. In line with our expectations presented earlier, this allows the country's authorities to act faster and forge a stronger political and societal consensus, which itself is important for compliance with the adopted sanctions and the civic monitoring of transgressions.

However, this paradigm diverges from the policy response paradigms dominant in many other EU/NATO member states, especially those geographically further from Russia and/or more interdependent with China. In countries such as Germany and the US (under the Biden administration), the economic cost-benefit analysis tends to dominate decisions on introducing sanctions. Concerns about a future military escalation are mostly linked to the probability of nuclear war, which results in seeing 'red lines' with respect to sanctioning Russia differently to how they are seen in a 'front-line' state.

These divergences, as well as the complex institutional set-up of the EU sanctions policy, with the lowest common denominator prevailing in decision-making and compliance being a matter for the national authorities, lead to frequent frustrations and efforts by Lithuanian officials to forge coalitions of willing, mostly with geographically close partners (the other Baltic States, the Nordic countries, and Poland). Sometimes, these divergences can trigger domestic political conflicts and change the trajectory of the sanctions policy, as illustrated by the case of sanctions with respect to Kaliningrad transit.

The focus on the potential escalation of a military conflict in Europe, and the resulting security concerns, coupled with the focus on a 'value-based foreign policy' prominent in the programme of Ingrida Šimonytė's government (2020–2024), was important in terms of managing the spillover of different episodes in the geopolitical polycrisis. After Minsk responded to sanctions by Lithuania and the EU by orchestrating illegal migration flows in 2021, the Lithuanian authorities doubled down on their sanctions approach, and after initial hesitations, proceeded with constructing a physical barrier on the border with Belarus. Pessimistic expectations about the future geopolitical situation living next to aggressive authoritarian neigh-

bours, coupled with the recent experience of managing the COVID-19 pandemic crisis, led to the centralisation of the national crisis management system.

Similarly, the energy (cost of living) crisis did not affect the country's sanctions policy of 'as much as possible as soon as possible'. Rather, as other EU member states, Lithuania adopted relief instruments to reduce the financial pressure on households and businesses. Again, the experience with support for businesses during the COVID-19 pandemic lockdowns informed the management of the cost-of-living crisis. Besides, the extensive experience of Russia's weaponisation of energy supplies, and Lithuania's prior decisions to reduce its dependence on Russia, allowed for a focus mostly on dealing with the immediate consequences of the energy crisis and on the domestic transition to renewable energy, as energy imports had already been diversified.

However, the negative spillover was reflected in the lack of budgetary resources, which partly explains the continued underfunding of institutions monitoring compliance with the sanctions. Also, the rapid expansion of the country's sanctions policy in 2020–2022 to include increasingly more products, services and sectors in Belarus and Russia, without adequate institutional capacities and the proper consideration of economic consequences, resulted in domestic political conflicts, as is illustrated by the domestic debate on the transit of *Belaruskali* in late 2021, or becoming a target of China's unofficial sanctions.

The dominant paradigm of the sanctions policy in Lithuania led to a significant institutional reform towards centralising the process of sanctions policy formation, as well as to allocating more resources to strengthen the institutional capacity. However, the implementation of sanctions is still largely left to sectoral institutions and businesses, and the institutions in charge of monitoring the compliance still remain underfunded. Besides, the lack of a proper cost-benefit analysis and the economic effects of sanctions triggered domestic debates, sometimes exposing not only companies, for example, critical of re-

strictions on their exports of dual-use goods, but also institutional disagreements between different ministries. According to officials in the 2020–2024 centre-right coalition government, which, after the parliamentary elections, was replaced by a centre-left coalition government, the main test for the continuity of Lithuania's sanctions policy is maintaining sanctions on *Belaruskali* transit.⁷⁶

The analysis presented here encompasses four years of living in a polycrisis environment, by managing it through escalated sanctions, a relatively large scope for an article limiting the possibility for a more nuanced analysis of specific episodes of policy responses and crisis management. Future research should make a more detailed analysis of particular episodes in decision-making under crisis pressure and high uncertainty to examine in more detail how the politics of crisis management affects organisational practices. Another potentially fruitful direction for further research is a more detailed analysis of concrete episodes of attempts at uploading national policy preferences to the EU agenda, and how different logics of behaviour affect the bargaining outcomes. Also, zooming into the implementation of sanctions and the different actors involved, including the role of NGOs and businesses under normative pressure, could provide interesting insights into learning and the evolution of the sanctions policy.

Finally, real-world changes point to additional directions for future research. One of those is related to the continuity and change of policy responses and crisis management after the centre-right coalition government was replaced by the centre-left coalition government in late 2024. Another, and potentially much more important for Lithuania's sanctions policy and security and defence policy more generally, is the ongoing shift in American foreign policy under Donald Trump 2.0. If the early signs that the US administration has become reluctant to describe Russia as an aggressor are a first step towards de-escalation of relations with Russia, and if cost cutting in

⁷⁶ Interview with Politician 1, 17 July 2024, Vilnius, Lithuania.

funding US institutions responsible for the sanctions policy leads to reducing their outreach and effectiveness, this could become the most important critical juncture in the current geopolitical crisis in Europe and globally. It would have significant implications for Lithuania's crisis management policy, possibly pushing it towards more intense coordination with European NATO and EU partners, which are likely to struggle to replace the leadership of the US and its capable sanctions policy institutions. It might also lead the Lithuanian authorities to rethink their instinctive efforts to keep in mind the preferences of the US, as the most important security partner, as illustrated by the initiative of the MFA to strengthen its expertise on sanctioning Iran, or the decision to grant permission to open the Taiwanese representative office in Vilnius.

Author contributions

Ramūnas Vilpišauskas: conceptualisation, methodology, formal analysis, investigation, writing – original draft, writing – review and editing.

Justinas Mickus: methodology, formal analysis, investigation, writing – original draft, writing – review and editing.

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Appendix 1. List of Interviews

Interview with Civil Servant 2, 27 June 2024, Vilnius, Lithuania.

Interview with Politician 1, 17 July 2024, Vilnius, Lithuania.

Interview with Politician 2, 27 August 2024, Vilnius, Lithuania.

Interview with Civil Servant 5, 30 August 2024, Vilnius, Lithuania.

Interview with Civil Servant 8, 24 September 2024, online.

Interview with Civil Servant 9, 7 January 2025, online.

Interview with Politician 3, 9 January 2025, Vilnius, Lithuania.

Interview with Politician 4, 21 January 2025, Vilnius, Lithuania.

Interview with Politician 5, 8 February 2025, Vilnius, Lithuania.