



# **The Northern Dimension of the European Union and the Trends in Security Policy in the Baltic Sea Region**

**A Finnish Point of View**

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Interne Information zur Sicherheitspolitik

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*Der Autor gibt in dieser Studie ausschließlich seine persönliche Meinung wieder.*

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## **Vorwort**

Die vorliegende Studie analysiert aus einer finnischen Perspektive die nördliche Dimension der Europäischen Union und konzentriert sich dabei insbesondere auf die sicherheitspolitischen Aspekte im baltischen Raum.

Die nördliche Dimension ist ein erfolgreiches Konzept der regionalen Partnerschaft, die gerade im Lichte der EU-Erweiterung um zehn neue Mitgliedsstaaten eine Erfolg versprechende Strategie der Zusammenarbeit darstellt. Da der bereits jetzt schon schwierige Konsensfindungsprozess in der EU – man nehme die gescheiterte Konventsdebatte als Beispiel – mit dem Anwachsen auf 25 Mitglieder mit Sicherheit nicht leichter werden wird, ist die regionale Kooperation ein zweckdienliches Instrument, um gemeinsame Interessen zu erarbeiten und im größeren europäischen Rahmen vorzubringen. Im vorliegenden Beispiel der nördlichen regionalen Partnerschaft hat dies auch maßgebliche positive Auswirkungen auf die Sicherheit und Stabilität.

Die nördliche Dimension, wie sie vom finnischen Premierminister Paavo Lipponen 1997 vorgestellt wurde, hat grundsätzlich zwei Zielsetzungen: erstens die Schaffung von Stabilität in der baltischen Seeregion im Rahmen von wirtschaftlicher, kultureller und politischer Kooperation und zweitens die Institutionalisierung der Zusammenarbeit von EU-Mitgliedsstaaten und Drittstaaten insbesondere im Bereich der gemeinsamen Außen- und Sicherheitspolitik.

Formen und Arten der regionalen Kooperation können variieren und auf verschiedene Weise Gestalt annehmen. In Österreich etwa präsentierte Außenministerin Benita Ferrero-Waldner gemeinsam mit ausländischen Amtskollegen im Juni 2001 die bi- und multilaterale Partnerschaft zwischen Österreich, Ungarn, Polen, der Slowakei, Slowenien und der Tschechischen Republik. Diese bis jetzt eher formlose und zaghafte Partnerschaft könnte angesichts des EU-Beitritts von vier österreichischen Nachbarstaaten an Bedeutung gewinnen und einen Ausbau der regionalen

Interessen in der EU fördern.

Die vorliegende Studie hat Erkki Olavi Aalto im Zuge eines Praktikums im Büro für Sicherheitspolitik des Bundesministeriums für Landesverteidigung im Sommer 2003 erstellt.

**Vinzenz Kastner**

## Introduction

Regional co-operation plays an increasing role in our globalized world. This role is especially important within the European Union that operates on the principle of subsidiarity and is characterized by supranational and intergovernmental elements. Furthermore, new challenges like the Union's enlargement and its efficiency will have to be dealt with in the near future. Different dimensions and forms of regional co-operation might offer solutions to these challenges.

There are many different forms of regional co-operation that do not always deal with economic and cultural questions alone, though these normally form the basis for co-operation, but also with security-political issues. Indeed, in Europe there are quite a number of initiatives tackling security issues within the various frameworks of regional co-operation. One example is the co-operation between the Visegrád-States<sup>1</sup> that co-operate in many fields, including security policy. There are two motives that are usually given as a reason for the Visegrád co-operation: first, it offers a possibility of promoting the international role of these states through co-operation<sup>2</sup>; second, the fear of the Russian Empire striking back has served as a motor for this co-operation<sup>3</sup>.

A second example is the initiative of regional partnership ("Regionale Partnerschaft") that was presented by the Austrian Foreign Minister Ferrero-Waldner in June 2001. It aims at bilateral and multilateral co-operation in various political fields, ranging from security policy to cultural relations between Austria, Hungary, Poland, Slovakia, Slovenia, and the Czech Republic. The regional partner-

ship initiative was thoroughly discussed in domestic and international forums and further developed<sup>4</sup>.

The third example is the idea of a Northern Dimension of the European Union, which was presented by the Finnish Prime Minister Lipponen in 1997. The Dimension has two goals: first, to create stability in the Baltic Sea Region through economic, cultural, and political co-operation and second, to institutionalize the co-operation between EU member states and non-member states on EU level by integrating it into the common foreign and security policy.

The main goal of the Northern Dimension is to secure peace and stability in northern Europe. One peculiarity of the Dimension is that it excludes security-political questions while, at the same time, having an effect on them. This dual role of the Dimension will be analyzed in the following.

The present paper comprises three parts. The first part outlines the idea of the Northern Dimension, its development and main elements, followed by comments on the concepts of soft and hard security and their role within the Northern Dimension. The third sub-chapter focuses on the multilateral framework of the Northern Dimension, in order to point out what the main intergovernmental organizations involved in the Dimension are and how they work. Concluding the first part, some actors' viewpoints on the Northern Dimension are presented.

The second part of this paper investigates the current security-political trends in the Baltic Sea Region, followed by a sub-chapter dealing with the co-operation in the field of hard security between the Nordic Countries and the Baltic States. This second part of the paper concludes with some remarks on Finland's security policy.

The third part provides an outlook into the future. It analyzes the future of the Northern Dimension and presents three scenarios for Finland.<sup>5</sup>

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<sup>1</sup> Czech Republic, Hungary, Poland, and Slovakia.

<sup>2</sup> Pal Dunay: "Subregional Co-operation in East-Central Europe: the Visegrád Group and the Central European Free Trade Agreement" in *Österreichische Zeitschrift für Politikwissenschaft* 2003/1, p. 47.

<sup>3</sup> Gunther Hauser: *Sicherheit in Mitteleuropa. Politik. Kooperation. Ethnizität.* (Schriftenreihe der Landesverteidigungsakademie: 2003), p. 50.

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<sup>4</sup> László J. Kiss & Lucie Königova & Paul Luif: "Die 'Regionale Partnerschaft': Subregionale Zusammenarbeit in der Mitte Europas" in *Österreichische Zeitschrift für Politikwissenschaft* 2003/1, p. 57.

# 1. The Northern Dimension and Soft Security

## 1.1. The Northern Dimension

The end of the Cold War had a major impact on security questions in the Baltic Sea Region, which is best reflected in the changes in threat analyses. While the level of traditional military threats has decreased, the role of economic, political, and environmental threats has received more emphasis than ever before. These soft security threats are not new – they already existed during the Cold War era – but have since assumed a more important role on the agenda of security policy. The political emphasis on soft security threats was strengthened by an intensified interaction of the states of the Baltic Sea, which reduced the significance of borders.

The accession of Finland and Sweden to the European Union in 1995 created a natural northern dimension within the Union, which called for an EU level policy<sup>6</sup>. Although northern Europe can be described as an area with an own identity and special questions of its own, it is nevertheless an area marked by great differences, the most prominent of which is the living standard disparity between Finland and Russia.

The uncertain security situation and the accession of Finland and Sweden to the European Union were the starting point for the Northern Dimension Initiative. Securing peace and stability in the north is the basic idea of the Northern Dimension Initiative, which is to be achieved through co-operation in the political, economic, and cultural sectors. There are three major elements that characterize the Northern Dimension:

First and foremost, the Dimension is marked by flexibility which has been one of the driving forces of the initiative. The Northern Dimension is guided by an Action Plan<sup>7</sup> which is a political declaration setting forth political guidelines. Yet, although the basic ideas have been developed into an Action Plan, the essence of the Dimension is still somewhat unclear. It is a good compromise initiative, benefiting everyone without demanding too much from its members. In fact, the Dimension is based on already existing instruments and does therefore not require additional funding<sup>8</sup>.

The Northern Dimension is, both intergovernmental and supranational. Although the Action Plan is guided by the European Commission, the political guidelines of the program are implemented by regional intergovernmental organizations or by the member states. This situation leaves room for flexibility which is not always a good thing to have. Indeed, in order to be successful within the European Union, any policy initiative does not only need supranational pull but also intergovernmental push. Problems within the Northern Dimension indicate that there are competing and sometimes even opposing national interests among the member states<sup>9</sup>.

