

# THE NORDIC-BALTICS: STRATEGIZING THE REGION'S INTERNATIONAL ROLE

*By Piret Kuusik, Estonian Foreign Policy Institute at ICDS*

## Introduction

The global system is changing. The world is moving from the U.S. hegemony to multipolar world and thus making the centres of power unclear. There is rising China, and not only in the East-Asia but also in Europe and Africa. There is retreating U.S. The transatlantic relationship has become transactional, and not just because of President Trump. The ties and principles holding together the current international order are coming apart. Multilateral organisations built on the notions of cooperation and dialogue are losing their weight and bilateralism is increasingly taking over. International law that balanced sovereignty and universal human rights is losing its power after numerous violations with no consequences. This paper is going to address the question of how the Nordic-Baltic region must adapt to the changing world and its politics to maintain international relevance and continue gaining from global affairs.

The North-East corner of Europe- the Nordic-Baltic region- consists of the three Baltic states and the five Nordic states and is considered to be one of the most integrated areas in the world. This policy paper is going to argue that the future of the Nordic-Baltic region will depend on how good of a partner to bigger powers the region will become.

The paper is divided into two parts. The first part analyses the foreign and security policies of the Nordic-Baltic countries vis-à-vis the changing world around them. The second part builds the case for the Nordic-Baltic countries to become active and engaged partners in the world.

## Where do we stand today? Nordic-Baltic countries' foreign and security policies

The region is characterised by openness and a strong international outlook. Both the Nordics and the Baltics are part of regional and international organisations to varying degrees. Membership of international organisations is dependent on the domestic and external considerations and not by strands of isolationism.

However, in recent years, the countries in the region have become more regional in their outlook and focussing more on their national interests. This is due to the developments in Ukraine and the increasing unpredictability of Russia. Securing the region nationally, regionally and through NATO and EU measures has become the primary objective of the countries. As a result, countries have grown closer and more interlinked.

The cornerstones of region's security and prosperity are a close relationship with the U.S. and integration with Europe. Close relationship with the U.S. is maintained through NATO and deeper integration with Europe is facilitated through the European Union. Multilateral cooperation has trickled down to stronger bilateral relations, whereby today bilateral relationships in the region are often facilitated by regional organisations or multilateral organisations such as the previously mentioned NATO and the EU.

All the eight countries admit to declining international stability, increasing unpredictability and fracturing global networks. As a testimony to the changing international security and economic environment, the eight nations have in the last year or two updated their security and foreign policy strategies of which shared trends are emerging.

First of all, there is a shared sense among the countries in the Nordic-Baltic region that the world is becoming smaller. Tucked away in the North-Eastern corner of Europe, the states enjoyed a position, where engaging with developments outside of the region was more of a choice and less of a responsibility. This change of status has been highlighted by the recent migration crisis, whereby the countries in the region were required to admit refugees fleeing the conflict-ridden Middle East. As an unintended consequence, anti-immigration establishments and intolerant sentiments have been dominating the public landscape and causing rifts in the political landscape and make-up of the Nordic-Baltic countries. Events in

other parts of the world are impacting domestic developments of the Nordic-Baltic countries more day by day.

Secondly, the eight countries in the region agree that securing one's nation has become a comprehensive and broad endeavour. Instability of economics, cyberspace, climate change, terrorism, disinformation warfare are all new areas that threaten national security. There has been talk about these threats for a decade, but the countries in the region have stepped up the efforts to practically counter the new emerging threats. NATO Strategic Communication Centre of Excellences in Riga, European Centre of Excellence for Countering Hybrid Threats in Helsinki and Cooperative Cyber Defence Centre of Excellence in Tallinn testify that the region is translating talk of countering new types of threats into reality.

Thirdly, Russia is seen as an adversary by the region as a whole. Ten years ago, there was still some difference of opinion in how to assess and perceive Russia. The Baltic states were infamous for flagging Russia as a threat. While the Nordics were cautious about taking a firm and clear-cut stand against Russia. However, today countries in the area have a shared position towards Russia- Russia is seen as an unpredictable adversary.

