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Nordic Defence cooperation: Background, current trends and future prospects?

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Résumé

En 2009, les pays nordiques ont fusionné les accords existants de coopération de défense en une structure unique, la coopération de défense nordique (NORDEFECO). Sous les auspices de NORDEFECO, les pays nordiques coopèrent actuellement en Afghanistan, mènent des exercices conjoints et coordonnent leurs plans nationaux de développement afin d'identifier les capacités qui pourraient être développées et entretenues en commun. Le niveau actuel de leur coopération en matière de défense repré-

sente une rupture avec le passé. Pendant la Guerre froide, les questions de politique étrangère et de sécurité ont été largement exclues de l'ordre du jour en raison des choix respectifs que les pays nordiques avaient fait en matière de défense. Après la Guerre froide, de nouvelles possibilités de coopération sont apparues, mais les pays nordiques ont rapidement dû faire face à de nouveaux clivages. Auparavant neutres, la Suède et la Finlande ont rejoint l'Union européenne et se sont activement engagées dans le développement de la Politique européenne de

sécurité et de défense (PESD). Quant aux trois autres pays nordiques, ils ont suivi un chemin différent. Le Danemark s'est «désengagé» de la politique de défense de l'UE alors que l'Islande et la Norvège sont restées en dehors de l'Union européenne.

Bien que les pays nordiques aient établi une structure formelle pour coopérer dans les domaines du développement et de l'acquisition d'armement tout en poursuivant leur coopération traditionnelle dans les opérations de gestion de crise, l'importance du cadre nordique semble décliner. Aujourd'hui, les principaux facteurs qui stimulent la coopération nordique en matière de défense sont :

- (1) les changements dans l'environnement de sécurité européen;
- (2) la coopération dans les opérations internationales, et
- (3) les impératifs économiques.

Parmi les changements dans l'environnement de sécurité européenne figurent :

- le changement dans la politique étrangère et de défense des États-Unis vers la région Asie-Pacifique;
- les aspirations de la Russie à moderniser et à se réarmer ;
- l'importance stratégique croissante de la mer Baltique et dans l'Arctique. Comme pour les opérations internationales, le nombre d'opérations de gestion de crises de l'UE a diminué, et les groupements tactiques de l'Union n'ont pas été déployés. Cela a contraint les pays nordiques à se tourner vers d'autres plates-formes telles que l'OTAN et l'ONU.

Enfin, l'incertitude économique prolongée en Europe et le coût de plus en plus important des équipements militaires incitent à la coopération. À cet égard, NORDEFCO complète les efforts déployés au sein de l'UE et de l'OTAN. Bien que de nombreuses entraves antérieures à la coopération nordique en matière de défense persistent, il existe une forte volonté de renforcer cette coopération.



Introduction

The Nordic cooperation is clearly an upward trend in the five Nordic states of Denmark, Finland, Iceland, Norway and Sweden. Recently, its added value has been highlighted in particular in the field of foreign policy. The setbacks in the Icelandic (2008) and Finnish (2012) campaigns for the UN Security Council and the Swedish campaign for the UN Human Rights Council (2012) have underlined this rationale. The Nordic states are increasingly preoccupied with the possible decline of their relatively high international standing (and arguably also influence) at the face of the emerging multipolar world order. Relatedly, the high hopes vested in the EU as a channel for global influence in Nordic EU capitals have not fully materialised. The Nordic cooperation is also progressively seen as an asset in the enlarged EU and NATO despite the different affiliations of the Nordic states with these institutions.

The report commissioned by the Nordic governments and prepared by the former Norwegian foreign minister Thorvald Stoltenberg in 2009 included several proposals to enhance Nordic foreign and security policy cooperation. Interestingly, many of these deal with defence cooperation. The added value of defence cooperation was highlighted already in 2008 in a jointly produced document identifying 140 potential areas for military cooperation. Some important developments and concrete plans for future have followed. Finland and Sweden have recently committed themselves to the surveillance of Icelandic airspace through participation in NATO training activities. The Nordics have also increased their coordination in international operations and they are engaged in joint procurement processes and build-up of shared capabilities such as tactical air lift capability. The Nordic five have also established a common institutional structure for defence cooperation across alliance boundaries. The Nordic Defence Cooperation (NORDECFO) was born out of previous cooperation arrangements and its objective is to strengthen the participants' national defence, explore synergies and facilitate efficient common solutions.