The flexibility of the Dimension has, both positive and negative effects. From the initiator's point of view it is not wise to put forward too rigid an initiative, because it might be rejected. If it is flexible enough, everyone can make the best of it. The problem with this, however, is that flexibility also means that the essence of the idea may remain somewhat unclear. One could, in fact, argue that from a Finnish security-political perspective institutionalizing the Northern Dimension on EU level might have had priority over clearly formulating the actual content.

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<sup>5</sup> The Northern Dimension, the security-political situation in the Baltic Sea and Finland's security policy are also analyzed in the excellent work of Johanna Rainio. See: Johanna Rainio: Sicherheit im Wandel: Sicherheitspolitischer Stand und die Zukunftserwartungen im Ostseeraum aus finnischer Sicht. (Interne Information zur Sicherheitspolitik Nr. 10/2001).

<sup>6</sup> Jaakko Blomberg: "Foreword" in Mathias Jopp & Riku Warjoavaara (eds.): Approaching the Northern Dimension of the CFSP: Challenges and opportunities for the EU in the emerging European security order (The Finnish Institute of International Affairs: 1998), p. 8.

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<sup>7</sup> The contents of the plan is dealt with in chapter 1.3.

<sup>8</sup> Lassi Heininen: "Ideas and outcomes: Finding a Concrete Form for the Northern Dimension Initiative" in Hanna Ojanen (ed.): The Northern Dimension: Fuel for the EU? (The Finnish Institute of International Affairs: 2001), p. 22. <[http://www.upi-fiaa.fi/northerndimension/CFSP12\\_2.pdf](http://www.upi-fiaa.fi/northerndimension/CFSP12_2.pdf)>.

<sup>9</sup> Hiski Haukkala: "Comment: National Interests versus Solidarity Towards Common Policies" in Hanna Ojanen (ed.): The Northern Dimension: Fuel for the EU?, (The Finnish Institute of International Affairs: 2001), p. 107-109. <[http://www.upi-fiaa.fi/northerndimension/CFSP12\\_.pdf](http://www.upi-fiaa.fi/northerndimension/CFSP12_.pdf)>.

The second important element of the Dimension is that of stability based on the idea of co-operative security. Stability can be reached through co-operation and interdependence – which are also the basic principles of the EU – in the fields of trade, cultural exchange, political dialogue, and environment. For such co-operation it is important that the Northern Dimension be part of the Common Foreign and Security Policy of the European Union.<sup>10</sup>

The Finnish initiative excluded hard security issues from the Dimension, fearing that an inclusion might lead to a misinterpretation of soft security questions<sup>11</sup>. In addition, it emphasizes that internal developments in other states rather than open military postures are identified as the main threats<sup>12</sup>. Stability may, therefore, better be reached by soft security measures.

The European Union emphasizes the use of non-military measures in order to achieve stability. Utilizing gray zones, such as within the Northern Dimension, the EU practices "de-securitization". This means, that the EU tries to move issues out of the threat defense sequence into the ordinary public sphere. The EU sees these issues as security threats originating right across the Union's borders. For example, security threats stemming from nuclear power are usually of such nature that countries tend to classify them as domestic issues. The gray zones with their web of positive interdependence may help "de-securitize" these issues, i.e. to bring them to the political level and open them for international, regional or sub-regional discussion and co-operation.<sup>13</sup>

The third major element of the Dimension is a geographical one. It is clear that the concept of the Northern Dimension is the core of Finland's geopolitical environment and foreign policy. The new geopolitical and political situation of Finland in the early 1990s, after the Cold War period and the collapse of the Soviet Union,<sup>14</sup> called for the policy of a Northern Dimension and a strategy for such a policy.

The Dimension is geographically not clearly defined<sup>15</sup> which adds to the flexibility (or lack of clarity) of the Dimension. The following map, however, indicates the geographical limits of the Northern Dimension. As can be seen, the capital Helsinki is the Dimension's gravitational center that also includes the adjacent regions of southern, eastern, and northern Finland. The Northern Dimension is, however, not only in the national interest of Finland but also in full harmony with European interests.<sup>16</sup>

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<sup>10</sup> Ari Heikkinen: "Euroopan unionin pohjoinen ulottuvuus" in *Näkökulmia Pohjoiseen ulottuvuuteen*, 1999, p. 15.

<sup>11</sup> Johanna Rainio: *Sicherheit im Wandel: Sicherheitspolitischer Stand und die Zukunftserwartungen im Ostseeraum aus finnischer Sicht*. (Interne Information zur Sicherheitspolitik Nr. 10/2001), p. 182.

<sup>12</sup> Carl-Einar Stalvant: *Northern Dimension Puzzle*, p. 9–11. <<http://www.bd.lst.se/dimensionen/rapport/18.pdf>>.

<sup>13</sup> Teemu Palosaari: "Northern Dimension as a Tool for Building Grey Zones between Membership and Non-Membership" in Hanna Ojanen (ed.): *The Northern Dimension: Fuel for the EU?* (The Finnish Institute for International Affairs: 2001), p. 213. <[http://www.upi-fia.fi/northerndimension/CFSP12\\_2.pdf](http://www.upi-fia.fi/northerndimension/CFSP12_2.pdf)>.

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<sup>14</sup> Lassi Heininen: "Ideas and outcomes: Finding a Concrete Form for the Northern Dimension Initiative", in Hanna Ojanen (ed.): *The Northern Dimension: Fuel for the EU?* (The Finnish Institute for International Affairs: 2001), p. 22. <[http://www.upi-fia.fi/northerndimension/CFSP12\\_2.pdf](http://www.upi-fia.fi/northerndimension/CFSP12_2.pdf)>.

<sup>15</sup> Ari Heikkinen: "Euroopan unionin pohjoinen ulottuvuus" in *Näkökulmia Pohjoiseen ulottuvuuteen*, 1999, p. 15.

<sup>16</sup> Jaakko Iloniemi: *Die Bedeutung der Nördlichen Dimension für Europa*, 1999. <<http://www.eva.fi/julkaisut/esitelmat/ilo499.htm>>.



Source: [http://europa.eu.int/comm/external\\_relations/north\\_dim/index.htm](http://europa.eu.int/comm/external_relations/north_dim/index.htm)

## 1.2. Hard and Soft Security

After the end of the Cold War an intensified debate started about the concepts of hard and soft security. By tradition, hard security refers to the military defense of a state, regarding security issues in terms of military balance as well as military strategy and tactics. In this context soft security refers to the non-military aspects of security<sup>17</sup>.

Recently the concept of soft security has moved into the spotlight. Olav F. Knudsen has provided two concepts of soft security, one that sees a close relationship between soft and hard security and one that sees them as alternatives<sup>18</sup>. It is more or less a political question how one wants to see and define the relationship between the two.

Previously soft security was regarded as a national issue rather than a subject for international co-

operation and technical assistance. This situation has changed after the end of the Cold War when new challenges and threats emerged.<sup>19</sup> Indeed, globalization has reduced the importance of borders, which had an effect on security thinking.

At its core, the European Union is a peace project, emphasizing the use of soft security measures. EU security thinking is based on the idea that security problems can be managed ahead of time by influencing the factors that cause crises. The EU has tried to spread this ideology on its own continent as well as across the world and, indeed, this policy has proved quite successful, especially in Europe.

In the Baltic Sea Region NATO's hard security agenda and the European Union's soft security agenda meet.<sup>20</sup> Oversimplified one might say that NATO focuses on the security of states, while the EU is focused on the security of the people. However, the differences between these two agendas are

<sup>17</sup> Clive Archer: Aspects of Soft Security, 1. <<http://www.bd.lst.se/dimensionen/rapport/1.pdf>>.

<sup>18</sup> Olav F. Knudsen: "The Northern security agenda: An overall perspective" in Gianni Bonvicini & Tapani Vaahtoranta & Wolfgang Wessels (ed.): The Northern EU: National Views on the Emerging Security Dimension (The Finnish Institute of International Affairs: 2000), p. 43-44. <<http://www.upi-fiia.fi/northerndimension/cfsp9.pdf>>.

<sup>19</sup> Carl-Einar Stalvant: Northern Dimension Puzzle, p. 9-11. <<http://www.bd.lst.se/dimensionen/rapport/18.pdf>>.

<sup>20</sup> Johanna Rainio: Sicherheit im Wandel: Sicherheitspolitischer Stand und die Zukunftserwartungen im Ostseearaum aus finnischer Sicht. (Interne Information zur Sicherheitspolitik Nr. 10/2001), p. 176.

not that great at the moment, because both agendas emphasize the importance of co-operation and interdependence. Bottom line is, that hard security is ultimately always based on military power.

