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Cooperation of Nordic-Baltic Countries in the Areas of Security and Defence

The strengthening of relations with the Nordic countries has already for some time been among the priorities of Lithuania's foreign policy. As opinion polls suggest, the people of Lithuania believe that Lithuania should be associated with the region of Northern Europe. But the Baltic States are members of the EU, NATO as well as other global organizations and belong to all conceivable regional organizations – the CBSS, the Northern Dimension, etc. Why then is some other regional format at all necessary? When a discussion of the cooperation in the security and defense area gets started, still more fundamental questions arise. Will it not be a substitute for NATO? What has changed that after more than two decades since the end of the Cold War, and after nearly eight years since the membership of the Baltic States in the EU and NATO, the Nordic and Baltic countries have actively entered into the discussion on the cooperation of eight countries in the area of security and defense? What are the changes that can lead to the Nordic-Baltic cooperation in the area of security and defense (that just a short time ago was nearly verging on taboo)? Why would the Nordic countries choose the Baltic States as partners and not, for instance, Germany or Poland? This article, primarily focusing on the presentation, analysis and generalization of the current processes (but not on the theoretical discourse), explores the transformation of the Nordic-Baltic region, security and defense challenges and threats. This study, largely through the prism of Lithuania's interests, attempts to analyze the advantages and disadvantages of regional cooperation formats. The arguments here supply a basis for stating that the time is ripe for starting to speak in earnest about the Nordic-Baltic "security community", the establishment of which requires not only practical efforts but also further serious academic study.

Introduction: Is it Appropriate to Speak About Security and Defense in the Nordic-Baltic Region?

This region has lately been genuinely much heard of. The Nordic countries (further – the NCs) are mentioned in statements of the Heads of the Baltic States (further – the BSs), they dominate in finance, business and energy dis-

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courses. During the state visit in Iceland, held in August of 2011, President of Lithuania Dalia Grybauskaitė summarized that „the orientation of Lithuania’s foreign policy towards the Scandinavian States is based on the compatibility of the interests of our and the Nordic countries ... these countries have never betrayed Lithuania and have always helped”¹. It is not only interests that link the countries of the region, but also idealism, the desire to help whoever at the time needs that help most.

Researcher of relations with the NCs, Mindaugas Jurkynas, referring to a public opinion poll conducted in 2008, points out that people of Lithuania believe Lithuania should be associated with the region of Northern Europe, and not with Eastern Europe². Northern orientation dominates in the cases of Estonia and Latvia as well. Orientation towards the North was even proposed by a foreign company that consulted the Government of Lithuania on image creation issues: in terms of economy Lithuania had rather be associated with the stable, advanced, socially responsible NCs than the post-soviet space.

Notwithstanding the geopolitical movement of Lithuania and other BS towards the NCs, we have to acknowledge differences as well. Contrary to the NCs, we are a country with a predominant Catholic faith and historical gravitation towards Central Europe which continues since dynasty connections of the Great Duchy of Lithuania and the Kingdom of Poland. Our economic-financial situation is considerably different. Formally the BSs are not integrated into institutions of the NCs.

Thus, we are dealing not with the integration of the BSs and the NCs, but about the cooperation with the NCs. But the BSs are members of the EU, NATO and other global organizations, and also belong to all regional organizations – the CBSS, the Northern Dimension, etc. Why then some additional regional Nordic-Baltic (NB) format is at all necessary? Does it have a real basis?

When talking about the Nordic-Baltic cooperation in the area of security and defense, still more fundamental questions arise. Will it not be a substitute for NATO? Does that not mean that the present institutions – NATO, the EU and others – fail to perform their tasks and we have to think about regionalization? Is it at all conceivable to think about full cooperation among the countries which have different institutional preferences? Sweden and Finland do not belong to NATO and at least in the foreseeable future do not plan to give serious consideration to the membership. Norway and Iceland, in their

¹ Samoškaitė E., „D. Grybauskaitė: Šiaurės šalys niekada mūsų neišdavė“, www.delfi.lt, 27 August 2011.

² Jurkynas M. „Inkarų“, užmestų Šiaurės regione, yra išties nemažai“, www.bernardinai.lt 7 February 2012.

own turn, do not belong to the EU, while Denmark enjoys the exception for participating in the common EU security and defense policy. Only two countries – Finland and Estonia – belong to the Euro-zone.

In November of 2011, in Sweden, Örebro, a meeting of Defense Ministers of the Nordic and Baltic countries (further – NB) took place. After the meeting, the then Minister of National Defense of Lithuania Rasa Juknevičiene underlined that, during the meeting of defense ministers, the discussion about the security situation in the region was not the only issue, that all the ministers with one voice expressed the idea that the NB States should seek closer, more concrete practical cooperation in the area of defense, considering future joint exercises, enhancement of interoperability, joint efforts of the countries in the areas of cyber defense and energy security³.

Since the very beginning of the restoration of independence, the BSs have been actively aiming at trilateral cooperation in the area of security and defense (about this – later on; while writing this article there appeared a statement in the press that the Chiefs of Defense of the BSs had come to an agreement to establish a Joint Military Staff in 2013⁴). In their own turn, the NCs, that had long been consistently moving towards cooperation in the field of defense (within the framework of NORDEF), made this cooperation still more intensive in 2009, after the so-called Stoltenberg Report was published⁵. Here, for the first time, the aspiration of the NCs for enhanced relations was clearly formulated. And this was done not only because of their geographical closeness, but because of common foreign and security policy interests, because of the fact that the region of the NCs is getting ever more significant from the geopolitical and strategic point of view. The Stoltenberg Report also reflected a growing interest of the EU and NATO in regional cooperation among member states and non-member states. A recent decision of Sweden and Finland to accept the invitation to contribute to the air policing mission of NATO in safeguarding the air space of Iceland only confirms that fundamental changes in the area of defense are underway in the region⁶.

What has actually changed after more than two decades since the end of the Cold War, after nearly eight years since the membership of the BSs in the EU and NATO, such that the NB countries have actively entered into the

³ From a private conversation with the then Minister of National Defense of the Republic of Lithuania R. Juknevičiene in November of 2012.

⁴ „Joint Baltic Military Staff to Be Established”, *news.err.ee*, 9 November 2012.

⁵ „Stoltenberg Report presented to Nordic Foreign Ministers“, *www.icenews.is*, 10 February 2009.

⁶ „Suomija ir Švedija prisidės prie NATO oro policijos misijos Islandijoje“, *www.alfa.lt*, 16 October 2012.

discussion on the cooperation of eight countries in the area of security and defense? What are the changes that can lead to this cooperation (that just a short time ago was nearly verging on taboo)?

During the last several decades, the NB region has most probably undergone the greatest transformation. From the region which was characteristic of the Cold War tensions between the West and the East, even in terms of armaments concentration, it has turned into one which is associated with economic and fiscal stability, high-level political integration, advanced technologies and the highest standard of living. The idea that the countries of the region are competitive and economically stable has also been proven by the fact that the NCs have been only slightly affected by the economic and financial crisis that began in 2008 and continues up to the present day and the BSs have rather adequately curbed it. The NB region also impresses by its quantitative indices – it is the fifth in the EU and eleventh in the world according to the value of the GNP.

During the years of the Cold War, even the NCs were directly affected by the situation when the “Berlin Wall” went through the middle of the Baltic Sea. Let us recall the case, when in October of 1981, the USSR submarine S-363 (of “Whiskey” type) ran on the rocks not far from the Swedish southern port Karlskrona. Later on, the mass media called this the “whiskey on the rocks” incident. Though the submarine most probably ran aground the rocks due to the unintentional fault of the crew, the submarine was almost doubtless executing an unidentified secret mission in the proximity of the principal military Navy base on the southern coast of Sweden. The event caused unprecedented tension between Sweden and the USSR⁷.

The level of democracy in the region has also changed unrecognizably. No matter how intriguing to the population of Lithuania were the latest elections to the Seimas, they raised no doubts for external observers. The eight NB countries have taken advantage of the fact that the borders opened and free mobility of people, goods, capital and services in the region and Europe has been completely implemented. Due to the membership and inculcated standards of the EU and NATO, the countries of the region are known as the least corrupted or at least making good progress in this area.

True, the BSs still have to emulate the NCs, which amaze the world by being at the very top of the “Human Development” index and have not been surpassed in terms of living standard. The NCs are one of the most successful regions of the world when estimating not only the quality of living but also

⁷ Mosey Ch, *Special to the Christian Science Monitor*, October 3, 1981.

the social environment and work culture. They are unquestionable innovation leaders in the world.

The region is the second donor in the world in the amount of development assistance. There is also the general image of the NCs as “honest mediators” in the bargain. It is not surprising that the historical Oslo Accords of 1993 could be signed just here⁸. If the number of the most high-ranking officials of the UN system is counted, the NCs are unsurpassed⁹. This also makes the region unique worldwide and its influence is considerably greater than its relative weight. It is not without reason that famous Western experts characterize the region as “the soft power”¹⁰.

The BSs took advantage of all this very successfully because they soon realized that the assistance and support of the NCs could help guarantee them a greater weight in the European and transatlantic space as well as assist in solving problems urgent for them and the entire region.

“The Eight” became an informal format for the cooperation between the Governments of the Nordic and Baltic States. Within the framework of this format, not only a close political dialogue and departmental relations became possible, but joining the NCs electrical energy market by the BSs, became a reality.

The NCs have always been among the greatest supporters of the BSs integration into the EU and NATO. However, the NCs became the largest investors into the BSs, not to mention their financial support for the States’ civil societies, democracy and other important processes which were particularly important to us as developing States that had restored their independence and statehood.