The aim of this article is to provide an overview of Nordic defence cooperation and analyse its recent achievements, limits and future prospects. To do so, we will first discuss the history of Nordic defence cooperation. We will suggest that in practice cooperation has been advanced above all in peace-keeping and crisis management activities, even if the Nordic states' adaptation to the post-Cold War environment has highlighted alternative cooperation arran-

gements such as the EU and NATO. We will then analyse the current dynamics and key achievements of the increasing Nordic defence cooperation. We suggest that the main drivers of cooperation are (i) changes in the European security environment, (ii) developments in international operations, and (iii) economic imperatives. Further, the current emphasis on retaining and developing (national) defence capabilities marks a turn in Nordic defence cooperation. Finally, we consider the limits and future prospects of Nordic cooperation. While many of the previous hindrances prevail, there is clearly a new momentum to deepen and expand Nordic defence cooperation in the near future.

Background

Norden as a framework for regional cooperation between five sovereign states—Denmark, Finland, Iceland, Norway and Sweden—has its roots in the period between the two World Wars¹. While Nordic cooperation in the inter-war period took place in different areas and settings, questions related to security and defence were a common concern for all the Nordic states (cf. Saxi 2011: 31–32). However, the different experiences of the five Nordic countries during the Second World War—Denmark and Norway were both occupied by Nazi Germany and Iceland by Great Britain, Sweden remained formally neutral and Finland fought two wars against the Soviet Union—greatly influenced their respective foreign and security policy choices and, consequently, the trajectory of Nordic cooperation in the post-war era.

After the Second World War, Swedish hopes for a neutral Scandinavian defence union were buried when Denmark and Norway joined Iceland, the United States and eight other states and founded the North Atlantic Treaty Organization (NATO) in 1949. Sweden, by contrast, hung on to its traditional neutrality. Meanwhile, Finland followed the developments in the Nordic neighbourhood from the side-lines. Having lost two wars against the Soviet Union, the country was subjected to close political scrutiny by the Soviet leadership and adopted a policy of appeasement. In 1948, Finland and the Soviet Union signed the Treaty of Friendship, Co-operation and Mutual Assistance (FCMA Treaty), which included security provisions. At the same time, the treaty also mentioned that Finland intended to remain outside the conflicts of the great powers. Accordingly, Finland strived

1. Norway gained its independence in 1905, Finland in 1917. Iceland became independent in 1918, but remained subject to the Danish crown—and Danish foreign policy—until 1944.

to strengthen its image as a neutral country throughout the Cold War years (Ferreira-Pereira 2007: 60–61).

Considering the different paths chosen by the Nordic states after the Second World War, it appears somewhat surprising that Nordic cooperation quickly regained momentum. The Nordic Council, an inter-parliamentary body that can make proposals to the Nordic governments, was established already in 1952. However, in the face of the political realities, foreign and security policy matters were almost completely excluded from the Nordic agenda, and the focus of Nordic cooperation shifted to less-politicised issues². This meant that even Finland, initially wary of the Soviet reaction, could join the Nordic Council in 1955 (Forsberg 2010: 128).

Even though foreign and security policy matters remained a taboo subject throughout the Cold War, a very specific form of Nordic cooperation started to take place in the field of defence from the 1950s onwards. The Nordic states (with the exception of Iceland that has no armed forces of its own) became significant contributors to UN peacekeeping operations, and their cooperation within the UN framework gave rise to the so called Nordic peacekeeping model³. This model consisted of regular meetings between the Nordic ministers of defence and different working groups, joint UN peacekeeping courses for officers, national standby forces and the mutual readiness to provide personnel to UN missions (Jakobsen 2006: 381–382). The Nordic states also had a special organ for coordinating the deployment of their standby forces in support of UN operations, the so called Nordic Cooperation Group for Military UN Matters (NORDSAMFN), which was founded in 1964.

In many ways, UN peacekeeping formed the perfect setting for Nordic cooperation, as it served both the common and the national interests of the Nordic states. As small states, they were all keen to strengthen international law, contribute to the peaceful settlement of conflicts and prevent local hostilities from turning into a confrontation between the superpowers. In addition, Denmark and Norway considered UN peacekeeping as a way to demonstrate to the Soviet Union that even though they were members of NATO, they were also peaceful and

2. Notable milestones of Cold War-era Nordic cooperation include the establishment of the Nordic labour market and the Nordic passport union as well as the introduction of the Nordic Convention on Social Security.

3. Eleven of the 13 UN operations that took place during the Cold War period saw Nordic participation, and about 25 per cent of the personnel used for the operations came from the Nordic countries (Jakobsen 2006: 382).

formed no threat. Finland, by contrast, saw UN operations as an opportunity to showcase its often questioned neutrality and to strengthen its position between the blocs. Also Sweden was convinced that active participation in UN missions would help it to garner international respect for its neutrality (Jakobsen 2006: 383-386). In addition, UN missions did not involve use of force beyond self-defence, and the costs of the operations were low, as the troops mostly consisted of volunteers and were provided only with basic military equipment (ibid.: 386).