The Northern Dimension has been an active promoter of soft security, which may be commented as follows: First, the Dimension addresses direct threats to the security of individuals rather than any military threat. Second, the Dimension's way of dealing with security involves a "replacement effect," whereby a zero-sum political agenda is replaced by one based on integration, co-operation, and interdependence.<sup>21</sup>

Defining soft and hard security is a political question. It is clear that, both military and non-military threats, have always existed and it is more or less a question of how much weight they are given on the political agenda. Helene Sjursen quite rightly concluded that social and economic inequities were obviously also a problem during the Cold War era. Several states had experienced acts of terrorism before 1989, and ethnic conflicts are not an invention of the post-Cold War world, either.<sup>22</sup> Although the interaction between nations has increased and borders have become less significant, one might consider soft and hard security policies as instruments whose importance depends on how much weight is attributed to them on the political agenda at a certain time.

### 1.3. Multilateral Co-operation

The first Action Plan of the Northern Dimension covered the period of 2000-2003. The Plan is a political recommendation that may be used in different situations for preparing different strategies and projects. It is based on the following objectives<sup>23</sup>:

- Addressing environmental problems in the region, e.g. the treatment of waste water in St. Petersburg, Kaliningrad, and the Baltic States.
- Improving the level of nuclear safety and nuclear waste management in areas where thousands of spent nuclear fuel elements were stored or dumped into the sea (e.g. in the region of the Kola Peninsula), and where there are several nuclear power plants in operation.
- Facilitating co-operation in the energy sector. The north is rich in gas and oil resources and EU energy needs are likely to increase after the enlargement.
- Developing efficient transport and border-crossing infrastructure, which will make cross-border contacts easier and minimize the negative impact of borders on trade, cultural, and personal contacts across borders.
- Enhancing cross-border co-operation in the fields of justice and home affairs, in order to secure the legality of cross-border activities in areas where living standard disparities are wide.
- Supporting cross-border business co-operation and investment, in order to allow the regional economies to develop to their full potential.
- Supporting public health and social administration programs to address the problems of poverty, unemployment, and health, including communicable diseases, in partner countries, some of which may have trans-border implications if not addressed.
- Improving access to telecommunication and IT facilities, which can enhance cross border co-operation, create new kinds of employment, and facilitate the development of new kinds of economic activities.
- Enhancing the development of human resources by establishing international networks among research institutes as well as through students and research staff exchange.
- Preserving the traditional ways of life of indigenous populations of the Arctic in the Nordic Countries and north-western Russia.

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<sup>21</sup> Clive Archer: Aspects of Soft Security, p.6. <<http://www.bd.lst.se/dimensionen/rapport/1.pdf>>.

<sup>22</sup> Helene Sjursen: Security and Defence, p.14. <[http://www.arena.uio.no/publications/wp03\\_10.pdf](http://www.arena.uio.no/publications/wp03_10.pdf)>.

<sup>23</sup> European Commission: First Action Plan 2000-2003. <[http://europa.eu.int/comm/external\\_relations/north\\_dim/ndap/index.htm](http://europa.eu.int/comm/external_relations/north_dim/ndap/index.htm)>.

- Addressing the problems that Kaliningrad will encounter, once it becomes a Russian enclave within the Union after the enlargement.

The Northern Dimension contains intergovernmental and supranational elements. It is a common undertaking of the European Union and its member states together with partner countries (Russia, Poland, Norway, Estonia, Latvia, and Lithuania). The European Commission has a leading role in implementing the Action Plan and is responsible for programming projects and making appropriate follow-up proposals.<sup>24</sup>

The Northern Dimension operates through existing EU financing instruments and aims at achieving added value for them. The main instruments are the Tacis, Phare, and Interreg programs. Regional organizations, international financial institutions, and the private sector also play an important role in running the Northern Dimension.<sup>25</sup> The most important regional organizations of the Northern Dimension are the Council of the Baltic Sea States, the Barents Euro-Atlantic Council, and the Nordic Council of Ministers.

The Council of the Baltic Sea States (founded in 1992) is a regional forum for co-operation of the Baltic Sea States. The objectives of the Council are, in principle, the same as those of the Action Plan of the Northern Dimension. The Council has a permanent secretariat and issues are discussed in many working groups. The Council meets once a year at ministerial level and every other year at the level of heads of states.<sup>26</sup>

The Barents Euro-Atlantic Council (founded in 1993) is a forum for transnational co-operation in the Barents region. The main tasks of this Council include the support and promotion of regional co-operation in the northern areas of Sweden, Norway, Finland, and north-eastern Russia. The Council is to contribute to sustainable economic, social, and

peaceful developments in the most northern regions of Europe. The Council meets once a year at ministerial level and has a number of working groups.<sup>27</sup>

The Nordic Council of Ministers (founded in 1971) is a forum for co-operation among the Nordic governments (Denmark, Finland, Iceland, Norway, Sweden) in many political fields, excluding foreign and security policy. The foreign and defense ministers do, however, meet outside the official structures of the Council. The co-operation is coordinated by the responsible ministers (appointed by each state) and the decision-making is based on the principle of consensus. The Council meets twice a year in different groupings, depending on the issues at hand. The overall responsibility of the Nordic Council lies with the Prime Ministers. The Council has a common secretariat with the Nordic Council and many working groups.<sup>28</sup>

All in all, one might say that multilateral co-operation around the Northern Dimension forms a complex network in which objectives and activities of different organizations overlap. The positive effect of this is that the goals common to all organizations are well promoted. The negative effect, however, is a lack of co-ordination between these efforts.

Although security-political questions are not officially dealt with within these regional organizations, one should not underestimate the importance they have for soft security. In addition, direct contacts within the working groups of these councils form the basis for unofficial Nordic networking, allowing officials to stay in touch at all levels.

#### **1.4. Some Actors' Viewpoints on the Northern Dimension**

The Finnish Initiative of the Northern Dimension, that eventually led to the Action Plan, received a number of comments from the Baltic Sea States. The basic idea of intensifying co-operation was well received, although the individual countries had reservations and priorities of their own with regard to the

<sup>24</sup> European Commission. <[http://europa.eu.int/comm/external\\_relations/north\\_dim/index.htm](http://europa.eu.int/comm/external_relations/north_dim/index.htm)>.

<sup>25</sup> European Commission. <[http://europa.eu.int/comm/external\\_relations/north\\_dim/index.htm](http://europa.eu.int/comm/external_relations/north_dim/index.htm)>.

<sup>26</sup> Council of the Baltic Sea States. <<http://www.cbss.st>>.

<sup>27</sup> Barents Euro-Arctic Council. <<http://www.beac.st/>>.

<sup>28</sup> Nordic Council of Ministers. <<http://www.norden.org>>.

Action Plan. In the following the viewpoints of some of the states are presented.

Sweden is an active supporter of the Northern Dimension but sees it as too narrow a perspective for co-operation in the area. The area should not be limited to the Finnish initiative to create a Northern Dimension of the EU but instead be a field for co-operation among several organizations, open to everyone who wants to participate. Therefore, it is not possible to draw a firm line between those countries that are perceived as relevant and those that are not.<sup>29</sup> Indeed, Sweden has not placed the same importance on giving the EU a leading role in this co-operation as the Finns have. Rather than prioritizing EU involvement, Sweden has concentrated on regional co-operation, giving particular weight to the Council of the Baltic Sea States.<sup>30</sup>

The Baltic States were quite skeptical about the initiative in the beginning, because their main concern was Russia. During the process, however, their attitude has changed and they now offer general support and even make concrete proposals for the Northern Dimension. At the same time their role has changed from an unclear status as political players to that of partner countries of the Dimension.<sup>31</sup> From the pragmatic point of view, working on soft security issues may, apart from its intrinsic value, be

considered by the governments of the Baltic States as a means to facilitate their accession to NATO<sup>32</sup>.

