

Traditions, Identity and Security: the Legacy of  
Neutrality in Finnish and Swedish Security Policies in  
Light of European Integration.

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### Abstract

The militarily non-allied members of the European Union, Austria, Finland, Ireland and Sweden, have undergone rapid changes in security policies since 1999. Looking at two states, Finland and Sweden, this paper traces states' contemporary responses to the rapid development of the European Security and Defense Policy (ESDP) to their historical experiences with different types of neutrality. It is argued that by looking at the legacies of different types of neutrality on identity and domestic rules, traditions, norms, and values, we can better explain how change occurred, and why states have pursued slightly different paths. This enhances our understanding broadly of the role of domestic institutions in accounting for policy variation in multilateral regional integration, and particularly in the EU. In the process, this study also addresses a question recently raised by other scholars: the role of neutrality in Europe.

## 1. Introduction

The core difference between members and non-members of a defense alliance lie in obligations to militarily aid a fellow member if attacked, and, to this end, share military strategy and related information. The recent and rapid institutionalization of EU security and defense policy is blurring this distinction beyond the increased cooperation and solidarity emanating from geopolitical changes, NATO's expansion and new-found role in crisis management, or, later, the 9/11 attacks. Militarily non-allied EU members (hereinafter non-allied)<sup>1</sup> now find themselves treading uncharted territory in a union prepared to undertake military operations, and with permanent civil and military committees charged with planning and conducting military operations.

This paper focuses on two non-allied members, Finland and Sweden. Since 1999 they have been accepting decisions and engaging in activities previously deemed incompatible with official security policies. Some examples include new domestic legislation on international military engagements, new multilateral agreements on armaments research and procurement, acceptance of autonomous EU peace-promoting operations, and a new security doctrine (Sweden).

Why is this important? Research on the effects of regional integration on small states' policies, security and defense in particular, is limited. Emphasizing the domestic institutions guiding policies, this paper sheds light on how developments in the EU, along with related security agreements, have significantly influenced both states, moving them

beyond economic interdependence to where they are politically, and *de facto* militarily, allied with their EU peers.

Recent developments in the EU have (again) brought to the fore the question of neutrality and its viability in Europe (Goetschel, 1999; Gstöhl, 2002). Focusing on two states with different types of neutrality,<sup>2</sup> evident in decision making structures, national identity, and citizens' role conceptions of the state,<sup>3</sup> enables a good comparative study of lasting neutrality's effects. Focusing on the Nordic neighbors can also dispel common myths of the two states as political twins, indistinguishable on most issues.

With strong historical and ideological ties to neutrality most Swedes perceive it to be "the only conceivable policy," and an unbreakable part of national identity. As an EU member, Swedish policy makers have been vocal in their opposition to all proposals that appear to compromise the option of neutrality. In contrast, Finnish foreign policy tradition is more pragmatic and realist-based, rooted in historical quests for survival. Identity is not rooted in neutrality the way it is in Sweden, and public influence on policy has traditionally been negligible (Tiilikainen, 1998:163-166). Finnish officials exhibit great flexibility, and raise few objections to expanding EU responsibilities and NATO cooperation, earning admiration among other members.

Others have also questioned the reasons for why and how non-NATO EU members are moving closer to the alliance in policy perspectives as well as systems compatibility (Sloan, 2000; Keohane, 2001). Placing the short period of extensive developments in Finland and Sweden (1999-2003) in a broader historical context sheds light on how variation across domestic institutions (rules, norms, patterned accepted behavior), account for different responses to supranational integration. Over time

historical experiences become embedded in norms, values, and accepted behavior that persist beyond the socio-temporal moment and condition, in other words, institutionalized (March & Olsen 1989:167; cf. March & Olson, 1996:30). Individuals frequently find it is easier to adhere to familiar world-views and proven strategies amidst contemporary events, alternatives and possibilities (e.g. Holsti, 1962; Hermann, 1990; Reiter 1996:71). Institutions are thus “sticky,” and resistant to pressures for change (March & Olsen, 1984:734-749; Pierson, 1996:123-63). They enable certain groups or individuals, and their ideas, while constraining others, making certain paths of development more likely (Pierson, 2000:484ff; Krasner, 1999:10; Armstrong & Bulmer, 1998:61; Egeberg, 2002:2).