Certainly, it would serve no purpose to mix the NB countries up into one whole. True, the NCs are the countries that are the closest to us not only geographically but also in the cultural and historic sense. Yet, we have quite a few differences. The NCs particularly emphasize gender equality, the rights

⁸ The first „Oslo Accords“ meetings already with the participation of Norwegians, Jews and Palestinians took place on 20-22 January 1993 at the situated near Oslo home of the Minister of Defense of Norway (after the April of 1993 – the Minister of Foreign Affairs) J. Holst and his wife M. Heiberg. Beyond doubt, the informal role of Norway in this was ineffably great (in more detail –<http://history.state.gov/milestones/1990-2000/Oslo>)

⁹ Here, data on the country that I know best – Sweden – could serve as an example. But a similar situation could be taken from other NCs. D.Hammarskjöld (1905-1961) was the second UN Secretary General in 1953-1961. F.Bernadotte (1895-1948) was UN mediator. In June 2005, J.Eliasson was elected as the Chairman of the UN General Essembly during its 60th session. The list could be extended further.

¹⁰ Wilson D., Nordenman M. „The Nordic-Baltic Region as a Global Partner of the United States“ in Nurick R, Nordenman M. ed., *Nordic-Baltic Security in the 21st Century. The Regional Agenda and the Global Role*, September 2011, Atlantic Council, p. 67.

of sexual and other minorities, and human and individual rights in general. Here, like nowhere else, the consensus, a specific social contract, between the State and the individual, has been established. The decision-making type is different: in the BSs – “from the top to the bottom”, in the NCs – “from the bottom to the top”. A huge problem is posed by the lack of mutual information (a paradox – an ordinary Lithuanian knows more and closely follows activities in Minsk rather than in politically adjacent Stockholm).

Yet, talking about the “Nordic-Baltic” community or as the pre-war Lithuanian scientist Kazys Pakštas named it – the Baltic-Scandic community – is not in vain. On the contrary, life shows that even at present socially and financially different countries have rather many similarities. Why did the business of the NCs get so easily established in the BSs? It happened because business found similarities in both the culture of work and the understanding of business. Again, why did so many Lithuanians find it so easy to get established, for example, in companies of the NCs? Actually the BSs treated the financial-economic crisis in a “North-like way” – they did not rush to keep on borrowing, thus attempting to retain the economic prosperity, consumption, but “tightened belts” and through economic measures (sometimes drastic ones) forced the economies to operate again. By this quality the BSs demonstrated that we belong to Northern, not Southern Europe.

Of course, the NCs should not be idealized either. Globalization, an increase in the number of migrants, society ageing and other tendencies typical of developed Western societies make the NCs adapt their social standards and change them as well.

However, should the NB region be understood only as “soft power”? What about the security and defense dimension? True, the BSs historically have never had a safer environment. But a paradoxical situation emerges. Previously, it was necessary to worry about the security of the region for the simple reason that the region was not safe, particularly after the Cold War ended. But then, talking about the “hard security” in the Baltic region was impossible, solely for the sensitiveness of Russia (it is worthwhile to remember that the first organization of the entire Baltic Sea region – the Council of the Baltic Sea States – since its very establishment in 1992, did not include “the hard security” among its functions). Now, when the security situation has dramatically changed, it seems that it is the issues of “hard security” as well as the NB cooperation in security and defense area that have become not urgent any more.

This is only part of the truth. The countries of the region have never distanced themselves from security and defense. Testimony to this is also infor-

mative facts about the accumulated extensive experience in peacekeeping, participation not only in the UN operation but also in NATO and EU missions. It suffices to look at the geography – Afghanistan, the Horn of Africa, the West Balkans, etc. Denmark in general pays the greatest attention to NATO overseas operations¹¹. Sweden participated in the operation in Libya by sending combat planes though being the only non-NATO country (although Sweden took part only in the assurance of the no-fly zone, it went considerably “farther” than some members of NATO, for example, Germany, Poland). Sweden and Finland participated in almost all NATO missions, starting with SFOR and KFOR and continuing with ISAF in Afghanistan.

However, the combat capability of the NB region is also sometimes belittled. A relevant example: in Europe only Germany has more combat planes than collectively all the NB countries. In case of a crisis or a military conflict, the NB countries could send sufficient (and well-trained) land forces, including the reservists.

Once again, like in the case of the economic and financial development level, the NB countries are also not uniform in terms of security and defense. The BSs are among the weakest NATO countries. In contrast, the NCs possess the most modern armed forces. The outstanding commentator of “The Economist” Edward Lucas rather aptly defined the situation: “The countries that have the greatest needs have the worst security ... And the countries that have the strongest defense are divided”¹².

In spite of the fact that the region is fairly well known, it was only a short time ago that the discussions on the cooperation of the NB countries in the area of security and defense were entered into. Of course, reflection on this topic has never been in short supply, though for a long time social, economic and diplomatic dimensions, as well as energy security, relations with Russia, etc. dominated in the security discourse of the region.

So, has the time really come to start speaking in earnest about Nordic-Baltic security and defense? This article provides key arguments as to why I support this statement; further on I elaborate on those arguments; and in the concluding section I summarize my ideas.

So, what has changed and what new assumptions have surfaced?

¹¹ Dahl A.-S., “Sweden, Finland and NATO: Security partners and security producers” in Nurick R, Nordenman M. ed., *Nordic-Baltic Security in the 21st Century. The Regional Agenda and the Global Role*, September 2011, Atlantic Council, p. 9.

¹² Lucas E., “Loose Ends and Their Virtues”: Or a conceptual framework for Nordic-Baltic security cooperation” in Nurick R, Nordenman M. ed., *Nordic-Baltic Security in the 21st Century. The Regional Agenda and the Global Role*, September 2011, Atlantic Council, p. 3

- Though the situation in the NB region is changing in the positive direction and though the division of the region as well as threats is no longer on the agenda, the region does not feel a shortage of challenges (this will be analyzed in more detail further in the article). It is possible to mention internal political tensions, illegal migration, ecology, etc., because it is obvious that the very notion of security is changing and discussion is not only about military threats.
- But this concerns not only “new threats”. The countries of the region, particularly the BSs, are reasonably concerned about military threats. True, the situation is completely different if compared to that when Russian army was on the soil of the BSs. But the military threat has not been discarded. Though it is not a Cold War situation, defense issues return to the agenda of the region’s countries. For the NB countries, Russia’s war with Georgia in 2008 and the lasting occupation of the two regions is a “reminding call”.
- With NATO’s capabilities decreasing and the USA ever more clearly declaring a declining contribution in Europe, the time has come for both Europe in a wide sense and its individual countries to assume greater responsibility. In any case, the topic of the NB countries does not dominate in the USA press. After the reelection of the USA President B. Obama in November of 2012, talks were instantly heard that the first “victim” of the drastic budget cuts would be the military budget of the USA. Inevitable budget restrictions in European countries are also related to this. Even if Europe overcomes the economic and financial crisis soon, its consequences will be long felt. Meanwhile, the NB countries will have to learn to live in the “world” of smaller budgets.
- Another tendency is that the region’s way of reasoning about security and defense is undergoing change. The report of 2009 of the former Prime Minister of Norway Thorvald Stoltenberg about the security cooperation of the NCs covered many interesting proposals concerning the cooperation of the five NCs¹³ and reached beyond the traditional NORDEFECO cooperation. Of course, the report did not practically cover the BSs, but demonstrated a clear tendency – of “the soft power” region, the Nordic (and in the future also the NB) region has a tendency to get transformed into a “security community”. The Swedish Solidarity Declaration of 2011 also indicated that the Nordic (again, let us hope that in the future the

¹³ Stoltenberg T., *Nordic Cooperation on Foreign and Security Policy*, Oslo, 2009.

NB) region transcends traditional borders defined by EU and NATO memberships (further on, this will be discussed in more detail).

- The NB region, undergoing a transformation towards a security region, attracts external attention – of the neighboring Poland and also of the countries farther afield, such as the UK. As the response of the NCs to this was the regional defense initiative, i.e. the Northern Group made up of the NCs, the BSs, Germany, the Netherlands and Poland. Another regional reaction was the establishment of the Nordic Battle Group to which the BSs were also invited in May of 2012.
- As a consequence of globalization and integration (the EU, NATO) processes, the NB region, its security problems have become part of a broader transatlantic security: unpredictable nuclear Russia, unresolved High North issues, unsettled “the knot” of NATO–EU relations, Russia’s relations with Europe and the USA, etc.

It was not just the changing circumstances that encouraged me to take up the exploration of the NB cooperation in the security and defense area. Regardless of the extensive literature on the BSs¹⁴ or the NCs¹⁵, the NB as a combined geopolitical unit has become the object of research only recently. Here first of all, it is necessary to single out a joint USA and NB experts’ study which was carried out as part of the long-lasting project of the USA Atlantic Council (financed, by the way, by the Ministry of Foreign Affairs of Sweden)¹⁶. Here, perhaps for the first time, attempts are made to explore the common security of the NCs and the BSs, and certainly analyze security challenges of the NCs and the BSs in more detail and, in a broader sense, the processes underway in the Baltic Sea region.

But the distinguishing feature of the NB cooperation in the area of security and defense is dynamism. Therefore, while further exploring this topic,

¹⁴ Major researches: Petersen N., eds., *The Baltic States in International Politics*, Copenhagen, DJØF Publishing, 1993; Van Ham P. ed., „The Baltic States: Security and Defence After Independence“, *Chaillot Papers*, No. 19 (Paris: Institute for Security Studies, Western European Union, 1995); Asmus R., Nurick R., “NATO Enlargement and the Baltic States”, *Survival*, Summer 1996, vol. 38, no. 2, pp. 121-142; Knudsen O.F., “Cooperative security in the Baltic Sea region”, *Chaillot Paper 33*, Paris: Institute for Security Studies of WEU, 1998; Blank S., „Rethinking The Nordic-Baltic Security Agenda: A Proposal“, *Conflict Studies Research Centre*, G88, November 2000; Vitkus G., „Changing Security Regime in the Baltic Sea Region“, Final Report (NATO Euro-Atlantic Partnership Council, Individual Research Fellowship 2000-2002 Programme), Vilnius, June 28, 2002; Dah A.-S., *US Policy in the Nordic-Baltic Region*, Stockholm, Santérus, 2008.