For Russia the initiative of the Northern Dimension seems to have come as a surprise. It took Russia almost two years to formulate an official strategy towards the EU initiative and to come up with academic analyses of it. The Northern Dimension presented five main challenges to traditional Russian security thinking<sup>33</sup>:

- First, the NDI involved a shift from the hard to the soft security domain, which was unusual for Russian strategy planners, because the north and north-west were always perceived as potential zones of confrontation with the West. In addition, there was a high concentration of Russian armed forces, both with a nuclear and a conventional arsenal, in the region. When the Northern Dimension was presented, hard security issues lost their former importance changing the whole security agenda.
- Second, the Northern Dimension project cast doubt on the key principle of the European Cold War security architecture, namely that European security is indivisible. Under the new circumstances it has become possible to make a region or sub-region (such as northern Europe) more secure without having to create a security regime for the whole continent.
- Third, for the first time in EU-Russian relations the NDI provided Russia with the freedom of choice. Prior to that Russia had to play by the rules defined by the West.
- Fourth, the Northern Dimension also revealed that Moscow underestimated the role of regionalism, both domestically and internationally. Internally, Moscow viewed regionalism as a continuation of, or addition to the highly central-

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<sup>29</sup> Gunilla Herolf: "The Swedish approach: Constructive competition for a common goal" in Gianni Bonvicini & Tapani Vaahtoranta & Wolfgang Wessels (Eds.): *The Northern EU: National Views on the Emerging Security Dimension* (The Finnish Institute of International Affairs: 2000), p. 140-141; 147-148. <<http://www.upi-fiiia.fi/northerndimension/cfsp9.pdf>>.

<sup>30</sup> Jennifer Novack: "The Northern Dimension in Sweden's EU Policies: From Baltic Supremacy to European Unity?" in Hanna Ojanen (Ed.): *The Northern Dimension: Fuel for the EU?* (The Finnish Institute for International Affairs: 2001), p. 90. <[http://www.upi-fiiia.fi/northerndimension/CFSP12\\_2.pdf](http://www.upi-fiiia.fi/northerndimension/CFSP12_2.pdf)>.

<sup>31</sup> Lassi Heininen: "Ideas and Outcomes. Finding a Concrete Form for the Northern Dimension Initiative" in Hanna Ojanen (Ed.): *The Northern Dimension: Fuel for the EU?* (The Finnish Institute for International Affairs: 2001), p. 42-43. <[http://www.upi-fiiia.fi/northerndimension/CFSP12\\_.pdf](http://www.upi-fiiia.fi/northerndimension/CFSP12_.pdf)>.

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<sup>32</sup> Clive Archer: "The Northern Dimension as a soft-soft option for the Baltic States' security" in Hanna Ojanen (Ed.): *The Northern Dimension: Fuel for the EU?* (The Finnish Institute for International Affairs: 2001), p. 186-197. <[http://www.upi-fiiia.fi/northerndimension/CFSP12\\_2.pdf](http://www.upi-fiiia.fi/northerndimension/CFSP12_2.pdf)>.

ized federal policies at the local level. Internationally, Russia rated regional co-operation either as low priority (compared to the "grand strategy") or as a free space for diplomatic maneuvering (should the "grand strategy" fail).

- Fifth, the Northern Dimension challenged Russia's traditional concept of national sovereignty. Moscow's original position was that all Russian regions are integral parts of the Russian Federation, enjoying equal status. International co-operation was not to question whether or not any region belonged to Russia, nor to cause disparities between different regions by involving some territories into deeper co-operation while rejecting others.

Though the United States is not a partner country of the Northern Dimension it plays a special role in the Baltic Sea Region. It launched a Northern Europe Initiative in 1997 as a response to the developments in the Baltic Sea Region. This Initiative is a U.S. Government strategy led by the State Department in order to promote stability in the Baltic Sea Region, bolster U.S. trade and investment there, and strengthen key Western institutions and security structures.<sup>34</sup> Furthermore, the U.S. Northern Europe Initiative was also seen as a tool of security policy, because it made it possible to concentrate expensive military efforts in geopolitical hot spots rather than investing them in political settings to which non-military means have successfully been applied in efforts to pacify, de-escalate, and even solve conflicts.<sup>35</sup>

The Northern Europe Initiative is a top-down project, the success of which is said to be dependent on the involvement of non-state actors as well as

regional and local governmental agents. So far, the U.S. initiative has maintained low profile. Furthermore, under the Bush administration the issue seems to be one of "business as usual" in northern Europe rather than one of radical change. This need not be negative, as during the Clinton administration the initiative did not make big headlines, either.<sup>36</sup>

The Northern Europe Initiative symbolized the plurality of US foreign policy thinking. According to Rhodes, there are five elements in this initiative:<sup>37</sup> First, the initiative moved American thinking away from the traditional notions of security, because it shifted the focus of the policymakers from state security to human security; second, the initiative recognized that security is not a zero-sum game; third, in thinking about security and a security architecture for northern Europe, the initiative abandoned the traditional narrow focus of the Westphalian model on activities of sovereign states and state institutions; fourth, the logic of the initiative suggested the need of re-conceptualizing the parameters of political space and to pay less attention to political borders; fifth, the initiative emphasized the need to get away from thinking in terms of a national "we" and "they."

It is hardly surprising that the Northern Dimension Initiative was criticized in the beginning, because it was considered to interfere with the domestic spheres of nation states. However, the partners and actors in the Baltic Sea Region have eventually come to accept it more or less, because they realized that they can all benefit from it.

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<sup>33</sup> Alexander Sergounin: The Russian post-Communist discourse on Northern Europe: A change for region-building?, p. 1-2. <<http://www.bd.lst.se/dimensionen/rapport/16.pdf>>.

<sup>34</sup> U.S. Department of State. <<http://www.state.gov/p/eur/rt/nei/>>.

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<sup>35</sup> Frank Möller: "Reconciling international politics with local interests: The United States in Northern Europe" in Teresa Pohjola & Johanna Rainio (Eds.): The New North of Europe. Policy Memos. (The Finnish Institute of International Affairs: 2002), p. 78-80. <<http://www.upi-fia.fi/northerndimension/Policy%20MemosNNE.pdf>>.

<sup>36</sup> Frank Möller: "Reconciling international politics with local interests: The United States in Northern Europe" in Teresa Pohjola & Johanna Rainio (Eds.): The New North of Europe. Policy Memos. (The Finnish Institute of International Affairs: 2002), p. 78-80. <<http://www.upi-fia.fi/northerndimension/Policy%20MemosNNE.pdf>>.

<sup>37</sup> Edward Rhodes: Rethinking The Nature of Security: The U.S. Northern Europe Initiative. <<http://www.copri.dk/publications/Wp/WP%202002/9-2002.doc>>.

It is worth noticing the change of attitude in Russia and in the United States. They have both indicated that they are willing to co-operate on soft security issues. This change has gradually also affected the security-political thinking in the whole Baltic Sea Region. Many of the threats that were previously regarded as hard security threats have shifted to the category of soft security threats, which has facilitated international co-operation in these sectors.

## 2. Hard Security in the Baltic Sea Region

Security-political issues are not part of the Northern Dimension. Nevertheless, the Northern Dimension is certainly one instrument of security policy and should therefore also be analyzed in the larger security context, i.e. not only in terms of soft security. The interaction of hard and soft security is based on the same kind of threat analysis. The Finnish White Book on security and defense policy formulates it this way, "In security and defense policy planning, consideration must also be given to the possibility of unfavorable developments. Development in Russia and its policies may in future lead or contribute to a crisis affecting northern Europe and the Baltic Sea region, mainly under three scenarios:

1. Technology-based environmental catastrophe;
2. Increasing tension in relations between Russia and the Baltic States; and
3. Failure of Russian reforms, Russia's isolation and a major change in foreign and security policy."<sup>38</sup>

As can be seen, hard security threats, as formulated here, are more or less connected to the soft security threats the Northern Dimension deals with. Therefore an interaction between soft security (including the Northern Dimension) and hard security is important.

### 2.1. Trends in the Baltic Sea Region

The security-political situation has undergone major changes in the Baltic Sea Region over the past few years, due to EU and NATO enlargement. Particularly NATO's enlargement to the Baltic States in 2004 will change the strategic situation, because the whole southern coast of the Baltic Sea (except Kaliningrad) will then be controlled by NATO countries. In addition, the new and increasingly political role of NATO and its new tasks form a combination that makes it hard to predict what the alliance's role in the Baltic Sea Region will be in the future.

Equally the enlargement of the European Union will have an effect on the security-political situation in the Baltic Sea Region. While it will increase stability and promote the economic development in the area, it will, in combination with NATO's enlargement, create a new economic and security-political border with Russia. Furthermore, the shaping of a European Security and Defense Policy is in progress. The proposals of the Convention include, for example, the solidarity clause and the possibility of a flexible integration in defense questions, which will most likely increase the Union's role as a military actor.