The end of the Cold War marked a significant turning point in the development of Nordic cooperation. The external political constraints that had put clear limits on Nordic cooperation—most notably in the case of Finland—were suddenly gone. At the same time, new possibilities opened up, new frameworks for cooperation were established, and new dividing lines emerged (Tiilikainen 2006: 50). Denmark, Finland, Iceland, Norway and Sweden were among the founding members of the Council of the Baltic Sea States (1992), the Barents Euro-Arctic Council (1993) and the Arctic Council (1996). More importantly, Finland, Norway and Sweden also re-evaluated their relationship to the European integration process. Sweden was the first of the Nordic non-members to apply for EC membership in 1991, and Finland and Norway followed suit in 1992. Norway did not, however, join the EC, as the Norwegian voters rejected the country's membership in a referendum. Denmark, the only Nordic member of the EC/EU, also redefined its position in the Union. After the Danish electorate had rejected the Maastricht Treaty in a referendum, Denmark negotiated national 'opt-outs' from several areas of EU policy, including defence policy. Apart from the EU, both Finland and Sweden also moved closer to NATO by joining its newly-established Partnership for Peace (PfP) programme in 1994 and gradually improving the interoperability between their national defence forces and NATO forces under the auspices of the alliance's Planning and Review Process (PARP) (Bailes 2006: 8). However, despite becoming members of the EC/EU—a decision which in Finland's case had been partially motivated by security policy considerations—and seeking closer ties with NATO, neither Finland nor Sweden was willing to fully give up its neutrality, although the word 'neutral' was eventually replaced by the terms 'militarily non-aligned' and 'militarily non-allied'. This process proved less controversial in Finland, where neutrality had always represented a pragmatic foreign and security policy instrument rather than an ideological choice (Tiilikainen

2006: 52-54).

Even though the attention of the Nordic states shifted increasingly towards the EU and NATO, some developments took place also in the Nordic framework. After Finland and Sweden had joined the PfP, the Nordic states created the so called Nordic Armaments Co-operation (NORDAC), a formal structure for coordinating their armament development and procurement programmes (Saxe 2011: 16). However, in practice cooperation proved a difficult task. The different foreign and security policy orientations of the Nordic states during the Cold War had significantly influenced both their defence procurement practices and the development of their defence industries (Hagelin 2006: 169-170). Two often cited cases, the Standard Nordic Helicopter Programme (SNHP) and the Viking submarine project, exemplify the difficulties facing Nordic armament cooperation. The idea behind the NSHP was that the four Nordic states would agree on a suitable helicopter model and then jointly purchase helicopters of that type. Denmark, however, went ahead on its own and decided to acquire EH101 helicopters, whereas Finland, Norway and Sweden opted for the NH90. Furthermore, even the latter three failed to generate any additional savings, as each ordered helicopters with different specifications, which makes joint maintenance, operation and upgrading difficult (Gotkowska and Osica 2012: 22). The Viking submarine project also proved a failure. Finland never participated in the project, Norway changed its status from member to mere observer and Denmark eventually decided not to acquire further submarines (Hagelin 2006: 170; Gotkowska and Osica 2012: 22).

Apart from NORDAC, the Nordic states also continued their traditional cooperation in military crisis management operations. In 1997, the Nordic states made an attempt to step up their efforts in this field by replacing NORDSAMFN with a more comprehensive institutional framework, the Nordic Coordinated Arrangement for Military Peace Support (NORDCAPS). At the same time, the size of the Nordic force pool available for military peace operations was doubled (Jakobsen 2007: 460). However, the post-Cold War military crisis management operations generally posed serious challenges to the Nordic states. First of all, the number of potential troop contributors to missions had significantly increased, undermining the traditionally strong role of the Nordic states. Secondly, unlike during the Cold War, crisis management operations now often required use of force that went beyond self-defence. For this reason, the troops needed to be well trained and equipped, backed up with

efficient logistical support and highly interoperable with the contingents of other troop providers. All this made operations more costly (Jakobsen 2006: 386-391).

The Nordic states adjusted to these challenges at a different pace. This was largely the result of the prevailing differences in the fundamental security policy outlooks of the four countries. Finland continued to emphasise the need for an autonomous territorial defence, whereas Denmark, Sweden and—to a lesser extent—Norway focused increasingly on combating indirect security threats in the framework of ‘out of area’ operations and reformed their defence forces accordingly (Saxi 2011: 32-35). Although all the Nordic states contributed to several UN and NATO-led missions in the late 1990s and the early 2000s, joint deployments within the NORDCAPS framework were the exception rather than the rule (Jakobsen 2007: 466-467).