¹⁵ Here it is particularly important to single out some most significant studies, since the security of the NCs has been analyzed for more than one decade.

¹⁶ Nurick R., Nordenman M. ed., *Nordic-Baltic Security in the 21st Century. The Regional Agenda and the Global Role*, September 2011, Atlantic Council

particularly the current situation, and formulating tendencies for the future, I have largely relied on the analysis method of the ongoing processes. This study also attempts to analyze security and defense processes not by separating them but as a general whole.

1. Challenges for the Nordic-Baltic Region

What challenges affect the Nordic-Baltic region? We will look into this issue from several aspects – political–strategic, military–security-related, energy-bound–economic which are actually interrelated. These aspects are beyond the limits of the traditional security and defense issues, but provide a broader grasp of the problems.

While analyzing the challenges affecting the Nordic-Baltic region, we will explore them from the temporal perspective, by analyzing former challenges and the current ones. Without getting “ahead” of this section, it is already possible to state that the previous conception of threats to a rather great extent separated the Nordic and the Baltic States, whereas currently we see a fairly large convergence of threats.

At present, not only the NCs but also the BSs are applying a comprehensive security approach. For example, the study of the Swedish Defense Studies Institute published in October of 2012 has clearly demonstrated that meanwhile non-military threats are more urgent for the BSs¹⁷. The NCs do not see military threats in somewhat tangible perspective either. At the same time, neither the NCs nor the BSs are isolated from diverse challenges and threats.

1.1. Political–Strategic Aspect of Security

If in the case of the BSs it were possible to “turn back the clock” and look twenty years back, we would see that threats and challenges the BSs then faced are changing. The BSs, particularly during the first years of the regained independence, were solving the issue of the withdrawal of Russia’s (the former USSR) armies from their territories. A sizeable minority of Russian-speaking inhabitants in Latvia and Estonia (a less urgent problem for Lithuania) was posing a constant concern. Lithuania, in its own turn, had a specific challenge

¹⁷ Winnerstig M. (ed.), Neretnieks K., Malmlöf T., Ljung B., „Baltic Security and Defensibility”, Stockholm: FOI, October 2012.

– the uncertainty of the future and further development of the Kaliningrad region – the region which during the first years of the independence, particularly keeping its excessive militarization in mind, posed a serious problem. Another specific problem of Lithuania was Russia's military transit through the Lithuanian territory. As a barrier for the final withdrawal of the Russian (the former USSR) army from Latvia, the Skrunda radar problem emerged¹⁸.

Finally, in 1991–1994, the uncertainty concerning the enlargement of NATO dominated, particularly because of the indecisiveness of Washington. “The red lines”¹⁹, drawn by the then Prime Minister of Russia Victor Chernomyrdin concerning the membership in NATO, caused concern for the BSs. The constant reiteration of “the near abroad” doctrine from the side of Russia's elite did not add to the confidence either. The idea of the possible regionalization of the Baltic Sea security – both in using the OSCE and other multinational formats – which was raised by Russia and supported by individual Western countries, also posed a threat to the long-term security of the BSs. Had these ideas been implemented, the BSs would have found themselves in “the grey zone” for a long time.

Thus, with threats gone, what challenges could at present be singled out? They could be divided into several categories.

First, ranking the challenges referring to direct experience. For several weeks in 2007, in the region and beyond, there loomed a great tension, triggered by Russia's reaction to the decision of the Government of Estonia to dismantle the monument for the USSR soldiers killed in WWII: the pressure of the Russian government at the international level, the rise of ultrapatriotic organizations not only in Estonia but also in Russia that manifested itself even with respect to Estonian diplomatic embassies in Moscow and St. Petersburg (in political science and mass media this became known as the incident of “the Bronze Soldier”²⁰). And as the climax of this tension a cyber-attack against the governmental Internet resources of Estonia followed. It would be possible to add to this Russia's war with Georgia in 2008 that was an “eye-opener” for many politicians and experts of the NB region.

¹⁸ The author analyzed security challenges of the BSs in several articles, for example –Bajarūnas E. „Baltic Security Co-operation: a Way Ahead“, *Baltic Defence Review*, No.3 Volume 2000, p. 45; Bajarūnas E., „Lithuania's Security Dilemma“, *The Baltic States: Security and Defence After Independence*, Van Ham P. ed, *Chaillot Papers*, No. 19, Paris: Institute for Security Studies, Western European Union, 1995, p. 17.

¹⁹ According to V.Černomyrdin, the conception of „the Red Lines“ meant approximately the following: in principle, it is possible to agree with the membership of Poland, the Czech Republic and Hungary in the Alliance, but the accession to NATO of the former USSR countries, including the BSs would mean that a certain imaginary „boundary“ is crossed.

²⁰ „Transfer of the Bronze Soldier caused bloody riots“, www.alfa.lt, 27 April 2007.

Migration problems should doubtless be attributed to “modern challengers”. Quite a few facts indicate that migrants from Asia and other distant regions, having crossed the borders of the BSs, continue to travel to the Scandinavian countries. Extensive criminality and illegal smuggling on both sides of the borders are also related to this.

Second is what could be called a sense of (in)security. In the case of the BSs, this is what the then Prime Minister of Sweden Carl Bildt at the time so vividly called “the litmus test”²¹. True, at present a military attack from Russia or any other neighbor does not seem real, but the possibility is not discarded (more about it in another part devoted to “the hard security”). Though not a single state from the NB countries has labeled Russia as a threat, it is undoubtedly perceived as “uncertainty”. Pessimists though voice the idea that it is only a question of time when Russia will start actively expanding its sphere of influence in the BSs by taking advantage of energy, national minorities, exercising influence on elections, etc.

Within the context of Lithuania, the Kaliningrad region also remains a challenge, particularly in case of a conflict in the region. In such a situation, the military capabilities of Russia deployed here would considerably influence the BSs situation. Modern armaments, air defense systems, such as S-400 or ground-ground missiles of the “Iskander” type militarily make Kaliningrad region much more significant than it used to be.

All in all, Russia has been and will remain a security factor for the NB region. Because Russia shares borders with five countries of the region, Northern Europe is a direct corridor for it to the West. No matter how controversial Russia is, it is a strategic partner of the EU, NATO and a member of the UN SC.

Russia claims having no frictions with the NCs (though historically they did exist and were quite numerous). Russia’s interests are to maintain a stable security environment with the region, which borders on the “second capital” St. Petersburg, the Kola Peninsula, still retaining the nuclear weapon, Kaliningrad region. Russia takes interest in the NCs because of their advanced technologies and investment capabilities (for example, Sweden is the greatest investor per capita to Russia).

Therefore, Russia attempted not to strain relations with the NCs, even though they remained rather critical of Russia’s democratic standards. For example, Russia has successfully settled legal aspects of the sea border with Norway, has taken into consideration the ecological requirements related to the gas pipe “NordStream”, has even at the time invited the Norwegian compa-

²¹ Bildt C., „The Baltic Litmus Test,” *Foreign Affairs*, 73, September-October 1994, p. 72-73.

ny “Statoil” to join the exploitation of the Shtokman gas deposit.

True, the changing military situation in the region, particularly with Russia rapidly arming, can also be observed in the capitals of the NCs. It is this factor that becomes the primary one when talking about the changing security conception of Sweden and Finland (about this – later)²².

Russia’s relations with the BSs are essentially different because the trust between Russia and the BSs is in short supply. The above-mentioned war in Georgia, the large-extent and offensive-nature exercises “Zapad” and “Ladoga” in the region, the acquisition of “Mistral”, and the ambiguity of the Treaty on Conventional Forces in Europe (CFE) also added to the mistrust. It is a possibility that Russia itself is interested in cultivating the myth about the “hostility harboring” BSs.

Dmitri Trenin, a famous Russian political analyst, summarized Russia’s interests in the following way: Russia tries to prevent the deployment of NATO infrastructure in the BSs; aims at obtaining the elements of infrastructure in the BSs; forces Latvia and Estonia to decrease standards in acquiring citizenship, thus increasing the political weight in them; and, defends the role of the USSR in liberating Europe from the Nazism²³.

There are also strategic matters that do not satisfy Russia, for example, NATO’s plans for the anti-missile defense (AMD). The AMD is not directly linked to the NB region, but nuclear weapons are indirectly present in the region. In the new NATO Strategic Concept, the Alliance has made the decision to remain nuclear, until nuclear weapons make up the basis of security assurance²⁴. In this sense, the assurance becomes important for the entire NB region. There is some talk that Russia’s newest missiles “Iskander” are deployed in Leningrad region (possibly in Kaliningrad region as well) and that means that Russia can easily reach the BSs and Finland. Thus, the AMD-related decision though indirectly will also affect the NB region, particularly being aware of Russia’s further aspirations to become part in decision making and execution.

The problem concerning the above-mentioned decline of the USA leadership in the region, transfer of the USA’s focus to Asia, the USA’s economic problems, demanding more orientation towards home policy, are also associ-

²² By: Juha Saarinen, Mikko Patokallio, Tomas Wallenius, *Tentative Steps Toward Deepening Defense Cooperation in the Baltic Region*, Eurasia Daily Monitor Volume: 10 Issue: 15, January 28, 2013.

²³ Trenin D., „Russian Policies toward the Nordic-Baltic Region“, in Nurick R, Nordenman M. ed., *Nordic-Baltic Security in the 21st Century. The Regional Agenda and the Global Role*, September 2011, Atlantic Council, p. 47.

²⁴ „Strategic concept for the Defence and Security of the Members of the North Atlantic Treaty Organisation. Adopted by Heads of State and Government at the NATO Summit in Lisbon 19-20 November 2010“, http://www.nato.int/strategic-concept/pdf/Strat_Concept_web_en.pdf

ated with Russia's influence²⁵. The lessening of the USA military presence in Europe is linked to the fact that Germany is also cutting its forces in the Baltic region. The relative decline of the political influence of the USA in Europe is perfectly illustrated by the situation that emerged during the NATO summit in Bucharest in 2008 when a lack of political will made it impossible "to push" Georgia and Ukraine towards the Alliance.

