

# Lithuanian Embassy Talk

20 March 2024. Peter Braga.

My talk will cover three areas relevant to Lithuania, China, and Belarus. First, I am going to give a quick overview of recent developments between Belarus, China, and Lithuania. I will argue that Russia and China have benefitted most from the breakdown in trade between Lithuania and Belarus. I will also argue that Taiwan has so far failed to deliver on its promises to support the Lithuanian economy.

Second, I am going to give a brief overview of how Lithuania has been featured in Chinese media since the 2021 opening of the “Taiwan” representative office. I will argue that Chinese media discourse is alarmed—to the point of being contradictory—about Lithuania’s decision to recognise Taiwan.

Third, I will review the academic literature on why small states, like Lithuania, choose to side with Taiwan rather than adhere to the “One China” policy. With China’s rise and intensifying competition with the United States, the literature on small states recognising Taiwan has gained new attention. There are new theories (such as Tom Long’s status-seeking theory) that seek to explain the choice to side with Taiwan beyond “Chequebook Diplomacy.”

Ultimately, the benefit for a small power, like Lithuania, to side with Taiwan is (1) preferential treatment by Taiwan in relations and business; (2) the gaining of international status from Taiwan and Western allies; and (3) material benefits from Taiwan—although, these will be much less than what China can offer. Is this enough for Lithuania’s coalition government to convince the public that siding with Taiwan is a foreign policy and economic win before the May 2024 presidential election? I hope so.

And if people want, I can discuss the nature and current state of Belarus-China relations. But I assumed this audience wanted something more focused on the Lithuanian perspective.

## Overview of Belarus, China, Lithuania Relations:

The biggest development between Belarus and Lithuania (aside from the migrant crisis and Minsk's participation in Russia's war) is, historically, Lithuania served as a critical conduit for Belarusian exports—notably potash, wood, and oil—through Lithuania's seaport in Klaipeda.

This arrangement was disrupted in February 2022 when Lithuania banned the transit of Belarusian goods. This represented an economic loss for both Lithuania and Belarus. Belarus eventually redirected most of its potash exports to China via rail through Russia. But the Belarusian pivot benefits Moscow and Beijing. Russia now has a de facto monopoly over the transit of Belarusian potash and has strengthened its position in the supply chain. Belarus is currently exporting 70 percent of pre-sanction levels. This is despite logistical challenges and higher costs associated with overland transport.

As always, Belarus has been thuggish in its public diplomacy. In late October 2023, Belarusian Security Council First Deputy Secretary Pavel Muraveiko said Belarus would punch a hole through Lithuania's "[Suwałki Gap] corridor"—which connects the Baltic states to Poland—to link Belarusian forces with Russian forces in Kaliningrad in the case of War against NATO.

The second major development in this trio of countries was Lithuania's decision to open a Taiwan—and not Taipei—representative office in Autumn 2021. This decision was marked by high expectations of material support from Taiwan—such as investments in the Lithuanian economy. However, the reality has fallen short of expectations. Many in Lithuania's business community feel Taiwan has not delivered.

They see Lithuania's current foreign policy as too ambitious. There has only been one high-profile, high-tech business venture.

Since 2021, Lithuania has managed to offset Chinese economic withdrawal, reaching out to countries such as countries like Australia, Japan, South Korea, and Taiwan. But it still reflects drops in income for Lithuanian companies all the same. EU Commission has approved Lithuania's proposal for a €130 million rescue package for companies.

And, perhaps, Lithuania is setting an example. In November 2023, Estonian officials stated they were open to the idea of a "Taiwan" representative office. One Western analyst compared Beijing's reaction to a fear of "Taiwan fever spreading."

## Lithuania in the Chinese Media:

Lithuania's decision to recognise Taiwan has elicited a complex and often contradictory response from Chinese media. Chinese media that reports on Beijing's foreign policy seems to have deep-seated concerns about such actions by smaller states.