Because of the EU's growing role in security policy, it is likely that, in the future, there will be changes in the division of labor between NATO and the EU, as far as European security is concerned. In the long term, responsibility will shift more and more into the hands of the Europeans themselves. In the following decades, Europe might be faced with a radical structural change, turning from the current unipolar system to a multipolar system. Such a change will have a great impact on the Baltic Sea Region, because it will create the need to compensate for the stabilizing role of the United States, with an EU based security guarantee system. Should the construction of a European alternative fail, however, it would lead to more instability in the Baltic Sea Region.<sup>39</sup>

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<sup>38</sup> The White paper on the Finnish Security and Defence Policy 2001. <[http://www.defmin.fi/index.phtml/page\\_id/13/topmenu\\_id/7/menu\\_id/13/this\\_topmenu/7/lang/3/fs/12](http://www.defmin.fi/index.phtml/page_id/13/topmenu_id/7/menu_id/13/this_topmenu/7/lang/3/fs/12)>.

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<sup>39</sup> The Finnish Institute for International Affairs 2003. <[http://www.upi-fiaa.fi/english/painopistealueet\\_English/nordic\\_baltic\\_region/index.htm](http://www.upi-fiaa.fi/english/painopistealueet_English/nordic_baltic_region/index.htm)>.

Concerning the overall strategic development in the Baltic Sea Region there are two remarks to be made: First, co-operation in the area has lowered the risk of conflicts. The growing mobility of the people and the interaction have turned the Baltic Sea Region into an increasingly important, dynamically developing region, engaged in political and economic co-operation. Co-operation among the Nordic Countries has a long tradition. In addition, the three Baltic States are also closely co-operating and procedures for a co-operation among the eight Nordic and Baltic countries have been established.<sup>40</sup>

Second, military factors, in particular military confrontation, are no longer so much in the foreground as they were during the Cold War, partly because of the increased interaction. Nevertheless, the strategic situation in the area is still vital for security and defense policy planning. A few comments should, therefore, be made with regard to the strategic developments. First, Russia is still a major military power in the area, although its strength decreased during the 90's. It can be argued that Russia's current security problems are mainly located in the south. Second, the strategic importance of the Danish Straits has changed. Militarily, the focal point has shifted eastward and lies in the maritime areas adjoining the Baltic States, Finland and Russia. Third, the military significance of the Kola Peninsula and the St. Petersburg region has increased. The Leningrad Military District is one of Russia's front-line districts and thus has priority with regard to the development of its armed forces. Kaliningrad's special position affects Russia's relations with its neighbors in the Baltic Region. Fourth, the Baltic Sea and the countries bordering it form a link to Europe and the rest of the world, which is vital for Russia because of its economic significance (e.g. oil transportation).<sup>41</sup>

As put forth in sub-chapter 1.3., the Baltic Sea States co-operate on many different levels and in many different forms. Especially the Nordic Countries have intensified their security-political co-operation after the Cold War. The fact that the Nordic countries have different security policy doctrines has not hampered co-operation. One of the most important parts of the Nordic co-operation is the exchange of views and information, that takes place in many fields and on many levels<sup>42</sup>.

On a bilateral basis there is a lot of co-operation going on, for example, in the fields of sea-security, submarine-rescue, defense-material, and training. On the multilateral level security issues have been discussed since 1997 in the Nordic Council that has increasingly dealt with security-related questions. The Nordcaps (Nordic co-ordinated arrangement for military peace support) forms a multilateral basis for military co-operation. It is worth mentioning that also the United Kingdom participates in the Nordcaps. Co-operation within the framework of the Nordcaps is currently taking place in the Balkans, for instance.<sup>43</sup> The overall purpose of Nordcaps is to adapt and further develop Nordic co-operation in the field of peace support operations. The practical aim of this co-operation is to develop generic concepts and planning, multinational training, and procedures in order to be able to generate robust and cost-effective Nordic forces for military support operations.<sup>44</sup>

In recent years, Nordic co-operation has particularly intensified in defense equipment and materiel. The greatest achievement in this area was the decision for a joint Nordic helicopter project in autumn 2001, when Norway, Sweden, and Finland agreed to buy the same type of helicopter. The Nordic countries also signed an agreement on co-operation in the defense industry in autumn 2001, which will help secure the supply for all participating countries and

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<sup>40</sup> The White paper on the Finnish Security and Defence Policy 2001. <[http://www.defmin.fi/index.phtml/page\\_id/13/topmenu\\_id/7/menu\\_id/13/this\\_topmenu/7/lang/3/fs/12](http://www.defmin.fi/index.phtml/page_id/13/topmenu_id/7/menu_id/13/this_topmenu/7/lang/3/fs/12)>.

<sup>41</sup> The White paper on the Finnish Security and Defence Policy 2001. <[http://www.defmin.fi/index.phtml/page\\_d/13/topmenu\\_id/7/menu\\_id/13/this\\_topmenu/7/lang/3/fs/12](http://www.defmin.fi/index.phtml/page_d/13/topmenu_id/7/menu_id/13/this_topmenu/7/lang/3/fs/12)>.

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<sup>42</sup> The Swedish Defence Commission: Sveriges säkerhetspolitiska samarbete, Ds 2003:8, p. 286. <[http://www.forsvarsberedningen.gov.se/rapporter/pdf/ds2003\\_8.pdf](http://www.forsvarsberedningen.gov.se/rapporter/pdf/ds2003_8.pdf)>.

<sup>43</sup> The Swedish Defence Commission: Sveriges säkerhetspolitiska samarbete, Ds 2003:8, p. 287-288. <[http://www.forsvarsberedningen.gov.se/rapporter/pdf/ds2003\\_8.pdf](http://www.forsvarsberedningen.gov.se/rapporter/pdf/ds2003_8.pdf)>.

<sup>44</sup> See <<http://www.nordcaps.org/>>.

will allow to maintain a national as well as a joint Nordic defense equipment industry, while saving resources.<sup>45</sup>

The Nordic defense ministers, permanent secretaries, heads of departments, and officials meet several times a year. In addition, there are exchange-agreements between the governments. There is also close co-operation among the defense forces of these countries, from the Commander-in-Chief down to individual units and establishments.<sup>46</sup>

Military interaction in the Baltic Sea Region is not only a matter of the Nordic states alone. There is co-operation among the Nordic States and the Baltic States as well as among the Baltic States themselves. The Nordic States, especially Finland and Sweden, have offered training and materiel to the Baltic States. While Sweden is providing help to all three states, Finland is focusing on Estonia.<sup>47</sup>

The Baltic States co-operate in security and defense matters in four organizations. The Baltic Battalion (BALTBAT) joint peace-keeping unit was created in 1994 to operate in international peace support forces contributing to international peace and stability; the Baltic Naval Squadron (BALTRON), whose main tasks are to counter mine threats, reduce environmental hazards in the territorial sea and economic zones of the Baltic States as well as to participate in international peace support operations; the Baltic Airspace Surveillance Network (BALTNET) is a comprehensive defensive radar network operating in the region since 2000. It is a

system for co-ordination and distribution of air surveillance data among the Baltic countries; the Baltic Defence College (BALTDEFCOL) was established in 1998 as the first joint military education institution of the Baltic States, creating opportunities for training and development of senior staff officers of the defense forces of Estonia, Latvia, and Lithuania. It also offers advanced courses to civil servants.<sup>48</sup>

## 2.2. The Finnish Case

When Finland joined the European Union in 1995, it abandoned the concept of neutrality and declared itself non-aligned. Finland also became a strong and active supporter of the Common Foreign and Security Policy of the EU. Indeed, EU membership simply seems to have replaced the former policy of neutrality as the core element of Finnish Security Policy.<sup>49</sup> Therefore it is not surprising that Finland's EU policy has emphasized the strong role of the European Commission and of the Common Foreign and Security Policy. Furthermore, the Northern Dimension of the EU plays a role in Finland's security policy, although the Dimension as such does not include security policy.

Finland does not have a long tradition of neutrality, as opposed to its Swedish neighbor. The path chosen after the Second World War can be described as the best option under the circumstances.<sup>50</sup> The roots of neutrality are, however, still deep in the Finnish minds. After the end of the Cold War and Finland's accession to the EU, also NATO membership was considered an option<sup>51</sup>, which did not meet with public approval. This has dampened the politi-

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<sup>45</sup> The Ministry of Defence of Finland: Defence Policy Cooperation among the Nordic Countries. <[http://www.defmin.fi/index.phtml/lang/3/topmenu\\_id/4/menu\\_id/197/fs/12](http://www.defmin.fi/index.phtml/lang/3/topmenu_id/4/menu_id/197/fs/12)>.