The "placing side by side" of the USA and Russia in the study is not accidental. It is a valid guess that Russia would undoubtedly try to fill the "vacuum" that surfaced after the withdrawal of the USA, thus making the ever growing influence on its neighbors, particularly the BSs. The rapprochement of the USA–Russia (the "restart" policy) including security and non-proliferation areas has also caused concern for the BSs. Doubts have as well been raised by NATO–USA AMD discussions and in general the course of relations with Russia when attempts have been made to seek cooperation on not always mutually beneficial basis²⁶.

1.2. Military-Security Dimension

Regarding the military-security dimension, several of its most significant elements should be mentioned: NATO's role in the region in general, the membership of the BSs in the Alliance, as well as security policy changes in the NCs, particularly in connection with the NCs Declaration of Solidarity.

NATO plays a decisive role in the security of the region. This is well illustrated, even in the social networks, with the utterance, voiced by the Minister of Foreign Affairs of Sweden Bildt, during the visit of NATO's Supreme Allied Commander Europe James Stavridis in Stockholm: "Sweden is not a member of NATO, but Article V commitment of NATO to our Nordic and Baltic neighbors is important also for our security"²⁷

No matter how paradoxically it may sound, Sweden and Finland, being non-members of NATO, were the greatest supporters (particularly Sweden) of the BSs membership in the Alliance. In 1990s, in a quiet manner, without much commotion, Sweden passed over some armaments to the Armed Forces

²⁵ The best „barometre“ of this is the latest presidential election in the USA when the primary emphasis was not on foreign policy but on unemployment, medical reform, the growing debt, etc.

²⁶ „Grybauskaitė: JAV prezidentas Obama pakeitė požiūrį į santykius su Rusija“, www.alfa.lt, 21 May 2012.

²⁷ C.Bildt's message disseminated on the social network: "Sweden is not member of NATO, but Article V commitment of NATO to our Nordic and Baltic neighbors is important also for our security", 16 October 2012.

of the BSs, thus contributing to their establishment. Now as well, these non-aligned countries scrupulously observe that NATO commitments in the region be implemented. From this also stems the cautiousness with which Sweden and Finland react to the signals about a possible responsibility of both the countries in safeguarding the air space of the BSs. It is clearly stated, at least at the informal level, that this mission has to remain a NATO operation.

It is understandable that NATO's air policing mission is almost the best felt expression of the BSs membership in the Alliance; the decision on the infinite extension of the mission had been made before the NATO Chicago summit in April 2012. The countries of the Alliance want the BSs to assume more financial commitments pertaining to the execution of the mission; therefore, the BSs have promised that the financial support for this mission will start increasing after 2014²⁸.

Right after the BSs became members of the Alliance, the issue of defense plans was not raised. Recently it has surfaced in connection with the discussions that have turned public and has become sensitive in several aspects. First, the states of the region became concerned that though formally the BSs were members of NATO, they were not "covered" by contingency defense plans. Second, as soon as experts began to analyze the issue concerning defense plans more explicitly, it became obvious that any NATO activity in the region would have an impact on Sweden and Finland.

In January 2010, "The Economist" commentator Lucas, who had been closely following the issues related to the BSs, announced that within NATO decisions on defense plans had come to life. These plans will be a supplement to the existing Poland-related plans, and they leave some space for the role of Sweden and Finland²⁹. Summarizing the NATO summit, held in Lisbon in 2011, President of the Republic of Lithuania Grybauskaitė confirmed: "Article 5 has finally started actually functioning"³⁰.

Why has the issue of the defense plans of the BSs become so urgent? The situation has not changed dramatically. No new threats have emerged after the accession to NATO. Defense plans, or, to be more exact, the absence of them, have become a serious security policy challenge for the BSs. It is possible to claim that, in the absence of NATO defense plans, Russia or any other country could come to the conclusion that the BSs were not full members. This could become a destabilizing factor.

²⁸ „Baltijos šalys pažadėjo padidinti indėlį į oro policijos misiją“, www.kl.lt, 18 April 2012.

²⁹ „Contingency plans for the Baltics (!)“, edwardlucas.blogspot.se, 14 January 2010.

³⁰ „D. Grybauskaitė: Rusiją kviečiame bendradarbiauti, bet ne įsilieti į NATO“, www.balsas.lt, 20 November 2010.

Yet, a still more interesting issue in the region is the relations of the non-aligned Sweden and Finland with the Alliance. According to Bo Hugemark, the Solidarity Declaration of Sweden (about it later) poses no less strict requirements for Sweden. In case a war breaks out in the countries around the Baltic Sea, Sweden will for sure be involved. Hugemark asks: What does Sweden stand to lose if it becomes a member of NATO? The answer is simple: nothing. In case of a war in the region, Sweden (and Finland) is bound to be involved. Then, Sweden had better be ready and that is possible only being a member³¹.

As a significant step in developing relations with NATO, experts point out NATO Article 5 crisis management exercise “CMX 2011”, when Norway was being “defended”: alongside NATO countries Sweden and Finland also “participated” then; Sweden not only “rendered assistance” (its military Air Force), but also “granted” an absolute right to use its air space for transit.

Though the societies of both Sweden and Finland are skeptical regarding the membership in NATO, more and more experts claim that both countries, exploiting the current rather peaceful situation, should start reorienting their defense doctrines towards the membership in the Alliance. The membership of both the countries, i.e. Article 5 guarantees, would be beneficial not just for them but for the entire region, would contribute to the security of the whole region. Ironically, the membership of the BSs in the Alliance has decreased the psychological pressure on Sweden and Finland to become NATO members.

Of course, the specificity of both the countries – Sweden and Finland – is different. In the argumentation of Finland, like in that of the BSs in 1990s, Russia is the central focus. It was during his visit to Helsinki that the then Chief of Defense of Russia Sergey Makarov said that “cooperation between Finland and NATO threatens Russia’s security ... Finland should not desire NATO membership, rather it should preferably have closer military cooperation with Russia”³². This even forced the Minister of Defense of Finland to react by stating that Finland is a free nation and that “Finland evaluates its relationship with NATO in a manner that is consistent with its government policy program and on the basis of its own national security and defense policy interests”³³.

In experts’ opinion, both Sweden and Finland technically meet NATO standards and could become members of the Alliance at any moment. In certain cases, they are more integrated into NATO and correspond to NATO criteria than members of the Alliance. The above-mentioned participation of

³¹ Hugemark B., „Svenskt Nato-motstånd bygger på irrationell okunskap“, *debatt.svt.se*, 12 November 2012.

³² „Russian Military Chief Stirrs Anti-NATO Pot“, *www.defensenews.com*, 13 June 2012.

³³ *Ibid*

Swedish Grippens in NATO operation in Libya testifies to this. There are quite a few areas, for example collection of intelligence data, where Sweden could substantially contribute to NATO.

For Sweden “neutrality” and “non-aligned” country status was the status of a moral country during the entire Cold War period, for example among Third World countries. Anyone who is interested in the history of the relations between Sweden and the USA knows the episode when the then Prime Minister of Sweden Olaf Palme alongside the ambassador of Vietnam protested in front of the USA embassy in Stockholm.

But even during the Cold War, Sweden (perhaps in a lesser degree – Finland) maintained close relations with the USA and NATO. It was not in vain that the phenomenon got the label of “the double doctrine”. There were talks that Sweden, while conducting the formal “non-alignment” policy, had made secret agreements concerning defense with individual NATO countries³⁴.

During the years of the Cold War, the USA acknowledged the strategic significance of the NCs. A pragmatic conception dominated that if the USSR gets established in the North region, NATO defense commitments will be in essence weakened. Therefore, the USA accepted Sweden’s proposals to cooperate in the security area, notwithstanding the fact that Sweden was not a member of NATO (L. Michel mentions a top-secret memorandum prepared by the National Security Council in 1952 which stated that in case the USSR started to dominate with advanced air, guided missile and submarine bases, this would threaten allied operations in the Atlantic and would form a protective shield against the related sea and air operations while attacking from the northwest; the memorandum provided for the means how to assist Sweden and Finland)³⁵.

This clearly pertained more to Sweden. In the case of Finland, “neutrality” was a geopolitical reality. But it was possible to understand Finland: the primary challenge of Finland was and remains: how to deal with Russia. Nevertheless, Finland’s decision to procure F-18s right after the end of the Cold War indicates that, in spite of perfect mutual relations, Finland treats threats posed by Russia realistically.

Apart from NATO, another important factor in the issues pertaining to the security and defense of Nordic and Baltic countries are commitments of the EU Treaty.

³⁴ Dalsjö R., „Life-line Lost: The Rise and Fall of „Neutral“ Sweden’s Secret Reserve Option of Wartime Help from the West“, Stockholm: Santerus Academic Press, 2006.

³⁵ „Baltic Security: Why the United States (still) cares“ by Leo Michel, in Nurick R, Nordenman M. ed., *Nordic-Baltic Security in the 21st Century. The Regional Agenda and the Global Role*, September 2011, Atlantic Council, p. 22.

If the EU membership for Sweden in 1995 was conditioned by economic arguments, for Finland and later for the BSs it was not only an economic project but also the assurance of national security.

In the case of Sweden, the security aspect emerges much later, after the Lisbon Treaty came into effect. On 14 January 2010, the Parliament of Sweden adopted the Declaration of Solidarity: for the first time after hundreds of years Sweden renounces neutrality and declares that it will take care not only of its own security but, on the basis of reciprocity, will contribute to the defense of the Nordic and neighboring countries.