Chinese media consistently casts China as a formidable giant and Lithuania as small and defenceless. Here's a quote from China's Global Times: "The country's population is not even as large as that of Chaoyang district in Beijing. It is just a mouse, or even a flea, under the feet of a fighting elephant."

Not only that, but Chinese media portrays a Lithuania in Economic crisis. The media states that Lithuanian goods facing trouble in Chinese markets—which is true. Lithuania has been kicked out of the Belt and Road Initiative. Some news outlets claimed Lithuania was deeply in debt and needed Chinese assistance. And it is reported the European Union is not offering adequate support to Lithuania against China and the Lithuanian population does not support the government's policy towards China, anyways.

And here is where the narrative gets contradictory. For all of the media's portrayal of Lithuania as meaningless, small, bankrupt, and without true friends: they claim that Lithuania is able to threaten and damage Chinese sovereignty by recognising Taiwan as independent from China. And, of course, Lithuania's anti-China stance is because Lithuania is controlled by the United States.

So, the media landscape in China is surprising for its intensity and alarm over Lithuania's actions.

## Academic Literature on Small States Recognising Taiwan:

How has the academic literature attempted to understand small states' decisions to recognise Taiwan? In general, the literature has been driven by two questions: (1) What does the smaller state have to gain for picking Taiwan over China? And more recently, (2) how does the smaller state make up for replacing China with Taiwan?

Annette Baker Fox's pioneering work in the 1950s laid the groundwork for understanding how small states navigate the pressures exerted by larger powers, especially during crisis periods. Her insights highlighted that small states could indeed exert influence and resist pressure from great powers by leveraging their geographical locations, alliances, and relations with superpowers.

Next, Scholars began to advocate for a more nuanced understanding of "smallness," suggesting that the definition of a small state is contextual rather than strictly based on material metrics such as population, GDP, or military capability.

Tom Long, currently at Warwick University, introduces a taxonomy of small state power, including derivative, collective, and particular-intrinsic categories. These outline how small states can leverage their unique attributes and positions to exert influence on the global stage. The discourse has shifted from vulnerability to opportunity for smaller states.

The literature on recognition for Taiwan has traditionally given three reasons: the influence of great power decisions creating a tipping point; kin-state ties; and direct material benefits. But there is an increasing willingness and ability of China to outbid Taiwan for diplomatic recognition. Every small state that chooses to recognise Taiwan suffers a “Taiwan cost”. This is pushing scholars to develop new theories for the recognition of Taiwan.

The newest explanation is “status-seeking” elites. Because Taiwan knows it cannot count on diplomatic recognition from great powers, it seeks to create greater international status among small states. Thus, the benefit for a small power to side with Taiwan is (1) preferential treatment by Taiwan in relations and business and (2) material benefits—although, these will be much less than what China can offer.

Politicians, Long and Urdinez (2021) argue, can partly offset this “Taiwan cost” by “international status seeking”. For example, Taiwan lavishes positive attention on those elites who support and visit Taiwan. Taiwan expanded its invitations for travel delegations, including broader segments of society—such as politicians, military, business, civil society, artists, and students. By contrast, China does not demonstrate similar respect.

## Conclusion:

To conclude, Lithuania’s pivot to recognise Taiwan is a courageous exercise of small-state agency. While the tangible economic support from Taiwan has not fully met expectations, Lithuania’s decision gains recognition and respect from its Western peers and fellow travellers. This choice, despite the “Taiwan cost,” might signify a trend of small states asserting their sovereignty and seeking to diversify their international partnerships.

As we approach Lithuania’s May 2024 presidential election, the government’s challenge will be to articulate the value of this foreign policy direction and to demonstrate the non-material gains—such as international standing and the support

of Western allies—that come with such a decision. Whether this will suffice in the face of economic pressures and amid the complexities of global realpolitik remains an open question, yet Lithuania's actions have certainly stirred a global discourse, illustrating that even small states have the power to shape international norms and alliances.

Thank you.