<sup>46</sup> The Ministry of Defence of Finland: Defence Policy Cooperation among the Nordic Countries. <[http://www.defmin.fi/index.phtml/lang/3/topmenu\\_id/4/menu\\_id/197/fs/12](http://www.defmin.fi/index.phtml/lang/3/topmenu_id/4/menu_id/197/fs/12)>.

<sup>47</sup> The Ministry of Defence of Finland: Cooperation with the Baltic States. <[http://www.defmin.fi/index.phtml/page\\_id/198/topmenu\\_id/4/menu\\_id/198/this\\_topmenu/121/lang/3/fs/12](http://www.defmin.fi/index.phtml/page_id/198/topmenu_id/4/menu_id/198/this_topmenu/121/lang/3/fs/12)>; The Swedish Defence Commission: Sveriges säkerhetspolitiska samarbete. Ds 2003:8. <[http://www.forsvarsberedningen.gov.se/rapporter/pdf/ds2003\\_8.pdf](http://www.forsvarsberedningen.gov.se/rapporter/pdf/ds2003_8.pdf)>.

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<sup>48</sup> The Estonian Ministry of Foreign Affairs: Baltic Cooperation: Estonia, Latvia and Lithuania. <[http://www.m.ee/eng/kat\\_202/840.html](http://www.m.ee/eng/kat_202/840.html)>.

<sup>49</sup> Teija Tiilikainen: "Finland in the EU" in Bo Huldt & Teija Tiilikainen & Tapani Vaahtoranta & Anna Helkama-Raegaerd (Eds.): Finnish and Swedish Security. Comparing National Policies, 2001, p. 62-68.

<sup>50</sup> Pekka Sivonen: "Finland in NATO" in Bo Huldt & Teija Tiilikainen & Tapani Vaahtoranta & Anna Helkama-Raegaerd (Eds.): Finnish and Swedish Security. Comparing National Policies, 2001, p. 97.

<sup>51</sup> Eevi Laukkanen: Keeping the (NATO-) Options open. Observations on Finnish Domestic Discussion Surrounding the Issue of NATO Membership. (Interne Information zur Sicherheitspolitik, Nr. 16: 2003), p. 13.

cal discussion about the positive and negative impacts of a possible NATO membership. The situation was, indeed, somewhat confusing. Though Finland is actively participating in the PfP program and the Euro-Atlantic Partnership Council and has emphasized the importance of NATO's presence in Europe, it was not willing to join the alliance.

During the NATO debate a number of arguments have been presented in favor and against a membership. In the following, references are made to some of them, starting with arguments in favor of a membership, that can be grouped in three categories: political reasons, security reasons, and moral values.

- First, staying outside the alliance would leave Finland without influence on security decisions that have an impact on Finland. This also includes the issue of the status of Russia which works together with NATO. The question of political influence (or the lack thereof) is connected to the fear that Russia and NATO might make decisions over Finland's head.
- Second, in its core NATO is still a defense alliance offering collective security to its members. Furthermore, NATO would increase the interoperability of the troops, allow access to intelligence, and improve armament co-operation.
- Third, because NATO defends Western values, Finland should be part of it. This argument has been increasingly used in the Finnish debate. NATO will soon become a security organization comprising most European countries.

However, the same three categories may also be used for arguments against a NATO membership:

- First, as a NATO member, Finland would carry collective political responsibility of the alliance's actions, regardless of whether Finland does or does not participate in any particular action.
- Second, by joining NATO, Finland would lose its independence in military terms.
- Third, although the values NATO defends are quite clear, it is nevertheless doubtful whether NATO really defends these values or rather the interests of its most important member(s).

From an official point of view, a Finnish membership in NATO does not seem to be likely in the near future, although all options are being kept open. After the Finnish elections in March 2003 the new government (a coalition of Social Democrats, Center Party, and Swedish Party) entered into power. The security-political line was formulated in the government program as follows, "Finland's foreign and security policy is based on military non-alliance and a credible national defence, where general conscription plays an essential part. The Defence Forces will be developed in accordance with the Government Report to Parliament on Finnish Security and Defence Policy 2001." The formulation of the previous government of Paavo Lipponen read, "The cornerstone of Finland's security policy is a credible defence capability. Under prevailing conditions Finland would best promote stable development in Northern Europe by remaining non-allied."<sup>52</sup> The new doctrine puts more emphasis on a non-aligned policy by saying "based on military non-alliance" than the previous one which indicated that non-alignment would "under prevailing conditions" best promote a stable development in northern Europe. However, the government of Prime Minister Vanhanen has left the NATO option open by concluding, "The Government will evaluate Finland's foreign and security policy as a whole in more detail in its report to Parliament on Finnish Security and Defence Policy 2004."<sup>53</sup>

Also the President of Finland – who still has a lot of weight in foreign and security policy – has been emphasizing the non-alignment policy and has recently taken up issues in support of it. First, "Finland's strong position is the result of a consistently pursued security policy, skilled management of foreign policy as well as non-participation in mili-

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<sup>52</sup> The Programme of Prime Minister Paavo Lipponen's second Government, <<http://www.valtionuuvosto.fi/vn/liston/base.lsp?r=35798&k=en&old=754>>.

<sup>53</sup> The Government Programme of Prime Minister Matti Vanhanen's Government, <<http://www.valtionuuvosto.fi/vn/liston/base.lsp?r=696&k=en>>.

tary alliances facilitated by our credible defense system."<sup>54</sup>

Second, "As a militarily non-aligned country, Finland has been able to act as a mediator in conflict situations where what is needed is expert knowledge of the region without in any way being an involved party. The credibility of every person chosen for a task must be based on not only his or her personal abilities, but also on long-term and consistent work in the field of international politics on the part of that person's background community. [...] The most recent demonstration of the confidence that we Finns enjoy was the decision by UN Secretary-General Kofi Annan to appoint Counsellor of State Harri Holkeri as his special representative in Kosovo."<sup>55</sup>

Third, "In a democracy, a basic prerequisite for a credible security policy is that it enjoys the support of the people. The present policy has that support, and so it must continue to be in the future as well."<sup>56</sup>

Although the president seems to be emphasizing the positive elements of non-alignment at the moment, she has, nevertheless, also left a backdoor open: "But we must make sure that alternatives continue to be available to us and that we ourselves can make decisions that affect our status. This calls for alertness and above all political will and expertise."<sup>57</sup>

Finland's security has always depended on the overall stability in Europe and particularly in northern Europe. This has not changed since Finland's accession to the EU, as Tuomas Forsberg and Hanna Ojanen have pointed out. They conclude that what has changed is the perception of the role of the EU in this region. Finland has been eager to ensure that the EU shares the concerns and views of the situation in the region, and was successful with the NDI. It is no

longer considered feasible that Russia and the West could decide about Finland's fate unilaterally. After joining the EU, Finland's way of dealing with Russia has been shaped by the ideas of economic interdependence and democratic peace, because a democratic Russia is unlikely to get involved in a military conflict with the West. Therefore, supporting democracy is a long-term security objective for the EU in northern Europe.<sup>58</sup>

Finland puts great hopes on the EU in the Baltic Sea Region. In particular, as Forsberg and Ojanen have pointed out, there are four things Finland expects from the EU. First, that the EU pay attention to the number of soft security questions in the region. In fact, unlike during the Cold War years, Finland is now aiming at multilateralising its relations with Russia. Second, that the EU emphasize its role as a political and normative community. As such, it would take Finland out of the Russian sphere of interest and define its international position. In this way the EU would import stability into the region with its further enlargement, while Russia would not be able to separate Finland or the Baltic States from the general European security order. Third, the EU is regarded as an optimal actor, as it has a favorable reputation in Russia, so that working through the EU would not lead to conflicts with Russian security interests. Therefore, the EU should endeavor to maintain that reputation. Fourth, from the Finnish perspective the EU should be cautious in developing its hard security role, as NATO is more suitable for upholding the hard military balance in the region. Not only are U.S. interests in the region considered more

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<sup>54</sup> The new year's speech by the President of the Republic Finland, 1.1.2003. <[www.tpk.fi](http://www.tpk.fi)>.

<sup>55</sup> Speech by the President of the Republic Tarja Halonen at the Loviisa Peace Forum in Loviisa Church on 3.8.2003. <[www.tpk.fi](http://www.tpk.fi)>.

<sup>56</sup> The new year's speech by the President of the Republic Finland, 1.1.2003. <[www.tpk.fi](http://www.tpk.fi)>.