A leading expert on NB defense matters, Karlis Neretnieks argues that Sweden's commitments are pertinent to this declaration in the following way. First, it is Sweden's wish to comply with Article 42.7 and Article 2.2.2 of the Lisbon Treaty on the EU (the first of them states that "if a Member State is the victim of armed aggression on its territory, the other Member States shall have towards it an obligation of aid and assistance by all the means in their power, in accordance with Article 51 of the United Nations Charter"). In Neretnieks' opinion, of no less importance was the growing understanding that in case of a conflict, Sweden was not going to keep aloof. And, of course, historical legacy – the role of Sweden during the interwar period, when it was rather sluggish in providing assistance to Finland and did not support the sovereignty of the BSs (it was as early as in the 1990s that, as a certain compensation, Sweden showed rather strong support to the independence of the BSs). In any case, these were revolutionary changes in Swedish security policy.

Hugemark, who was mentioned above, goes further not only presenting arguments for the Swedish Solidarity Declaration, but also analyzing three hypothetical scenarios. The first scenario is about the already mentioned "Bronze Soldier" type conflicts when NATO is asked to demonstrate solidarity. The second scenario is a political crisis when Russia considerably increases its military contingent and Sweden is asked to participate with land and navy forces. And the third scenario is when Russia unexpectedly attacks the BSs. In this case, Sweden is asked to get involved with all of its capabilities³⁶.

Hugemark summarizes that all operations in the Baltic region will have to be executed under NATO command because none of the countries of the region would be able to act independently. At the same time, whatever the scenario Sweden will be involved.

³⁶ Hugemark B., ed., „Friends in Need: Towards a Swedish Strategy of Solidarity with her Neighbours, Stockholm: Royal Academy of the War Sciences, 2012.

The authors of this and similar studies raise a particularly important question – how to fill the “defense gap” in the BSs’ territory – and propose “to compensate” it through practical measures: by organizing joint exercises of Sweden and the BSs, by preparing Swedish society such that it will be necessary to defend the BSs, by inviting the BSs to join the NCs’ defense cooperation, by Sweden participating in NATO exercises in the NB region.

This was not the case before World War II. At that time, the Swedish political elite were thinking in the following way: Russia (the Soviet Russia, later – the USSR) would inevitably grow stronger. It would need an entry to the Baltic seaports; therefore, the BSs would unavoidably lose independence³⁷.

Thus, changes in Swedish and Finnish security policy are underway. They will also be determined by another factor – consistent belief that one country, even considerably well armed, will not stand long by itself. When I was about to complete this writing, the Swedish political elite and experts were “shaken”, in the literal meaning of the word, by a statement made by the Commander of the Swedish Armed Forces General Sverker Göranson when he claimed that without external assistance the Swedish Armed Forces would, in the best case, withstand external threat for a week. This provoked a stormy reaction and was likely to have repercussions³⁸. After some time, a similar idea was also expressed by the Finnish expert Alpo Juntunen, who claimed that in case of a Russian attack, the Finns would be capable of defending only the southern part of the country for a short time³⁹. Both statements caused a great deal of reactions and commentaries (of course, with both Swedish and Finnish government representatives denying it) that were both for the Swedish and Finnish membership in NATO and for as fast as possible further expansion of Nordic and NB cooperation in the military field.

The fact that Swedish public opinion (and, most probably, Finnish, too) is not monolithic was also revealed by a recent survey of public opinion. Thus, Swedish society is increasingly supporting the state’s NATO membership. Although only 29 per cent expressed their support and 32 per cent disagreed with this option (39 per cent abstained), this data should be compared with previous surveys. A similar survey carried out in 2011 showed that at that time only 22 per

³⁷ Motuzas R., *Lithuanian diplomatic representations in Sweden*, Vilnius: Versus aureus, 2011.

³⁸ Holmström M. ”Försvar med tidsgräns”, *Svenska Dagbladet*, 30 December 2012.

³⁹ Ilta-Sanomat, 7 January 2012.

cent of the society supported the membership, while 50 per cent were against⁴⁰. Thus, the changes are obvious, though it is too early to make any conclusions⁴¹.

It is possible to say that changes in the Swedish security policy have had an impact on changes in the region as well. An important step was made by all five NCs when on 5 April 2011 in Helsinki they adopted the Declaration of Solidarity. As commented by the then Norwegian Minister of Foreign Affairs Jonas Gahr Støre, “this is yet another building block in our Nordic cooperation”⁴². The Helsinki Declaration sets out that it is a natural continuation of cooperation between the NCs, that they will cooperate in a spirit of solidarity to meet challenges in the foreign and security policy area. This is particularly relevant in the face of potential risks, including natural and man-made disasters, cyber attacks and terrorist attacks.

The key statement of the Declaration provides commitment to mutual assistance – “should a Nordic country be affected, the others will, upon request from that country, assist with all relevant means.” This enhanced Nordic cooperation will be conducted by complying with each individual country’s security and defense policy, and will complement the existing European and Euro-Atlantic cooperation⁴³.

The idea of the Declaration of Solidarity of the NCs was first put forward in the above-mentioned Stoltenberg Report⁴⁴. It is not yet clear how the Declaration would work in real life since it was not grounded on defense plans. Nevertheless, it is a significant symbolic step. Although semantically there are few differences between the Declaration of Solidarity and Article 5 of NATO, it is not likely to be the beginning of Sweden’s and Finland’s joining NATO. Likewise, as the decision of Sweden and Finland to join NATO air space patrolling over Iceland will not be the beginning of joining NATO either, though the symbolic aspect of this joining is yet to be evaluated⁴⁵.

⁴⁰ „Gradual shift in Swedish public perception in its military preparedness - more people support the country joining NATO“, www.scancomark.com, 18 January 2013.

⁴¹ “Ambassador comments on changing Swedish approach to security”, www.lithuaniatribune.com, 22 January 2013.

⁴² „Agreement on Nordic declaration of solidarity“, www.regjeringen.no, 5 April 2011.

⁴³ *ibid.*

⁴⁴ „Stoltenberg Report presented to Nordic foreign ministers“, www.regjeringen.no, 9 February 2009.

⁴⁵ „Sweden and Finland discussing unarmed air patrols over Iceland“, www.acus.org, 15 November 2012.

1.3. Energy (Economic) Security

Energy and energy dependence are going to remain the key priority(s) of national security for a long time, particularly in the case of the BSs. In the modern world this is becoming a dominant element on the security agenda in spite of the still remaining importance of the “hard” security, especially in the BSs. However, even the establishment of the NATO Energy Security Center in Vilnius shows that energy and military security are interrelated.

The essence of the problem is as follows. The three BSs are forced to import energy from only a partly diversified source. In 2020, in the three states energy shortage will be 1.3 GW.

Although in 2004 the BSs became EU and NATO members and are integrated into transatlantic structures, energy supply depends on Russia and is not diversified. Russia not only declares, but also uses energy as an instrument to gain geopolitical advantages and foreign policy objectives. Investments of Russian companies in the BSs would not be a problem provided they operated by the same transparency and accountability standards as traditional Western companies. Under cover of mystery which is characteristic of the energy sector, Russian companies are beginning to make impact on the internal political life. Energy is becoming Russia’s tool to establish itself not only in the BSs but also in Central and Eastern Europe by creating its influence zone there.

Energy dependence has also a clear defense dimension. The scenario when the country is thrown into turmoil which later turns into a deep political crisis because of a shortage of energy resources cannot be discarded. It is obvious that the capability of a country to defend itself by military means would be considerably reduced.

Energy dependence of the BSs on Moscow not only makes them vulnerable, but also prevents them from making optimum use of energy.

Denmark and Sweden do not depend on external supply because they have sufficient possibilities for internal generation. Finland also largely uses Russian oil and gas, but even though it is, like the BSs, “an energy island”, it is developing its own generation capabilities, for example, nuclear power plants. Norway has full energy independence.

It is only in the case of the BSs that the notion “energy islands” can be used, since their energy network is still isolated from the West and is connected with Russia’s/the former USSR energy network.

The situation is different. Estonia is least dependent on other countries due to the still exploited shale resources. In contrast, Estonians even export

electricity. The biggest problem will be after 2016 when shale exploitation is stopped. Latvia has been largely dependent on external suppliers, but part of its energy is hydro energy. Latvians are consistently increasing the use of renewable sources.

Lithuania faces the biggest problem of energy supply dependence. Before the shut-down of Ignalina Nuclear Power Plant on January 1, 2009, it was one of the biggest energy exporters in the region, and now, according to energy consumption per capita, it “has taken the lead” in the entire EU, especially after gas export from Russia increased.

This is why Lithuania puts the greatest emphasis on energy as the biggest security challenge⁴⁶. The Lithuanian Government had prepared a rather clear energy independence plan comprising the following key elements: the building of Visaginas Nuclear Plant (at the time when this article was being written it was still unclear how the new Lithuanian Government would react to the results of the 14 October 2012 consultative referendum on nuclear energy), the construction of the liquid natural gas (LNG) terminal in Klaipėda, the building of the Lithuanian-Swedish electricity link (NordBalt), the building of the electrical connection between Lithuania and Poland (LitPolLink), unbundling of gas and energy sectors, search for shale gas, and synchronization with the Western electricity system (the second LitPolLink line).

Another problem in the region is that the projects of the Kaliningrad nuclear plant and the Belarusian nuclear plant (close to the Lithuanian border; 50 km from Vilnius) have made a start. The problem that lies in the projects is not only the fact they are carried out without compliance with international standards. As long as Russia is not part of the EU-regulated market its energy price will always be lower and, consequently, discriminatory.

In spite of the optimistic plans, in the energy area Russia was and is going to be a problem for a long time. Although it claims to be a reliable energy supplier, this may be the case with Finland. The BSs have different experience. For example, in 2000, after the Lithuanian Government made a decision to give over the former “Mažeikių nafta” not to Russian enterprises (something actively sought for by the Russian authorities), but to the Polish enterprise “PKN Orlen”, Russia immediately cut off oil supplies via the Druzhba pipeline. This was explained by the fact that the pipeline was outdated and its further exploitation posed serious environmental problems. Lithuania’s proposals to contribute to the repair of the pipeline and even pressure on Russia through

⁴⁶ On 26 June 2012, the Lithuanian Seimas discussed and approved the draft of the new “National Security Strategy” (see: http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=428241).

the EC and the capitals of EU states did not add to this either. Another negative experience was Russia's drastic behavior after Lithuania and other EU member states started the implementation of the EC Third Energy Package.