There are differences as well. It is visible that the Nordic countries are struggling with balancing the need for crisis management in the world and ensuring own security. The Nordic countries have been historically internationalist in their outlook; however, the changed regional environment has required them to focus on regional and national challenges<sup>1</sup>. For the Baltics, crisis management is not a priority and has never been. However, the Baltic countries are becoming more aware of the challenges faced by the Southern NATO allies and EU members as well.

#### On regional cooperation

The lack of leadership characterises the Nordic-Baltic region. There is no one country leading the region. Leadership in regional structures such as The Nordic Council, the Council of the Baltic Sea States or EU Strategy for the Baltic Sea region rotates.

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<sup>1</sup> Ministry of Foreign Affairs Finland "Foreign Service", accessed August 23, 2018  
[https://um.fi/documents/35732/0/UH\\_Strategiset\\_painopisteet\\_EN.pdf/e2615145-15c3-5406-b27d-46f04fbf4e25](https://um.fi/documents/35732/0/UH_Strategiset_painopisteet_EN.pdf/e2615145-15c3-5406-b27d-46f04fbf4e25)

Regional structures are significant for the Nordic-Baltic countries. However, the structures tend to serve more as consultative, networking and discussion forums and less so as the forums to initiate and develop new policies and deal with practical matters. The EU and NATO or bilateral relations serve the purpose for these endeavours. The ad-hoc nature of Nordic-Baltic cooperation is preferred by all states and developing new permanent structures is not under discussion.

## The Know, known unknowns and unknown unknowns

“There are things we know that we know.” Donald Rumsfeld

The Nordic-Baltic region in the North-Eastern corner of Europe is and will be a subject of attention due to its geopolitical positioning.<sup>2</sup> Tucked between Russia and Europe, the Baltic Sea region is in the position of “receivers of assurance” and not providers of assurance. The safety and prosperity of the region depend on its allies, their support and capabilities.

Secondly, the Nordic and Baltic states continue to be reasonably small units dependant on decisions taken far away from their capitals.<sup>3</sup> The region’s prosperity and security will depend on the mood swings happening in Washington D.C., Moscow, Brussels, Berlin or Paris. Therefore, highlighting the importance of strong diplomatic relations and people-to-people contacts to all fractions of the society- from expat to foreign and security policy communities.

“There are known unknowns. That is to say, there are things that we now know we don't know.” Donald Rumsfeld

### *The Declining Transatlantic Relationship and Retreating U.S.*

With the changing world, the critical question for the Nordic-Baltic region is- how is it going to react to the declining transatlantic relationship and retreating U.S.?

The transatlantic relationship is currently under stress both by internal and external forces. A mistake to be made here is to think that this is due to President Trump and his administration’s policies. The decline of the relationship is already a trend going back to Presidents Bush and Obama. Internally, the transatlantic partnership is in the flux, less stable and more transactional.<sup>4</sup> The U.S. asks Europe to provide more for its contribution to Europe’s security. The EU and the U.S. have been on the verge of a trade war in the past 18 months. Europe has become a strategic nightmare for Washington. Europe has become a stable and prosperous region, while at the same time it is unable to contribute substantially to its stability and of the

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<sup>2</sup> Birthe Hansen and Bertel Heurlin “Introduction” in *The Baltic States in World Politics*, ed. Birthe Hansen and Bertel Heurlin (New York: St. Martin’s Press 1998), p. viii

<sup>3</sup> Ibid, p. vii

<sup>4</sup> Hans Kundani “A New Kind of Transatlantic Rift” in *Chatham House Expert Perspectives 2018: Risks and Opportunities in International Affairs*, Chatham House Special Report (London: Chatham House, 2018), 24

world at large. What to do with a continent that has the resources to provide for its protection and ability to contribute to global stability, but due to political infighting fails to do so?