The Nordic framework was presented with a further challenge, as the EU’s Common Security and Defence Policy (CSDP) started to gather pace after the Anglo-French St Malo summit. Due to the differing institutional affiliations of the Nordic states, the EU’s growing role in the area of security and defence policy had a very different impact on each one of them. Denmark (due to its ‘opt-out’ from defence policy) as well as Iceland and Norway (as non-members of the EU) were able to play only a marginal role in the EU framework. However, in order to gain some influence on the CSDP, Norway chose to make substantial contributions to EU-led operations (Græger 2003). Finland and Sweden, on the other hand, were both EU insiders to start with, but as a result of their emphasis on military non-alignment had some initial difficulties in adapting to the emerging CSDP structures (see Ojanen 2005; Tiilikainen 2006; Herolf 2006). This did not, however, impede Finland’s full participation in the CSDP, and the Finnish government soon started to emphasise the importance of the EU’s security policy for Finnish security (Tiilikainen 2006: 58). Also Sweden committed itself to the CSDP. That the EU had taken precedence over Nordic solutions was apparent when the NORDCAPS force pool was *de facto* replaced by a Nordic EU battle group (the Nordic Battle Group, NBG) in the mid-2000s (Jakobsen 2007: 461). Although altogether three Nordic states—the battle group’s framework nation Sweden, Finland and non-EU member Norway—contribute troops to the NBG⁴ and the group also takes advantage of the existing NORDCAPS structures, it is still an EU effort rather than a Nordic one. Furthermore, Finland initially divided its participation

between two battle groups, the NBG and the German-led Battle Group 107 (Archer 2010: 48). Nevertheless, the establishment of the NBG ensured that practical cooperation between the Nordic military forces continued.

Recent developments and current trends

If Nordic defence cooperation seemed to be heading towards its demise in the late 1990s and early 2000s, recent years have dramatically changed the situation. In June 2007, the Norwegian and Swedish armed forces presented a jointly prepared study in which they analysed how enhanced defence cooperation could help them to improve cost-efficiency and to retain the full range of military capabilities. At this point, also the Finnish defence forces became involved, and in June 2008, the three countries published a further report identifying possible bilateral and trilateral cooperation projects. The report was followed in November 2008 by the establishment of yet another formal framework for Nordic defence cooperation, the Nordic Supportive Defence Structures (NORDSUP). Denmark and Iceland also signed the Memorandum of Understanding on NORDSUP, in which the Nordic countries expressed their wish to explore “further areas and activities that may form the basis for mutually reinforcing defence structures in the future” (MoU NORDSUP). While the initial steps towards further cooperation were taken by the armed forces, the political leadership in the Nordic countries quickly picked up on the initiative. At their meeting in June 2008, the Nordic foreign ministers tasked former Norwegian minister of foreign affairs, Thorvald Stoltenberg, to draw up concrete proposals for closer cooperation between the five countries in the area of foreign and security policy. This led to the publishing of the Stoltenberg report in February 2009. In his report, Stoltenberg concluded that there was a “widespread desire” to strengthen Nordic cooperation and presented altogether 13 proposals for achieving this goal (Stoltenberg 2009).

Also the institutional architecture of Nordic defence cooperation was further refined: In November 2009, the Nordic states signed a new memorandum of understanding, establishing the Nordic Defence Co-Operation (NORDEFECO) that merged the three existing frameworks NORDAC, NORDCAPS and NORDSUP into a single structure. The central aims of NORDEFECO include the development of a comprehensive long-term approach to and a common understanding

4. The two other participants are Estonia and Ireland.

of defence related matters, the improvement of the cost-efficiency, operational efficiency, interoperability and quality of the Nordic armed forces, the enhancement of cooperation in the areas of multinational operations, security sector reform and capacity building, the achievement of technological benefits as well as the promotion of competitiveness of the Nordic defence industry (MoU on NORDEFECO). Activities within the NORDEFECO framework focus on five Cooperation Areas (strategic development, capabilities, human resources and education, training and exercises as well as operations) and are divided into three categories: studies, projects and implemented activities. Studies serve for mapping potential areas of cooperation and making cost-benefit analyses, whereas projects comprise the activities that are necessary for implementing suggested cooperation projects. In the final phase, projects are implemented through each country's national chain of command (NORDEFECO 2012). Both the chairmanship of NORDEFECO and the responsibility for each individual Cooperation Area rotate between Denmark, Finland, Norway and Sweden⁵. However, activities initiated in the NORDEFECO framework do not require the participation of all the members. Instead, the countries can pick and choose the activities that appear most suitable for their purposes. Although NORDEFECO itself is limited to the Nordic states, cooperation with other states is also possible. In January 2011, the Baltic States were invited to join some aspects of NORDEFECO.