Economy should also be attributed to strategic economic problems of the NB region. Of course, the region is related to general tendencies in the EU and world markets, that is, with the financial problems of the EU and the euro zone.

It should be noted that the efforts of the BSs to resolve the crisis have been repeatedly commended by the NCs. During his visit in Vilnius, the Minister of Foreign Affairs of Sweden Bildt pointed out that "around the Baltic Sea we have growth; we have some of the most competitive economies in the world. I think Lithuania, Latvia and Estonia have overcome the financial crisis extremely well"⁴⁷.

Neither Sweden nor Denmark has introduced the euro. Lithuania and Poland are still planning to do that. Only Estonia and Finland have common currency. Membership of the euro area has not only fiscal meaning – it is hard to imagine the case when a member of the euro zone would be affected from the outside and other EU members would show no reaction.

In the strategic sense, it will be important for the Nordic and the Baltic region countries to retain solidarity, even though they have different policies regarding the euro. It is also extremely important due to the fact that the banking systems in the region are very closely related. The growing flow of mutual investments and the involvement of Nordic business in the economies of the BSs, the threat that the NCs' banks faced at the beginning of the financial crisis in 2008 showed that there was growing interdependence. Banks of the NCs (especially the Swedish ones) and the biggest companies (Ericsson, TeliaSonera, IKEA, ABB, etc.) would suffer great loss if the BSs faced problems of "the hard security". Mutual economic dependence is a precondition that, having made investments, in time of crisis the country will not leave these investments but will defend them.

Unevenly developed economy of the states in the region as well as inadequate transport connections should also be attributed to economic problems.

And finally, another challenge in the region related to the regional economy and energy is ecology. It relates to declining fish stocks, oil spill risks, climate change, and increased transport flows. About 8 per cent of world shipping takes place in the Baltic Sea region, and Russia keeps expanding the capacities of its ports in order to bypass the ports of the BSs. Industry and agriculture are still the biggest sources of pollution in the region. In general, the Baltic Sea is

⁴⁷ BNS, "Šiaurės šalys giria Baltijos šalių pastangas krizei įveikti", 4 September 2012.

very vulnerable because of its shallowness – any pollution does not necessarily have to be highly massive to inflict huge damage. An unidentified amount of chemical weapon dumped in the Baltic Sea during World War II remains a potential ecological problem.

2. Formats of Nordic-Baltic Cooperation

To what extent are Nordic-Baltic cooperation structures adequate to the above-mentioned challenges? Especially, if we claim that at present we encounter a clear tendency that, at least at the level of understanding challenges, the Nordic and the Baltic States have more in common than not.

During the Cold War, the NCs were perfectly aware that not only traditional means, but also such means as sabotage, threats and other asymmetric means (the mentioned “whiskey on the rocks”) could be used against them. Therefore, they used the strategy of “total defense” when both state and private sector had their coordinated role as to what should be done in case of threat. The scenarios of the Estonian “Bronze Soldier”, the bank crisis or cutoff of energy supplies definitely prove that such scenarios of “civilian security”, i.e. the involvement of civilian and private institutions in state defense, have not lost their relevance.

However, even with strong national institutions established, a multilateral context always remains of the greatest importance for small or medium countries. As early as 1992, in Bornholm (Denmark), the NBs began cooperation between the eight countries, which was originally known as the “5+3” format, and was later transformed into the “Nordic-Baltic 8” (NB8) format of governmental cooperation. After the BSs joined the EU and NATO, the intensity of cooperation slightly decreased – most probably, the NCs decided to leave more space for the BSs to adapt themselves to EU and NATO structures.

The involvement of the NCs, which had had regional cooperation formats for over 50 years, in the affairs of the BSs some decades ago was sincere and even emotion-based. Of course, it had and will have pragmatic interests. The NCs give priority to noncommittal cooperation, sectorial cooperation and voluntary rapprochement. This has been passed on to NB8 cooperation.

In 2004, after the BSs joined the EU, an informal decision was made on further parallel development of the five-lateral cooperation between the NCs and trilateral cooperation between the BSs. At the same time, NB8 cooperation had to be developed. The only institution, which the BSs could join on the basis of equality, was the Nordic Investment Bank.

So, how does the NB8 work? Without going into detail⁴⁸, the main tendencies can be mentioned in order to see which direction this cooperation is taking at present.

Here are some facts. In 2012, Lithuania, which coordinated activities that year (every year, the activities of the NB8 are coordinated by one country), set the following priority guidelines: (1) to strengthen economic links, seek BSs' business representation through the NCs (and vice versa) in third countries, to press the initiative for electronic signature; (2) to expand regional ties with the USA and Eastern Europe (the E-PINE initiative and its further development was mentioned); (3) to create common symmetric information space of the Nordic and Baltic states which would enable to know each other better⁴⁹ (here, Lithuania took vigorous action in designing an NB8 Internet portal, "placing" the NB8 in Wikipedia, encouraging national television to more actively promote information about the NB8). Over a year, Lithuania hosted multiple meetings and events of NB8 representatives at different levels in the areas of foreign affairs, defense, energy, nuclear safety, cyber safety, justice, finance, gender equality and development cooperation.

Here are some examples of cooperation in different areas.

In the political area, the most evident contribution of the region is the eastward extension of democracy. The NB region has for some time been regarded as "an exporter" of security and stability. The "spring" of North Africa and "Arab spring" again reminded us about democracy and pluralism. The experience of the BSs is particularly valued for both implementing the EU *acquis communautaire* and carrying out structural reforms. Small bureaucracies of the BSs provide a good example to other countries. However, the BSs are still familiar with the countries of the former USSR, and they speak Russian (when it is necessary). Even in the military area, the BSs have proved they have something to offer to Eastern European countries that are only now implementing the same reforms.

The NB8 is not created as an alternative to other regional initiatives. For example, since Norway and Iceland have limited access to EU policies, the NB8 cooperation format becomes a good platform for them to be involved in EU policies in the region – whether it is the Northern Dimension or the EU Strategy for the Baltic Sea region. NB8 cooperation is interrelated with the activities of another regional organization – the Council of the Baltic Sea States. This organization, es-

⁴⁸ On the NB8 see: nb8.mfa.lt

⁴⁹ Ažubalis A., „Europos integracija ir Lietuvos pasirinkimai: Šiaurės kryptimi, išlaikant pusiausvyrą“, www.delfi.lt, 18 January 2012.

tablished in 1992, covers all areas of intergovernmental cooperation in the Baltic Sea region, with the exception of security and military defense.

In the political-military context of the NB cooperation with the USA, the E-PINE – the cooperation initiative between the USA, the NCs and the BSs, officially announced in 2003 in Washington – plays a major role. As was aptly formulated by V. Urbelis, the NB8 cooperation format is particularly important for supporting the presence of the USA in Europe, because “it would be a much easier work for the USA with us as a solid region than as 35 individual countries”⁵⁰.

When the BSs became full members of NATO and the EU, it was assumed that the main objectives of the US-Baltic Charter of Partnership were implemented; therefore, its place was taken by the E-PINE. As the then Minister of Foreign Affairs of Lithuania Audronius Ažubalis said, the EU Eastern partnership and Russia should remain an important part of the coordinated policy of the NB region⁵¹. It should be noted that the NB8 countries showed strong support for the USA during the events of September 11 and became advocates of EU-NATO cooperation.

Cooperation vitality of the NB8 (of the E-PINE, too) is the ability to adapt. For example, in 2011, when the informally formed Alliance was executing a military operation in Libya, major political issues were tackled by an informally set up Libya Contact Group. It should be noted that the NB8 demonstrated their political wisdom and in this group spoke “with one voice”⁵².

In the military area, this cooperation also has its prehistory. Without waiting until the formats of the NB countries go into effect, the BSs achieved a lot in the trilateral context. The BSs are running common trilateral projects: this is the above-mentioned NATO air space policing mission, the Baltic Defense College (BALTDEFCOL, Tartu) where officers of the BSs and other states are trained, the Baltic Air Space Surveillance (BALTNET) project, etc. Special Operations Forces of Lithuania and Latvia operate together with the NATO-led International Security Assistance Force (ISAF) mission in southern Afg-

⁵⁰ „Krašto apsaugos ministerijos politikos direktorius V. Urbelis su kolegomis aptarė Šiaurės ir Baltijos šalių bendradarbiavimą“, www.kam.lt, 15 October 2012.

⁵¹ „Užsienio reikalų ministras E-Pine diskusijoje pabrėžė energetikos ir transporto projektų regione svarbą ir ragino remti Rytų partnerystės šalis“, www.urm.lt, 3 September 2012.

⁵² “One voice” manifested itself by representation of the NB8 countries in the Libya Contact Group by one of the ministers of foreign affairs and by regular coordination of the NB8 experts’ activities. It should be noted that the practice that occurred during the crisis in Libya was later used in the case of the crisis in Syria as well. E.g. the statement of the Ministry of Foreign Affairs „Lithuania and other Nordic and Baltic countries state that acts of violence carried out by the Syrian regime against its citizens cannot be tolerated“, www.urm.lt, 12 December 2012.

hanistan. The cooperation is continuing to develop. In April 2012 in Tukums, Latvia, in the meeting of the Chiefs of Defense of the Baltic States much attention was paid to joint combat training, military capability development, cooperative exploitation of the present and planned infrastructure and simulation systems according to the principle of "Smart Defense"⁵³.