The new emerging powers add external pressure. The transatlantic relationship does not hold the primacy over other relations as it used to be. The Nordic-Baltic region and Europe were upset when President Obama presented its plan to pivot from Europe to Asia.<sup>5</sup> Though, today the U.S. is neither here or there- it has not pushed for Asia, nor it has retreated from Europe. However, the fundamental shift and trajectory towards Asia is there, and it would be a mistake to think that it will not continue to be the case in the future.

The problem is that Europe does not add value. Europe's populations are growing older and little attention to innovation has left Europe behind. Europe's markets are transforming towards service economies, and due to regulatory constraints, it has hard to develop further cooperation between the U.S. and Europe. While Asian markets are still growing with young populations and increasing middle classes, they offer more regarding economic development, new markets and innovation. Additionally, geopolitical rivalry between the U.S. and China, the Asia-Pacific relationship is due to take primacy. Europe and the Nordic-Baltic region needs to be honest about that.

### *Emerging China*

China's rise is nothing new. However, the pace and width of China's engagement outside of its region has been surprising. Today, China is developing its Belt and Road Initiative, bringing together Eastern European countries through 16+1 initiative, leading development efforts in Africa and destabilising East-Asia. China is not the elephant in the room that is better avoided, rather China has become a real and viable threat and player.

The Belt and Road Initiative touches the Nordic-Baltic region through its partnership with the Eastern Neighbourhood countries.<sup>6</sup> Countries in the Nordic-Baltic region are strong supporters of the EU Eastern Neighbourhood policy. It is a strategic question for the Nordic-Baltic region that countries to the East become closer to Western structures and political environment.

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<sup>5</sup> The President of the United States "National Security Strategy" (Washington D.C.: The White House 2010)

<sup>6</sup> The Belt and Road Initiative touches upon countries like Georgia, Ukraine, Moldova, Armenia and Azerbaijan- all members of the Eastern Neighbourhood policy.

Also, the EU is still finding its way on how to deal with China. Therefore, the earlier the countries assess the impacts of rising China to its domestic and foreign policies and regional development; the better position will the region have to influence EU's policies towards China and Asia region at large.

### *Climate change and increasing populations in Africa*

The spectrum of threats has become extensive, of which migration and climate change are to become increasingly influential in the region.

The summer of 2018 has been one of the hottest summers in recent times. Due to high temperatures and lack of rain the agricultural output was 30-50% in comparison to the previous year. Therefore, the Estonian government supported the farmers with 20 million euros.<sup>7</sup> Unusual weather for the region is likely to persist, and the consequences and impacts of this must be counted for.

As mentioned before, the migration crisis of 2015-2016 has affected the domestic politics of the region. Africa has the highest population growth rate in the world. It has been estimated that the current population growth in Africa is 3,5 million people a month. By 2050, Africa alone will contribute to 54% of the world's total population. At the same time, the populations in the Nordic-Baltic region is getting older. With further globalisation and development of technology that enhances travel and movement of people, the Nordic-Baltic region is going to be affected by migration from Africa.

"But there are also unknown unknowns. There are things we do not know we don't know."  
Donald Rumsfeld

Resilience and flexibility of democratic institutions of the region will be the key to countering unforeseeable developments and threats. Hybrid warfare, natural disasters, growing divides in societies, the rise of populism, economic shocks and crisis, instability caused by conflicts are increasingly relevant trends with foreseeable and unforeseeable consequences. These trends

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<sup>7</sup> The Government of Estonia "Valitsuskabinet eraldab põllumajandussektori abistamiseks 20 miljonit eurot", August 2, 2018 Accessed: August 23, 2018 <https://www.valitsus.ee/et/uudised/valitsuskabinet-eraldab-pollumajandussektori-abistamiseks-20-miljonit-eurot>

should not be seen as passing ills, instead as evils lurking behind the scenes even during good times.