<sup>57</sup> Speech by the President of the Republic Tarja Halonen at a promotion and commissioning ceremony for cadets on 4.6.2003. <[www.tpk.fi](http://www.tpk.fi)>.

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<sup>58</sup> Tuomas Forsberg and Hanna Ojanen: "Finland's new policy: Using the EU for stability in the North" in Gianni Bonvicini & Tapani Vaahtoranta & Wolfgang Wessels (Eds.): *The Northern EU - National Views on the Emerging Security Dimension*. (The Finnish Institute of International Affairs: 2000), p.113. <[http://www.upi-fia.fi/northern\\_dimension/cfsp9.pdf](http://www.upi-fia.fi/northern_dimension/cfsp9.pdf)>.

urable, the EU is regarded to be too weak a military actor.<sup>59</sup>

The Finnish position is stable and strong at the moment. However, the new challenges worldwide, and especially in the Baltic Sea Region, will force Finland to re-evaluate whether its present line will best serve its interests also in the future. This evaluation will be contained in the next Government White Paper on Security and Defense Policy in 2004.

### 3. Future

#### 3.1. The Future of the Northern Dimension

The first Action Plan of the Northern Dimension came to an end with 2003. The second Action Plan has been prepared by the European Commission and the proposals have been passed to the Council. The new Action Plan will set forth a framework of priorities, objectives, and actions to be taken for the implementation of the Northern Dimension over the period of 2004-2006.

The proposed plan focuses on five sectors of priority: economy and infrastructure, social issues (including education, training, and public health), environment, nuclear safety and natural resources as well as justice, home affairs, and cross-border co-operation. Within each of these sectors it sets forth strategic priorities and specific objectives and indicates the actions to be taken to achieve them. The Action Plan also stresses the necessity of paying particular attention to specific areas of the Northern Dimension that have special development needs, such as the Arctic and sub-Arctic areas and the Kaliningrad region.<sup>60</sup>

As can be seen, the new plan deals, in essence, with the same issues as the previous one. The big difference is, however, that it will be implemented in a situation that is very different from that of the first plan. It, therefore, contains different kinds of elements. According to some scholars these will pose challenges to the NDI and ultimately to Finland in the future.

- First, the Northern Dimension is not the only dimension of the EU. Because of the enlargement, the extent of regional co-operation and the number of different kinds of dimensions will increase. This will be a big challenge for small countries like Finland, because their political and economic role is not strong enough to defend their interests by themselves.<sup>61</sup>
- Second, the competition for funds among the dimensions will increase in the future. The new members and their neighbors do not have large economic resources, which means that they are essentially dependent on EU funding in their cross-border co-operation.<sup>62</sup>
- Third, the essence of the Dimension has remained unclear. Despite its ambitious agenda, it has not managed to rise above its initial vague formulations and has remained an abstract 'shopping list' of threats and possibilities that primarily exist in the north-western parts of Russia.<sup>63</sup>
- Fourth, there have only been a few concrete projects bearing the NDI label, and it is difficult to

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<sup>59</sup> Tuomas Forsberg and Hanna Ojanen: "Finland's new policy: Using the EU for stability in the North" in Gianni Bonvicini & Tapani Vaahtoranta & Wolfgang Wessels (Eds.): *The Northern EU - National Views on the Emerging Security Dimension*. (The Finnish Institute of International Affairs: 2000), p. 113-115. <<http://www.upi-fia.fi/northerndimension/cfsp9.pdf>>.

<sup>60</sup> The European Commission: *the Second Northern Dimension Action Plan 2003*. <[http://europa.eu.int/comm/external\\_relations/north\\_dim/ndap/ap2.htm](http://europa.eu.int/comm/external_relations/north_dim/ndap/ap2.htm)>.

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<sup>61</sup> Hiski Haukkala: *Kohti ulottuvuuksien unionia. Itälaajentumisen vaikutukset pohjoiselle ulottuvuudelle*. (The Finnish Institute for International Affairs: 2002), p. 5-6. <[http://www.upi-fia.fi/julkaisut/upi\\_raportti/raportit/upi\\_raportti22002.pdf](http://www.upi-fia.fi/julkaisut/upi_raportti/raportit/upi_raportti22002.pdf)>.

<sup>62</sup> Hiski Haukkala: *Kohti ulottuvuuksien unionia. Itälaajentumisen vaikutukset pohjoiselle ulottuvuudelle*. (The Finnish Institute for International Affairs: 2002), p. 5-6. <[http://www.upi-fia.fi/julkaisut/upi\\_raportti/raportit/upi\\_raportti22002.pdf](http://www.upi-fia.fi/julkaisut/upi_raportti/raportit/upi_raportti22002.pdf)>.

<sup>63</sup> Hiski Haukkala: "The Challenge of Russian Regionalism in the implementation of the Northern Dimension" in Teresa Pohjola & Johanna Rainio (Eds.): *The New North of Europe. Policy Memos*. (The Finnish Institute of International Affairs: 2002), p. 31-33. <<http://www.upi-fia.fi/northerndimension/Policy%20MemosNNE.pdf>>.

pinpoint where the supposed 'added value' of the Northern Dimension might be.<sup>64</sup>

- Fifth, despite its critics, the Northern Dimension has proved to be effective in practice. It has, in particular, promoted co-ordination of EU policies and funding within the northern region and beyond. These policies have resulted in practical actions.<sup>65</sup>
- Sixth, because of the EU enlargement, Finland will lose its unique position as the only EU country sharing a border with Russia. The gravitational center of the relations will therefore shift south.<sup>66</sup>
- Seventh, a worst-case scenario for Finland would arise, if the Union were to reduce its presence in the north, leaving crucial projects concerning the development of north-western Russia to be carried out by the Finns alone, while all economically attractive projects would be freely competed for. Although the flow of money through Tacis and Interreg is not huge, it would be impossible for Finland to make up for it on a national basis.<sup>67</sup>
- Eighth, although it does not seem likely today, regionalism could easily produce new peripheries inside the Union. This, in turn, might reduce the interest of key transatlantic powers in the de-

velopments around Finland, which would be a most unwanted state of affairs.<sup>68</sup>

- Ninth, NATO enlargement might marginalize the Northern Dimension within Finland's foreign policy and Finland might have to start prioritizing 'hard' security issues and focus more on the military and defense. The move toward hard security issues would be significant for the Northern Dimension. Changes in the 'terms of debate' in Finnish foreign policy would, over the time, start to shape policy outcomes. Distinctive policies would be prioritized, in particular hard security policies would gain priority over soft security policies.<sup>69</sup>
- Tenth, in the future the Northern Dimension should be more closely linked to broader European interests. Therefore the Northern Dimension should be reformulated, so that it could – together with the new Eastern Dimension – promote EU-Russian relations.<sup>70</sup>
- Eleventh, if the Northern Dimension loses in importance within the Finnish foreign policy it might have far-reaching consequences, as the Finnish option of giving priority to soft security issues, in line with the European security environment, would be undermined.<sup>71</sup>

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<sup>64</sup> Hiski Haukkala: "The Challenge of Russian Regionalism in the implementation of the Northern Dimension" in Teresa Pohjola & Johanna Rainio (Eds.): *The New North of Europe. Policy Memos.* (The Finnish Institute of International Affairs: 2002), p. 31-33. <<http://www.upi-fiia.fi/northerndimension/Policy%20MemosNNE.pdf>>.

<sup>65</sup> Juha Jokela: "The increasing role of NATO should not undermine the importance of the European Union's Northern Dimension for Finland" in Teresa Pohjola & Johanna Rainio (Eds.): *The New North of Europe. Policy Memos.* (The Finnish Institute of International Affairs: 2002), p. 45-49. <<http://www.upi-fiia.fi/northerndimension/Policy%20MemosNNE.pdf>>.

<sup>66</sup> Hiski Haukkala: Kohti ulottuvuuksien unionia. Itälaajentumisen vaikutukset pohjoiselle ulottuvuudelle. (The Finnish Institute for International Affairs: 2002), p. 5-6. <[http://www.upi-fiia.fi/julkaisut/upi\\_raportti/raportit/upi\\_raportti22002.pdf](http://www.upi-fiia.fi/julkaisut/upi_raportti/raportit/upi_raportti22002.pdf)>.

<sup>67</sup> Jussi Seppälä: "The Northeastern Challenge" in Teresa Pohjola & Johanna Rainio (Eds.): *The New North of Europe. Policy Memos.* (The Finnish Institute of International Affairs: 2002), p. 99-101. <<http://www.upi-fiia.fi/northerndimension/Policy%20MemosNNE.pdf>>.