While the Nordic armed forces advance practical defence cooperation within the NORDEFECO structure, the Nordic governments and individual government members have floated also further-reaching ideas. Inspired by the Stoltenberg report, the Nordic foreign ministers issued a Nordic declaration of solidarity on 5 April 2011. In the declaration, the five states emphasised their shared values, highlighted potential risks such as man-made and natural disasters as well as cyber and terrorist attacks, and stated that if one of them were to be affected by any of these, others would, "upon request from that country, assist with relevant means" (Nordic declaration of solidarity). In January 2013, Swedish Foreign Minister Carl Bildt and Defence Minister Karin Enström called for enhanced Nordic defence cooperation including joint ownership and use of military materiel (Bildt and Enström 2013). The Finnish Minister of Defence, Carl Haglund, expressed his support for the proposal but added that joint ownership

5. As Iceland has no military forces of its own, it only participates in NORDEFECO at the political level.

of military materiel would require a defence treaty or a defence pact between Finland and Sweden (YLE 2013a). This idea was, however, quickly dismissed by Prime Minister Jyrki Katainen (YLE 2013b) and President Sauli Niinistö (YLE 2013c). Such initiatives have, nevertheless, helped to keep Nordic defence cooperation on the agenda. On 11 April 2013, even the Nordic Council dedicated—for the first time in its history—a separate theme session to foreign and security policy issues.

What explains the recent 'rediscovery' of the Nordic framework in the area of defence cooperation? We identify three overlapping drivers for on-going developments: (i) changes in the European security environment; (ii) developments in international operations; and (iii) economic imperatives.

Changes in the European security environment are multifaceted. First, traditional security considerations again feature high on the Nordic states' security agendas. The Stoltenberg report suggests that there is a widely held view in the five Nordic countries that their region is becoming increasingly important in geopolitical and strategic terms. Their geographical proximity to sea areas that are crucial for transit and production of oil and gas and the changes taking place in the Arctic are cases in point.

Concurrently, the United States' strategic focus is shifting to Asia-Pacific. While the magnitude of this trend, and its implications to European security, are still largely unknown, it is commonly accepted that Europeans will have to carry a greater responsibility for security in Europe and its neighbourhood. The operation to establish a no-fly zone over Libya in 2010 was particularly important in this respect. It revealed some significant weaknesses in terms of European capabilities. Although European states could rely on the unique military capabilities of the United States, the US aspiration to limit its engagement in this and potential future operations was widely noted. In the Nordic region, the US withdrawal from Iceland after 55 years in 2006 has been a concrete demonstration of this shift in US foreign and security policy and highlighted the need to strengthen the surveillance of the Icelandic airspace. Recently, Sweden and Finland committed themselves to participating in unarmed training missions over Iceland in 2014 within the framework of the NATO Peacetime Preparedness Mission. This development has been widely seen as exemplary of deepening Nordic defence cooperation.

The strategic shift in US foreign and security policy and the recent military operation in Libya

have also put a question mark over the future development of NATO. Part of the NATO member states were not willing to participate in the operation in Libya, thereby undermining the political cohesion within the alliance. At the same time, with traditional security concerns again on the rise, the ability and readiness of NATO to engage in collective defence have also been debated, as the alliance has in recent years concentrated mainly on crisis management operations (Gotowska and Osica. 2012: 9). The developments within NATO will be closely followed in all of the Nordic states.

Finally, Russian aspirations to modernise its military by means of re-structuring and armament projects have been noted in different Nordic capitals. While the feasibility of the announced plans as well as the importance of the Nordic region in current Russian strategic thinking is debatable (see Forss et. al. 2013; Berner and Nyberg 2013), the Georgian War in 2008 and the importance of Baltic and Arctic sea routes for the energy export-reliant Russian economy have been underlined in Nordic security thinking in recent years. Developments in Russia have also played an important role in the on-going debate in Sweden about the capacity of the Swedish military forces to defend the country. This debate has some important ramifications for Nordic defence cooperation. Above all, the debate has served to underline the importance of defence cooperation for Swedish security (see Salenius-Pasternak 2013: 2). In the absence of security guarantees provided by a military alliance, Sweden has unilaterally highlighted European and Nordic solidarity, stating that it will not remain passive should a disaster or an attack afflict another EU member country or Nordic country.