## Facing the Future: Setting out the Strategy for the Nordic-Baltic region.

### Become a partner for the U.S.

One of the foreign policy challenges that President Obama faced was the lack of reliable partners in global affairs. At the beginning of his presidency, President Obama saw Europe as a partner that would help him to realise his vision of the just and fair world. However, intervention to Libya and its aftermath, where European powers failed to take up the development and humanitarian efforts in addition to lack of strategic support in Syria and European powers inability to move towards providing for one's defence and security showed clearly that Europe as of European Union is politically too quarrelsome to become a reliable partner in the matters of international stability and peace.

Here, the Nordic-Baltic region may make itself useful, by becoming a reliable partner for the U.S. The Nordic-Baltic countries should think of themselves as "go-to" partners for the U.S. and other potential powers. For example, the region should become an entrance for Europe's East and Central Asia. It would build on region's collective support to the Eastern Partnership policy. The Nordic-Baltic region can lead efforts on democratic and market reforms in Ukraine, Moldova, and Georgia, and to promote democratic change in Belarus.<sup>8</sup>

### Become China's door in Europe

China is looking for ways to cooperate with Europe. The Belt and Road Initiative is targeted towards the European market. At the moment, individual countries are cautious in regards to working with China due to China's unfair practices and policies. However, Nordic-Baltic collective power, supported by the EU, is big enough to start forcing China to meet European

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<sup>8</sup> Damon Wilson and Magnus Nordeman, „The Nordic-Baltic Region as a Global Partner of the United States”, in *Nordic-Baltic Security in the 21st Century: The Regional Agenda and the Global Role*, ed. Robert Nurick (Washington D.C.: Atlantic Council 2011)

standards and rules. China may be receptive since it is interested in entering Europe and growing its soft power.<sup>9</sup>

Today, Finnair has developed a close link with Asia, serving as an entrance to Europe for Asian travellers and linkage to the Americas. Future infrastructure projects, such as Tallinn-Helsinki Tunnel and Rail Baltic, will serve as alternative means to get to Western Europe from Helsinki. This would open the Baltic States to the Chinese public. Furthermore, as the Arctic Ocean is becoming ice-free, ship lines between China and Finland would open and the Nordic-Baltic region will become a corridor to West and South of Europe.

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<sup>9</sup> Harriet Moynihan "Belt and Road- Encouraging China to Play by International Rules" in *Chatham House Expert Perspectives 2018: Risks and Opportunities in International Affairs*, Chatham House Special Report (London: Chatham House, 2018), 69

## Conclusion

While the world is changing and many of the rules are being rewritten or set aside, also new opportunities are rising. In order to gain from these opportunities, the Nordic-Baltic region needs to cooperate together. When acting together, the Nordic-Baltic countries may have a reasonable impact on global affairs.<sup>10</sup>

In becoming reliable partners for the U.S., the Nordic-Baltic region can serve as a U.S. entrance point into the Eastern Neighbourhood. The Nordic-Baltic countries already support and practice EU's Eastern Neighbourhood Policy and therefore facilitating U.S. engagement with the region allows the Nordic-Baltic countries to build on already existing knowledge, expertise and networks while also becoming invaluable partner.

Secondly, the Nordic-Baltic region should become a gateway for China into Europe. Collective power of the Nordic-Baltic countries may force China to engage with Europe according to its rules and practices. Infrastructure projects such as the Rail Baltic and Tallinn-Helsinki tunnel facilitate connecting Chinese populations arriving by plane and goods from China arriving via Arctic Sea to reach West and South of Europe.

There are knows, unknowns and unknown unknowns, each and every development will impact the region in its own way. Whilst the region cannot escape from that, the shaping of the region is in the hands of Nordic-Baltic countries. Therefore, shift from reactionary strategy to long-term strategy must take place. Becoming a partner for bigger world powers is doing just that.

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<sup>10</sup> Damon Wilson and Magnus Nordeman, „The Nordic-Baltic Region as a Global Partner of the United States”, in *Nordic-Baltic Security in the 21st Century: The Regional Agenda and the Global Role*, ed. Robert Nurick (Washington D.C.: Atlantic Council 2011)