From the very outset of the independence of the BSs, cooperation with the NCs was actively sought. For example, in the case of Lithuania, the NCs have long been active partners in further development of military capabilities. With Denmark, one of the most important NATO partners, Lithuania is carrying out the LITBRIG project which ensures the interoperability of the NATO-compatible Motorized Infantry Brigade "Geležinis Vilkas" with NATO forces through the Danish division. Military cooperation with Norway, Sweden and Finland is also rather active and includes the use and maintenance of donated equipment in our military, training of officers to operate it, relations with volunteer forces, etc.

At present, the NB8 countries extend cooperation by organizing joint training and exercises and coordinating their positions on the issues of energy and cyber security. The NB8 initiative supports security sector reforms in the countries of the Western Balkans, Georgia and Ukraine; the initiative is seeking to include Moldova as well.

On 5 November 2009, in Helsinki, in the meeting of the NCs' ministers, the NORDEFECO was approved; it is the NCs' defense cooperation format that integrated all prior existing projects and emerged as an initiative of the NCs to look for synergy in the area of defense procurement, but only later expanded. During the meeting, the NB8 ministers expressed a political will to strengthen cooperation with the BSs within the NORDEFECO context; therefore, since 2012, they have been participating in the sittings of the Defense Cooperation Committee of the NCs.

NB8 cooperation is taking place in other areas related to security as well.

In terms of finance the NB countries are closely integrated. In the BSs, banks of the NCs, whose systems are closely related and their standards are coordinated, dominate. In 2010, a NB8 memorandum on financial stability and crisis management was signed. This agreement strengthened the preparedness to resolve intergovernmental problems of financial stability in the region⁵⁴ and

⁵³ „Baltijos šalių kariuomenių vadai sutarė dėl bendrų karinių projektų ateities“, www.15min.lt, 20 April 2012.

⁵⁴ „Cooperation agreement on cross-border financial stability, crisis management and resolution between relevant Ministries, Central Banks and Financial Supervisory Authorities of Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden“, http://www.lb.lt/2010_3, 17 August 2010.

became a particular “declaration of solidarity” in this area. The NB countries are jointly represented in the World Bank and the International Monetary Fund⁵⁵. Yet there is still more. There is enhanced cooperation between NB8 financial institutions, such as the ministers of finance, heads of central banks and supervisory institutions; and the establishment of a cooperation forum – the NB Stability Group – had a major impact on the financial stability in the region, and it also influences general stability and security of the BSs.

Cooperation between the NB countries in the area of strategic sectors of economy is also a highly important aspect of security. Energy and transport links between the NCs and the BSs are being developed.

In the energy sector, an integrated NCs’ power system (Nordel) and market (NordPool) have been created. Therefore, in this context, the aspect of regional energy integration – the NB Energy Market Interconnection Plan – is of considerable importance. Common energy market of the NCs is one of the most important objectives of the above-mentioned BEMIP (including the NCs, the BSs, Poland and Germany); the BEMIP is an indication that the EU still plays a key role within the region).

Undoubtedly, these are excellent examples that illustrate how interdependence in the strategic – energy – sector contributes to security. Since 2012, the electricity market of the BSs Baltpool will be integrated into the NCs’ electricity market NordPool. Estonia joined the NordPool through the 300MW Estonian-Finnish (EstLink) cable as early as 2007. At present, a new 350 MW link (EstLink-2 cable) is under construction. Lithuania (alongside Latvia since it is a regional project) and Sweden will be connected through the NordBalt 700 MW cable. At the same time, Lithuania and Poland have already started the construction of a still bigger project – the 1000 MW LitPolLink.

The establishment of the regional energy market has already started; therefore, further integration into the European grids is only a question of time. In the gas sector, the process will take time because it is a monopoly sector. Yet there is progress here as well. For example, Sweden and Denmark have already done it, and Estonia, Lithuania and Finland asked to postpone the implementation of the Third Package. Only Lithuania is on a full implementation route.

However, not everything depends on the NCs. There is a distinct lack of common coordination from the BSs. Talks about the joint LNG terminal have not materialized. The efficiency of energy consumption in the BSs is still

⁵⁵ A unanimous „voice“ of the NB8 is also a possibility to jointly affect global processes, e. g. the statement of the Ministry of Foreign Affairs „Pasaulio banko prezidentas teigiamai įvertino Baltijos šalių žingsnius kovojant su ekonomikos krize“, www.urm.lt, 12 December 2012.

markedly lower than that in the NCs; the use of renewable energy is still low, energy is used inefficiently, etc.

Transport connections also have strategic significance to the security of the NB8. Alongside Sweden and Denmark, Lithuania is developing a promising transport project – the East-West Transport Corridor – the aim of which is to connect the European and Asian markets by land routes and develop an effective, safe and environment-friendly way of transporting ever-increasing amounts of goods. Together with the BSs, Finland is also actively developing the North-South direction by supporting the Rail Baltica railways project that is to connect the BSs and Poland with the European common market. At the same time, the Bothnian Corridor project is being developed.

3. Nordic-Baltic Cooperation – What Next?

Of course, the question arises as to what direction the NB8 cooperation is going to take?

The NB countries are increasingly seen by many neighbours as a geopolitical unit. The NCs-EU members and the BSs (informally, this format has its own name – the NB6) actively cooperate within EU formats. Cooperation is also taking place in the UN, NATO, the Council of Europe, the International Monetary Fund, etc. These tendencies are reinforced by globalization and the economic and financial crisis. An excellent example of cooperation between the NB8 countries is joint efforts to increase regional competitiveness in the world. In general, the tendencies of regional grouping are inevitable in both Europe and the entire world. Therefore, the NB8 countries will be inevitably “pressed” to reach an agreement to find a common agenda and interests.

NB8 cooperation, which started in 1992, became slightly less intensive after 2004, when the BSs joined the EU and NATO. However, it was then that a qualitative “break” occurred and the assistance gradually turned into equal partnership. At present, another peculiar process can be observed – “the renaissance” of the NB8.

In order to encourage reasoning about the future of the cooperation, in 2010, on the initiative of the BSs, a NB8 Expert Group (“the wise-men group” – the former Latvian Prime Minister and Foreign Minister Valdis Birkavcs and the former Danish Minister of Defense Søren Gade) was tasked with making recommendations, the implementation of which should promote closer NB8 cooperation.

In the meeting of NB8 Ministers of Foreign Affairs, which was held

in August of 2010 in Riga, the so-called “wise men’s report” was approved⁵⁶. Recommendations in the following areas were formulated: a foreign political dialogue (this initiative can be implemented most easily because interests in the majority of foreign policy areas coincide); cooperation on diplomatic representation (in 2011, the NB8 governments signed a memorandum in this area, which facilitated practical implementation); civil security, including cyber security; cooperation in the defense area; energy; and the NB8 “brand”.

In 2011, the NB8 countries, following the recommendations of “the wise men report”, implemented many important objectives: the twentieth anniversary of the establishment of diplomatic relations between the NB countries was marked by joint events, and joint discussions on the future of the region took place. Additionally, on 30 August 2011 in Helsinki the governments of the NB8 signed the Memorandum of Mutual Understanding on the basis of which the states of the region will be able to post their diplomats to the mission abroad of another Nordic or Baltic country. Central state banks, ministries of finance, defense, transport, various agencies and other institutions are actively coordinating their actions at the regional level.

Conclusions

Those who had naive expectations that with the accession of the BSs to the EU and NATO the region would be fully “fixed” and “completed” were wrong. The region has not yet become “a security community”. The existing and potential challenges still require attention and adequate action. Yet also wrong were those who claimed that by itself, without external assistance, the region cannot do anything. Thus, NB8 cooperation in the area of security and defense is not only desirable, but also necessary. This is not “mystique” but inevitability.

Herewith are the most important conclusions. In principle, they are related to the conclusions made by the authors of the study of the above-mentioned Atlantic Council of the USA; but, first of all, they analyze processes and new challenges that occurred after the study had been published. Second, the conclusions are based on my (the author’s) practical experience.

First. With regard to the challenges that the NB countries are facing, it is obvious that it is only acting together and as an integrated region that the impact of these challenges can be reduced. Only such a region can play a

⁵⁶ A complete text available at: <http://nb8.mfa.lt/index.php?2884839043>

major global role. From the geopolitical point of view, solidarity of the NB8 region enhances their negotiating weight in international organizations (the mentioned NB8 coordination in the case of the crisis in Libya) and helps hold the attention of Western partners to regional security and democratic reforms in the neighbouring region.

The NB8 countries will inevitably be “pressed” by reality to look for still greater synergy to maintain influence at the European, transatlantic and global levels since only this is a practical response in enhancing efficiency and possibilities (for example, the above-mentioned decision on common diplomatic missions).

There is a clear tendency that in a long term perspective the NCs will inevitably expand integration mechanisms with the three BSs, because this cooperation has rather distinct strategic significance. The NB cooperation inter alia contributes to the pursuit of still greater integration into transatlantic and European structures. This is beneficial for the NCs, too. Greater integration will mean that the BSs will gain a still more effective political, economic, financial, ideological “antidote” against any attempts to make influence on them. One of the most important “lessons” learnt by the BSs after their accession to the EU and NATO in 2004 is that integration does not finish but only starts with the membership.

Certainly, the format of the Declaration of Solidarity of the NCs can and should be extended, in the future including the BSs, too. It is not that commitments to NATO are “declining”; on the contrary, by extending the application of solidarity, the countries of the region will demonstrate that third countries have no possibilities “to exclude” one country of the region as was the case with “The Bronze Soldier”.

Second. In a broader sense of security and defense, it is necessary to develop NB8 cooperation in the areas of politics, economics and energy. The political dialogue, coordination of EU policies, financial and human flows between the NCs and the BSs are and will be increasing; infrastructure links—electricity, ITC—which will strategically connect the NB8 countries, will be strengthened and extended. The NB8 countries and other states of the Baltic Sea region will be interconnected on the basis of common activities related to climate change and ecology. All this will undoubtedly contribute to the NB8 sense of security.