In a political organization with multi-level interactions, social, structural, and political factors all constitute an interplay of influences. Valuable insights on altered perspectives and policy decisions are deduced through more than thirty-five personal interviews (including repeat interviews), with policy makers, practitioners, and experts, from June 1999 through January 2003.<sup>4</sup> Others have presented and analyzed in great detail the structures and institutions of the CFSP/ESDP (e.g. Salmon & Shepherd, 2003; Ginsberg, 2003). As the focus of this paper is on members’ policy responses, rather than a detailed account of EU institutions, a brief introduction will suffice. The institutions and developments affecting the states under study will be discussed in the context of relevant responses and policy changes throughout the paper.

### *1.1 ESDP developments*

Devoid of any real security dimension prior to 1999, the ESDP have since rapidly become an intricate part of the EU's efforts to increase its international political influence.<sup>5</sup> The 1970 European Political Community served a consultative role, the Maastricht Treaty's referred to a possible future common defense, and the Amsterdam Treaty included the Petersberg Tasks, but the political will to develop the necessary institutions was continuously lacking. Prime Minister Blair's personal conviction of the need for greater EU engagement led to the 1998 reversal of Britain's 25 year opposition to EU defense cooperation. This British alignment with continental states' preferences constituted a critical juncture, the decisive turning point for EU defense integration (Whitman, 1999).

There are now permanent civilian and military committees and common goals, a Rapid Reaction Force (RRF) structure (with 60,000 troops pledged, and smaller contingents being erected), institutionalized multi-level EU-NATO cooperation, along with agreements on exchange of security information and European access to NATO assets. EU police operations (EUPM) have been conducted in Albania, and are under way in Bosnia-Herzegovina and Macedonia. 2003 saw the first autonomous EU military operation, in the Congo (June-September 2003), and the inaugural peacekeeping operation in Macedonia was successfully concluded in December 2003. The first EU "Security Strategy" was published, and joint EU-NATO exercises have been inaugurated.

The security-political landscape is thus vastly different vis-à-vis 1995, when the Nordic states joined. To understand their security and defense policy trajectory we begin by looking at the evolution and role of neutrality, following which the discussion turns to contemporary policies.

## 2. Finnish and Swedish neutrality, decision making and identity

### 2.1 Finnish neutrality

In Moscow, as well as the international community at large, suspicions of Finnish survivability and political intentions were prevalent following its 1917 independence from Russia. Finland became known as the “threatened country,” (Wahlbäck, 1999), and the choice of neutrality was deemed “the most practical, least objectionable policy choice.”(Tiilikainen in Grune, 2001). The need for strong, non-partisan foreign policy leadership, particularly in Finnish-Soviet relations had resulted in a constitution granting the president almost exclusive powers over foreign policy.<sup>6</sup> Consultations with parliament were minimal, and at the president's discretion.

While economically devastated after two wars against the Soviet Union (1939,1941), Finland rejected Marshall aid for fear of Soviet reprisals. President Paasikivi instead skillfully negotiated a bilateral agreement with the Soviet Union (*Treaty on Friendship, Cooperation and Mutual Assistance*) based largely on Finnish preferences. The treaty did not conform to international laws of neutrality, and despite Finnish declarations of neutrality skepticism of Finnish policy lingered, giving rise to the infamous *Finlandization* of Soviet policy (Petersen, 1991).<sup>7</sup>

Within this environment, relying on constitutional powers and a charismatic leadership style, President Kekkonen (1956-81) firmly institutionalized Finnish foreign and security policies with the executive. Rarely consulting the government or parliament, he in effect personalized foreign policy, setting his own rules of engagement while playing-off Soviet and European interests. Decisions were made in response to temporal

needs, irrespective of their conformity to international laws of neutrality.<sup>8</sup> With the Soviet “bear” kept at bay, the Finnish people accepted presidential secrecy and discretion, and came to equate neutrality solely with maintaining independence: as a tool to defend the nation-state. Finnish-style neutrality was thus characterized by *realpolitik*, pragmatism and flexibility, without moral or ideological connotations.