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<sup>68</sup> Jussi Seppälä: "The Northeastern Challenge" in Teresa Pohjola & Johanna Rainio (Eds.): *The New North of Europe. Policy Memos.* (The Finnish Institute of International Affairs: 2002), p. 99-101. <<http://www.upi-fiia.fi/northerndimension/Policy%20MemosNNE.pdf>>.

<sup>69</sup> Juha Jokela: "The increasing role of NATO should not undermine the importance of the European Union's Northern Dimension for Finland" in Teresa Pohjola & Johanna Rainio (Eds.): *The New North of Europe. Policy Memos.* (The Finnish Institute of International Affairs: 2002), p. 45-49. <<http://www.upi-fiia.fi/northerndimension/Policy%20MemosNNE.pdf>>.

<sup>70</sup> Hiski Haukkala: Kohti ulottuvuuksien unionia. Itälaajentumisen vaikutukset pohjoiselle ulottuvuudelle. (The Finnish Institute for International Affairs: 2002), p. 5-6. <[http://www.upi-fiia.fi/julkaisut/upi\\_raportti/raportit/upi\\_raportti22002.pdf](http://www.upi-fiia.fi/julkaisut/upi_raportti/raportit/upi_raportti22002.pdf)>.

<sup>71</sup> Juha Jokela: "The increasing role of NATO should not undermine the importance of the European Union's Northern Dimension for Finland" in Teresa Pohjola & Johanna Rainio (Eds.): *The New North of Europe. Policy Memos.* (The Finnish Institute of International Affairs: 2002), p. 45-49. <<http://www.upi-fiia.fi/northerndimension/Policy%20MemosNNE.pdf>>.

- Twelfth, from a Finnish perspective it is positive that the stability in the Baltic Sea Region and in northern Europe has been strengthened, due to EU and NATO enlargement. The big challenge for the near future, however, will be to involve Russia more deeply into Western co-operation. In this context the Northern Dimension will play an essential role. The NDI will be an important instrument of Finland's EU policy, which may, in turn, influence the foreign policy of the European Union. However, the crucial question is, what amount of resources will be allocated to the Dimension in the future.<sup>72</sup>

The competition among the dimensions for receiving funds is bound to increase in the future. This will, of course, force the Northern Dimension to specify its focus and substance, in order to compete for funds. Yet, competing might not be an ideal solution for any of the dimensions. Instead, the dimensions should work more closely together, in order to define and develop the content of each dimension and achieve better results. Such co-operation might be feasible, for example, between the new Eastern Dimension and the Northern Dimension.

In the future the Northern Dimension will mainly be in the hands of the private sector, especially with regard to low-scale politics. Funding through EU programs will most likely decrease and ensuing budget holes will have to be filled somehow. Therefore, private funding of regional projects would have to be increased, while the Dimension's actions should continue to be coordinated by the European Commission, also in the future.

The role of the Northern Dimension might lose in importance within the Finnish foreign policy, because of the enlargement of the EU and NATO. First of all, if the Northern Dimension is not able to gain new funds from the EU or the private sector, it might start to wither away, which would have serious consequences for northern Europe, as it would go hand in hand with a reduced EU interest in the

area. NATO's enlargement could have a different kind of effect on the Northern Dimension, because it might force Finland to give priority to hard security issues over soft security issues.

### 3.2. Three Scenarios for Finland

The future of the Northern Dimension is partly also connected to Finnish security policy choices. Therefore, in the following the future of the Northern Dimension is analyzed from a Finnish point of view, considering three scenarios. The first scenario examines what kind of impact a membership in NATO and a participation in the "defense core" of the European Union would have for the Dimension. The second scenario analyzes what might happen, if Finland were to join the defense core of the EU but stay outside NATO. The third scenario considers a situation of Finland staying outside, both the EU defense core as well as NATO. Although these scenarios are all based on uncertain assumptions (such as whether a defense core of the EU will actually be formed, or whether such scenarios would be feasible politically or practically) they lend themselves as tools for analyzing possible impacts on the Northern Dimension.

In case Finland were to join, both NATO and the defense core of the EU, the importance of the Northern Dimension would increase, because it would "soften up" the hard military border between Finland and Russia. As a member of both, Finland could also deal with Russia in a multilateral context. As part of the defense core in the EU, Finland would have better possibilities to promote the Dimension and gain funding for it. One problem, however, might be that the opposition against the Dimension might increase in Russia, because of NATO's unfavorable image there. Another problem could be that hard security issues would become more important on the political agenda than the Northern Dimension's soft security questions.

Staying outside NATO but joining the defense core of the EU could be another option. Going this route, the Dimension would not be associated with NATO's unfavorable image, Finland could deal with Russia in a multilateral framework and receive

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<sup>72</sup> The Finnish Ministry for Foreign Affairs: Ulkoasiainministeriön tulevaisuuskauppa 2003, p. 5-6. <<http://formin.finland.fi/doc/fin/linjaukset/UM%20tulevaisuus.pdf>>.

EU funding for the Dimension. The problem here would be, however, that most other countries in the Baltic Sea Region will be NATO members and not necessarily very interested in a Dimension that is mainly in the interest of one country.

Staying outside NATO and the defense core of the EU would be a difficult situation for Finland with regard to the Northern Dimension. Finland would then have to pursue a half-in/ half-out policy. While continuing to deal with Russia mainly in a multilateral context, Finland would not have much influence on hard security questions in the area. It might prove difficult to find partners for the needed "intergovernmental push" as well as to receive sufficient funds for the Dimension. Plus it would certainly put more emphasis on bilateral relations. While allowing for more own bilateral policies, the question of with whom remains to be answered, as almost all the others are operating in multilateral frameworks.

All three scenarios have negative and positive effects for the Northern Dimension. There is no doubt that the Dimension will be facing great challenges in the near future and whether they will be met is a matter of political will.

## Conclusions

The Northern Dimension is one form of regional cooperation in Europe. Although it has been developed in the national interests of Finland, it contains elements, such as maintaining peace and stability, that are in the interest of all countries in the region. What makes the Northern Dimension somewhat special is its dual role. While excluding security issues from its agenda, the Dimension, nevertheless, has an effect on them by means of co-operation and interdependence. The Northern Dimension as an idea, relies on soft security measures, though the interests connected to the initiative seem to be based on, both hard and soft security analyses. The initiative has, in fact, helped reduce the difference between hard and soft security thinking. This is also reflected in the fact that many of the threats previously regar-

ded as hard security threats have shifted to soft security threats.

The flexibility of the Northern Dimension has been one of the key elements to make the initiative successful, because its member states, partner countries, and the Commission have found very useful elements in it. The flexibility of the initiative has, however, been its biggest problem, too, because it has left the content of the Dimension somewhat unclear. The problem flexibility causes can also be found in multilateral co-operations connected with the Northern Dimension. They form a complex network in which the objectives and activities of different organizations overlap. Furthermore, the broad array of questions being dealt with in these organizations adds to the lack of clarity of the content of the Dimension.

The trends in security policy in the Baltic Sea Region are very much influenced by the enlargement of the EU and NATO. This, together with the cooperation among the Nordic Countries and between them and the Baltic Countries, have lowered the risk of conflict and stabilized the Baltic Sea Region. Cooperation takes place in multilateral and bilateral frameworks and the soft (and hard) security questions dealt with depend on the organizations involved. Nevertheless, militarily the region is gaining in significance, because of Russian trade interests.

Finland will most likely not join NATO in the near future. In the current official political line, a possible NATO membership is viewed with skepticism while the population opposes it altogether. The government of Prime Minister Vanhanen also seems to be quite skeptical about a possible Finnish participation in the defense core of the EU. Rejecting both options will most likely pose a great challenge for the future of the Northern Dimension.

The Northern Dimension has been a very useful and successful initiative during the transition period of the past years when the Baltic States took part in NATO and EU membership processes but also because of the uncertain future political line of Russia. Nevertheless, there are great challenges ahead for the NDI and the competition for funds is most likely

going to be the biggest one. The question of funding is important for Finland, because without it, Europe's Northern Dimension might get marginalized with regard to high-scale politics in the north. On the other hand, the fate of the Northern Dimension, especially in low-scale politics, lies much in the hands of the private sector because of the increased competition for EU funds.

The number of regional co-operation initiatives in Europe indicates that the role of regionalism is growing. Therefore, it is most likely that the Northern Dimension will, in one way or another, remain a factor in northern Europe also in the future.