Cooperation at the regional level in the energy sector that had an excellent beginning should be further continued. The BEMIP mechanism, the objective of which is to contribute to the establishment of links between the BSs and Poland, the BSs and the NCs, is the best manifestation of that.

Third. NB8 cooperation in the area of security and defense should remain at the top of the agenda. It is obvious that the region must assume active responsibility and operate together. The NORDEFECO and other multilateral formats, where the NCs gradually include the BSs, provide for joint capability formation and distribution of resources. Budgetary restraints alone will make thinking about it more active. Joint planning at the operational level, exercises with all types of weapons and military branches, joint procurement, joint training and logistics should be provided. The NB8 countries could compare their national training systems and identify the needs for training in other countries, in particular, in the BALTDEFECOL. As the first step, more coordinated or even joint NB8 activities in Afghanistan could be undertaken. The NB8 could be active in the EU anti-piracy operation "Atalanta".

In this context, the NB8 countries should expect that the issue of increase of military budgets will be raised (Lithuania, Latvia, even Sweden reduced their military spending and it did not return to the pre-crisis level even after the economies picked up). Why should the USA, having a smaller economy than the EU, defend Europe? Why can Europe, including the NB8 countries, not pay for their own defense, thus making up for the withdrawal of the USA?

Fourth. NB8 cooperation should not be carried out at the expense of NATO; on the contrary, it should contribute to NATO. Absolutely all of the authors analyzing BSs' security agree on that. Even far-reaching cooperation and possibility for joint action would not counterweigh all challenges and risks that the NB8 countries are exposed to. Thus, approving of a more significant regional role of the NB8, it is still necessary to understand that such proposals to regionalize security are dangerous (keeping in mind that, as has been mentioned, the idea of security regionalization was rejected during the first year of the BSs' independence).

The NB8 have (and will have for a long time) different formal relations with NATO (although with the region becoming more integrated, the issue of Sweden's and Finland's membership in the Alliance will be raised more often; as aptly put by the Minister of Foreign Affairs of Estonia Urmas Paet, "some have ... said that Sweden and Finland already are de facto members of NATO... But with the question of closer integration on the EU's agenda too, it is no secret that Estonia would like to see the Nordic-Baltic region as integrated and unified as possible"⁵⁷). This, however, does not prevent the non-NATO members Sweden and Finland from developing active relations with the Alliance. A

⁵⁷ „FM Urmas Paet in Sälen: Sweden and Finland are NATO's Closest Allies“, www.estemb.se, 15 January 2013.

good example of this is the fact that they both, alongside other NATO members, are now engaged in the NATO Strategic Airlift Capability project which is aimed at employing C17 strategic transport aircraft for national, NATO or EU operations. Sweden and Finland are developing other close relations with NATO. For example, among the states that will establish themselves in the NATO Special Operations Headquarters both countries were mentioned⁵⁸.

However, the division between NATO and non-NATO member-states is getting less apparent. As has been mentioned, both Sweden and Finland participate in the NATO staff exercises, which comprise the scenarios related to Article 5.

The two issues which are now difficult to achieve—Sweden's and Finland's membership in NATO and reinforcement of EU defense capabilities—should not “overshadow” the essential security conditions within the region. Instead of theoretical considerations, it should be necessary to concentrate on practical cooperation, starting, perhaps, with less controversial things. For example, one of the decisions made at the meeting of the NB defense ministers in November of 2011 in Örebro was to set up a regional working group on cyber security⁵⁹.

However, practical projects of the NB8 countries, such as sea surveillance, planning and development of civil capabilities will result in regional synergy. And in the future it will be possible to make another step, for example, to invite Sweden and Finland to the NATO exercises “Steadfast Jazz 2013” and “Amber Hope”. The better NB8 officials and military personnel will know each other, the more confidence there will be. In this context, the BSs' participation in the EU Northern Battle Group is of major importance.

No doubt, in the future the issue of the relation of Sweden and Finland to the NATO air policing mission in the BSs will be raised. The most important thing is that this mission has to remain a NATO mission.

The BSs should concentrate on the increase of host nation support, development of NATO infrastructure, NATO exercises in the region as well as on the expansion of NATO centers of excellence: specifically, cyber security in Estonia and energy security in Lithuania.

Fifth. The USA should be further actively engaged in the region. Even being aware that the USA is shifting its focus on other regions, the USA should stay in the NB region merely for the reason that even a hint that the USA

⁵⁸ „NATO inaugurates new HQ for allied special forces“, www.acus.org, 13 December 2012.

⁵⁹ „Rasa Juknevičienė: būtina stiprinti Baltijos šalių bendradarbiavimą gynybos srityje“, www.15min.lt, 16 November 2011.

is withdrawing and the NB8 countries have to take full responsibility, would send a wrong signal and would not contribute to the security of the region. The USA should support the E-PINE format. Of course, the presence of the USA in Europe will depend on our ability to speak as a unanimous region.

Thus, regional cooperation is not a substitute for NATO membership or further involvement of the USA in the region, but the more integration is achieved, the more difficult it will be for any external force to have influence on any of the NB8 countries.

Sixth. The region will be less safe unless a mechanism for involving Russia is found. Of course, the question will still remain – how? Russia has totally different priorities; therefore, efforts thus far to involve Russia in wide cooperation in the Baltic Sea region were only partly fruitful. More successful than the CBSS was the Northern Dimension, but for practical considerations Russia prefers cooperation based on practical interests and projects (for example, *NordStream*). Another important aspect is participation of the EC in intensifying the energy dialogue with Russia.

Whether the position of Russia within the region will further lead to distrust or to constructive involvement will depend on both the parties. According to the latest evaluations, the Russian-Norwegian relations that have been positively developing recently are no longer considered by Norway to be such⁶⁰. Sweden also started to openly voice its concern over Russia's armament in the region⁶¹.

Nevertheless, in spite of occasionally inefficient cooperation with Russia not adhering to democratic principles, the NB8 countries both through the EU and NATO and regional mechanisms (the Arctic Council, the Barentz Cooperation Council, the CBSS) managed to involve Russia in a wide circle of cooperation. This comprises political, economic, tourism-, culture- and human resources-related exchange. Only coordinated and unanimous NB8 will be able to resist the growing Russian pressure. In terms of relations between the BSs and Russia, future-directed projects, for example, the exchange of young people, will be highly important. Here, of great service would be the NCs and the USA, but not as “intermediaries”; yet, the fact of their presence alone would boost confidence. Indeed, despite negative issues, there are many positive things between Russia and the BSs: excellent economic relations, tourism, exchange of human resources. In spite of “black” sce-

⁶⁰ „Russian relations ‘not the same’“, www.newsinenglish.no, 30 November 2012.

⁶¹ „Švedija ima vis labiau nerimauti dėl Rusijos ginklavimosi Baltijos regione“, www.lrytas.lt, 23 September 2012.

narios, Kaliningrad transit (including military transit) through the territory of Lithuania does not pose any problems. What is more, both Lithuania and Latvia have coordinated and implemented ISAF transit through the territories of Russia and Belarus (the so-called "Northern Supply Route" through Riga and Klaipėda seaports).

Seventh. With reference to NB8 cooperation in a wide sense, we will have to remain realistic. There are neither possibilities nor need for a revolutionary approach. This cooperation is going to continue to develop not as some large-scale "strategy", but as practical cooperation having common goals and implemented in small yet practical steps. It is hard to expect, as Latvia's Defense Minister Artis Pabriks suggests, that "the Baltic and Scandinavian countries should speak not about cooperation but about integration objectives"⁶². At present, there is simply no basis for that. This cooperation will be rather an addition to the existing mechanisms and institutions, which will draw more attention from such players as the USA.

It is worthwhile agreeing with American analyst D. Wilson who provides the limitations of NB8 cooperation which show that the movement of cooperation in the area of security and defense will be unhurried and considered. The defense concepts of the NB8 countries are different (Finland is oriented to conscription and territorial defense, while Denmark - to a professional army oriented to expeditionary missions), Sweden and Finland are not NATO members, Norway is not a member of the EU, and Denmark is exceptional in reference to the ESDP. It is easy to plan, but it is not easy to implement, for example, joint procurements. The countries have different foreign policy priorities: Norway is clearly oriented to High North issues, Denmark is pro-Atlantic but also less oriented to the Nordic-Baltic Region. And, finally, the BSs see NATO as the main guarantor of security⁶³.

Eighth. NB8 cooperation should remain flexible, adaptable so that other countries—the UK, Poland, etc.—could also join if necessary. The involvement of the UK in the region is now limited to "the soft security"—e.g. e-government, health care reform, retention of senior citizens in the labour market, etc. But there will be quite a few topics, for example, spread of diseases, climate change, migration, spread of international crime, etc., where it would be more logical to involve other countries of the region, such as Germany and Poland,

⁶² „Latvijos gynybos ministras: Baltijos ir Skandinavijos šalims reikia ne bendradarbiauti, o integruotis“, www.balsas.lt 15 September 2012.

⁶³ Wilson D., Nordenman M., „The Nordic-Baltic Region as a Global Partner of the United States“ in Nurick R., Nordenman M. ed., *Nordic-Baltic Security in the 21st Century. The Regional Agenda and the Global Role*, September 2011, Atlantic Council, p. 70

in NB8 cooperation. There are also issues—e.g. terrorism, spread of weapons of mass destruction—where results can be achieved only in a global context.

In the case of Lithuania, strengthening ties with the NCs does not contradict but, instead, complements the cooperation with Poland that has so far been developed.

Of course, at least at the EU level, NB8 relations with Germany will gain increasingly more significant strategic importance, especially with the old East-West division giving way to the North-South division. Hence, the unity of the NB8, Germany and other Northern European countries has never been so necessary.

Like at the political level, as far as more extensive security is concerned, it is very important for the region “not to enclose itself”. In this context, the spread of democracy in Eastern Europe and elsewhere is not only indispensable but quite implementable (particularly considering the experience of the BSs in reforms, EU and NATO integration and other areas).

Stockholm, January 2013