Apart from traditional security concerns, Nordic cooperation addresses also non-traditional (broad security) threats. As the Baltic and Arctic sea routes have gained importance, and climate change will further shape the environment of the Arctic region, a Nordic system of monitoring and early warning as well as a Maritime response force has been called for (Stoltenberg 2009). Relatedly, the Stoltenberg report also envisages a joint satellite system for surveillance and communications. This was one of the proposals identified by the Nordic foreign ministers in June 2009 to call for immediate action, and an expert group dealing with the topic was quickly set up (Archer 2010: 58-59). Nordic states are also discussing possibilities for cooperation against risks and threats of cyber-attacks. They are all highly dependent on information technology, and therefore vulnerable to hostile

actors' attempts to paralyse vital services and functions. In order to analyse cyber security and defence from a Nordic perspective, Finland recently commissioned a study on the subject under the auspices of NORDEFECO. Cooperation in the area of cyber defence has been initiated in a Nordic-Baltic framework as well (NORDEFECO 2012). Nordic countries and interests are also vulnerable to terrorism. In 2013, a production facility in Algeria jointly operated by the Algerian state oil company Sonatrach, the British firm BP and the Norwegian company Statoil was attacked by a group loosely affiliated with al-Qaeda. The group took over 800 hostages, among them roughly 130 foreign nationals. During the whole episode, 67 people were killed, among them 37 foreign nationals of whom 5 were Norwegian employees. After the incident, Norway raised the issue of enhancing military and civilian cooperation in the Nordic Council. It argued that the Algerian case is a good example of an asymmetric threat and that such threats need to be considered when developing the security policies of the Nordic countries (see Sinkkonen 2013).

The intensifying Nordic defence cooperation also touches upon international crisis management and peace support operations. While the different institutional affiliations of the Nordic states were earlier seen to gear them towards different pathways in their engagements in international operations, recent developments suggest the opposite. The EU's Battle Group has not been deployed, and the number of the EU's military crisis management operations has decreased. This has raised some questions about the future prospects of the CSDP and highlighted NATO's role in international operations. Importantly, all Nordic states, except Iceland, are militarily engaged in Northern Afghanistan. This has led to an investigation of possibilities for enhanced Nordic cooperation. In 2012, the Nordic countries improved their logistic coordination in the ISAF operation and developed a generic Nordic Logistic Concept for future operations. Furthermore, NORDEFECO established mechanisms aimed to make Nordic cooperation a more "natural option" when these countries are planning future operations. There also seems to be a renewed interest in UN operations across the Nordic capitals. The Stoltenberg report suggests the formation of a Nordic stabilisation force for peace-building. This would include a military, humanitarian, state-building and development assistance component. Relatedly, NORDEFECO is developing Nordic contributions in providing support for regional actors such as the African

Union (AU) to take greater responsibility for security and stability in their region. The joint support of the Nordic states to the AU's East African Standby Force (EASF) is aimed to decrease the need for international maritime and territorial presence in the region to ensure security for commercial shipping and the protection of humans. Nordic cooperation in terms of EASF is also hoped to offer experience in coordination, planning and execution of these types of Nordic support activities and to contribute to UN activities.

Finally, the potential economic imperatives are clearly a driving force behind the current Nordic defence cooperation at both the political and the military level. With the exception of Iceland, Nordic countries have managed to manoeuvre their economies rather well in the midst of recent global and European crises. This is largely due to their considerably strong economic growth and sound state finances prior to the current crisis. However, the relatively small size and the openness of their economies make them highly vulnerable for global and regional developments. Relatedly, the prolonged economic uncertainty has highlighted the need for balanced budgets and urged them to explore cost effective solutions also in the field of defence. At the same time, 'techflation' (i.e the steady growth in the cost of military equipment) has increased their motivation to overcome previous difficulties and encouraged them to find common solutions propelling cost effectiveness. In this regard, Nordic cooperation is closely connected to wider initiatives for joint capability development such as the EU's pooling and sharing activities and NATO's Smart Defence concept. The EU has sought to identify and close capability gaps through enhanced cooperation ever since the initiation of the CSDP, and the ongoing economic downturn has provided an even stronger incentive to work together. As for NATO, Secretary General Fogh Rasmussen presented the alliance's version of pooling and sharing, the Smart Defence concept, in February 2011 (Fogh Rasmussen 2011). In June of the same year, the then US Defence Secretary, Robert Gates, warned that the US could abandon NATO if the cuts in European defence budgets and the resulting decline in military capabilities were not halted and reversed (Howorth 2012: 1-2). However, both the EU's and NATO's ability to achieve progress in this field is yet to be seen. This has underlined the importance of exploring alternative avenues, in particular in smaller clusters consisting of two or more states (see Dickow *et al.* 2013). While Nordic cooperation is among the most active of these clusters,

NORDEFECO is not considered to form an alternative to the activities of the EU or NATO. Instead, representatives of Nordic governments and military establishments are quick to point out that NORDEFECO can and should complement the efforts made by the EU and NATO. To emphasise the complementarity, they often refer to Nordic cooperation as 'Nordic smart defence' (NORDEFECO 2012, Tuomioja 2012). A concrete example of pooling and sharing in the Nordic context is provided by the advancing cooperation on Tactical Air Transport (NORTART), which would cover the areas of operational use, maintenance, training and exercises (NORDEFECO 2012). Sweden and Norway also agreed to jointly procure Archer artillery systems and have cooperated in training, ammunition storage as well as maintenance (Gotkowska and Osica 2012: 22). In addition, the Finnish, Norwegian and Swedish air wings regularly conduct joint exercises in Northern Scandinavia, and similar exercises between the Swedish and Danish air wings in the Southern part of the region are going to begin soon. The Nordic states have also recently drawn up a Combined Joint Nordic Exercise Program for the years 2014-2017 in order to further develop their cooperation in the area of training and exercises. Furthermore, long-term economic gains are sought by comparing national development plans and identifying capabilities that could be commonly developed and maintained from the very beginning (NORDEFECO 2012).

Future prospects of Nordic defence cooperation

In view of the historical track record of Nordic defence cooperation, one is entitled to ask whether the current momentum can and will be maintained in the long run. Will the drivers identified above push the Nordic states for closer cooperation? And where are the limits to what can be achieved in the Nordic framework? In other words, how far are the Nordic states likely to go in their efforts?

While some of the changes in the European security environment, such as developments in the Arctic and the true extent of Russia's rearmament, are still somewhat prospective in nature, alone the shift of the US focus to the Asia-Pacific region will continue to highlight the need for all European states to retain and develop their military capabilities in the coming years. Whether this will take place in a Nordic, EU or NATO framework depends largely on the developments within the latter two. In the short term, neither the EU nor NATO is likely to be

able to coordinate the activities of the individual defence clusters in Europe, meaning that these clusters, such as NORDEFECO, will maintain their importance for defence cooperation in Europe (Dickow *et al.* 2013).

With regard to future developments within the EU, it is interesting to see whether the European Council meeting on defence in December 2013 will give fresh impetus to the Union's pooling and sharing activities. Relatedly, the Nordics are interested in the meeting's ability to address questions related to the European defence markets. While pooling and sharing is hoped to provide some economic benefits, Finland and Sweden have called for more straight forward and harmonised regulation for European defence industry. High hopes are also vested in the meeting's ability to re-energise the CSDP in general. Implementation and clarification of the Lisbon Treaty reforms, for instance, have been underlined in Finland and Sweden. Both countries have also invested significantly in the EU's battle group, and concerns about the potential lack of political will to use this force, if the need arise, have been voiced in Helsinki and Stockholm. Generally, the Nordic countries see the possible upturn in CSDP as a positive development, yet there exist some doubts about rapid development in this field in crisis-torn EU.

The biggest question concerning NATO is whether and how the alliance will define its role after its Afghanistan operation comes to an end in 2014. It is, nevertheless, important to note that all the Nordic states—including non-members Finland and Sweden—consider NATO as having a primary role in guaranteeing regional security in Northern Europe also in the future (Gotowska and Osica 2012: 10). For the time being, Nordic defence cooperation is an interesting development for both the EU and NATO to follow. In addition to its recent dynamism, it provides a unique example of cooperation between NATO and non-NATO members as well as EU and non-EU members. Nordic defence cooperation is also the model preferred by the electorate in Finland and Sweden (Forsberg 2010: 133), where popular support for formal NATO membership remains low.

The apparent strength of current Nordic cooperation is its flexibility. Whereas some earlier Nordic endeavours have suffered from the fact that one or several of the Nordic states have lacked interest in them, NORDEFECO allows for any form of cooperation, be it bilateral, trilateral or multilateral. At the same time, existing forms of cooperation are open for the Nordic other states to join at any point. The

obvious weakness of this *à la carte* model is that it allows for “permanent differentiation” (see Cini 2007: 399). In other words, it enables the Nordic states to concentrate only on the most easily achievable and least controversial objectives instead of creating incentives to cooperate ‘across the board’. Currently, the problems of cooperation based on ad hoc and bottom-up processes as well as pick and choose mentality are addressed within NORDEFECO. The aim is to enhance top-down screening processes in order to ensure that political and military leaderships focus on priority projects. These issues notwithstanding, the level of activities already taking place is a significant factor facilitating closer cooperation between the Nordic states in the future. For example, joint procurement can—and is planned—to ‘spill-over’ to joint training and maintenance activities as has happened in the case of the Archer artillery systems (see above).

The future of the Nordic cooperation will crucially depend on its ability to offer success stories and create tangible benefits—above all in terms of economy but also in terms of operational efficiency—for the participating states. There are, however, several caveats and challenges. First of all, some of the differences that have hampered Nordic cooperation in the past still remain. While the Nordic states now employ weapon systems that are more similar to each other than the ones they used during the Cold War, each country still tends to operate a different version in order to ensure that the system is suited to the tasks it is supposed to perform. Also the force structures of the Nordic militaries are still quite different from each other. The Finnish military, in particular, has a force structure that greatly differs from those of its Nordic counterparts (Saxi 2011: 51-52). These differences reflect a persistent divergence in the general security policy outlooks and threat scenarios of the Nordic states. Finland's main security policy concern continues to be Russia. Also Norway, and to some extent, Sweden share this concern. However, the main emphasis of Norwegian security policy is on the ‘High North’, whereas Sweden concentrates simultaneously on global threats. Denmark's focus is also above all on global developments, but the country is an important player in the Arctic region as well. Finally, Iceland's situation is very different from the other states due to its lack of armed forces (Archer 2010: 69-70, Saxi 2011: 32-35). Of course, even such fundamental security outlooks may change in the future (see Forsberg 2010: 136). For instance, amidst growing international interest in the Arctic, also Finland has grown more aware of the region as exemplified by the

decision of the Finnish government to publish an Arctic Strategy in 2010. Similarly, the on-going discussion in Sweden about the ability of the Swedish military to defend the country's territory has intensified as a result of Russian training flights close to Swedish airspace, and the latest Swedish white paper on security and defence expresses deep concerns about recent developments in Russia (Regeringskansliet 2013). Finally, practical cooperation in the auspices of NORDEF is also likely to contribute to the development of a shared Nordic security outlook even if this is a long term scenario.

Importantly, closer defence cooperation is bound to increase the military dependency of the Nordic countries from each other (Saxi 2011: 44). This will be one of the most challenging aspects in view of the future of Nordic defence cooperation. Currently binding military security guarantees do not feature high on the political agenda of Nordic defence cooperation. In fact, the most recent Swedish white paper on security and defence states that Sweden sees no limits to Nordic cooperation as long as it does *not* involve mutual security guarantees (Regeringskansliet 2013: 219). The Nordic governments must, nevertheless, address questions related to the access to, and supply of, potentially pooled and shared military capabilities. A certain level of military dependency should be less of a problem for NATO members Denmark, Iceland and Norway. Also the unilateral declaration of solidarity issued by Sweden built on the expectation that EU member states and the other Nordic states would assist Sweden if it was attacked. Against this background, Finland seems to be a somewhat special case. While Finland considers the prospect of receiving assistance from other states, above all EU member states, to lower the risk of becoming victim of an armed attack, the country still considers external assurances insufficient and emphasises the importance of being able to “repel military threats without outside assistance” (Prime Minister's Office 2013: 15; see Saxi 2011: 33). Insistence on military autonomy will thus surely play a role when Finland considers its participation in different aspects of Nordic defence cooperation. It could also be one of the reasons for the nature of the Nordic declaration of solidarity, which makes no reference to traditional military threats, emphasising instead natural and man-made disasters as well as cyber and terrorist attacks. At the same time, the Finnish concerns about maintaining military autonomy also explain the lack of political support for the suggested Finnish-Swedish defence pact.

Yet even the Finnish government, and importantly also the parliament, seem to be adapting to the on-going developments. After scrutinising the government's latest white paper on Finnish security and defence, the Foreign Affairs Committee of the Finnish parliament urged the government to assess whether continuing Nordic defence cooperation would require contractual arrangements between the participating states (Ulkoasiainvaliokunta 2013). This seems to suggest a readiness to enter into a phase of deeper cooperation with the Nordic neighbours in the area of pooling and sharing. On the other hand, the committee also noted that a move from defence cooperation to “military integration” involving shared tasks and specialisation would demand a higher degree of mutual trust among the Nordic states as well as significant political decisions at the national level (ibid.). The coming years will show whether the Nordic states, and Finland in particular, are ready to take such steps. ♦



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