## 2.2 Decision making

The new 2000 Finnish Constitution brought formal institutional change, granting the cabinet control of Finnish EU foreign policy, under parliamentary oversight, while leaving the president to handle general foreign policy (section 93). Yet existing norms and practices persist, and individual leadership still dominates. The novel development lies in a dual foreign policy leadership, with the president and prime minister largely sharing responsibility for Finnish EU security policy (cf. Raunio & Wiberg, 2001:71; Forsberg, 2001).

With a strong personality, popular support, vast international experience, and fervent pro-EU views, Prime Minister Lipponen dominated Finnish EU foreign policies from 1995-2003. He declared new EU agreements to be in the national interest, made extensive commitments to integration, e.g. committing Finland to sanctions against Austria (a decision left intact by the president). Lipponen also moved responsibility for coordination between the government and EU representatives to his office in 2000, and also expressed unequivocal Finnish solidarity with other members (Lipponen 2000b). Contributing to Lipponen’s influence was another historical continuity. With coalition



governments consistently formed around two of the three dominant parties (SDP, Center or National Coalition), small parties cannot afford to hold radical positions if they wish to be viable coalition candidates, and Lipponen used this as leverage to gain acquiescence to his EU policy (cf. Raunio and Wiberg, 2001:75-76). A practice carried forth by his successor, Vanhanen.<sup>9</sup>

Yet utilizing continued formal powers (e.g. as Supreme Commander, Head of State, and a legislative veto), as well as informal channels (e.g. frequent meetings with ministers and parliamentarians, use of the press), the president has also retained much influence. The president has also historically been the most popular elected official, with approval ratings ranging from 70-90%; this continues, adding to the influence of the executive (*Helsingin Sanomat*, 2002c). Current President Halonen has carried forth practices instituted by her predecessor Ahtissari after joining the EU. Ahtissari asserted his national leadership on EU matters by heading the national delegation whenever CFSP/ESDP issues were discussed, and secured a seat at all EU summits (ensuring that Finland, as one of two member states, has dual representation, Törnudd, 2001:268-9). Halonen continues to attend EU summits, weighs in on security debates, and chairs the Cabinet Foreign Affairs Committee, the key foreign policy decision-making body. In sum, notwithstanding some changes in formal institutions and committees, what the prime minister and president agree upon invariably becomes policy (cf. Forsberg, 2001).

### 2.3 Swedish neutrality

Sweden, with a Finnish buffer to the east, and peaceful neighborly relations for close to two centuries, has been called “the protected country” (Wahlbäck, 1999). Neutrality was adopted in 1812 after losing Finland to Russia. As domestic peace and stability ensued, and industrialization brought rising living standards, support for neutrality grew. Neutrality was solidified as part of modern Swedish policies in the first half of the 20<sup>th</sup> century, and there was unanimous parliamentary support for a declaration of neutrality at the outbreak of WWI.

Sweden, unlike Finland, joined the League of Nations. In the extensive debates on whether to join the League of Nations (and later the United Nations) opponents launched a fierce debate arguing neutrality’s success, and that the collective security obligations of respective organization were incompatible with neutrality; a position also expressed by the League's Council in 1920 (*League of Nations Official Journal* 1920:308 in Pallin, 1998:15). However, the Swedish parliamentary foreign policy committee, as well as the government, cited cultural and ideological reasons for membership (“to be among the culturally modern,” “Swedish traditions of working for peace”) (Government bill 1920:90: 93-7,106-08, 114 in Cramer, 1998:191). Referencing the likes of Dubois, Rousseau, and Lorimer in the bill, the government deemed the League an opportunity to bring all states into a collective security arrangement and promote peace (Ibid: 4-8). Yet neutrality concerns conspicuously overlay the decision. It was declared that Sweden did not perceive itself obligated to partake in any military sanctions (Special Parliamentary Committee statement 1920:1:9).

Following WWII Swedish policy makers refrained from political activities or commitments that might jeopardize international recognition of its neutrality. Having

rejected invitations to join the discussions on NATO, as well as the Brussels Treaty, Sweden initiated the Nordic Council and later joined EFTA. The national defense was aimed at deterring a potential attack by making it too costly vis-à-vis possible gains (even if the Haag Conventions and the UN Charter allowed for requesting aid should Swedish defense fail). Membership in the UN was seen as the first truly world wide collective security organization, thus making membership compatible with international laws of neutrality and legitimizing collective security declarations and sanctions (Huldt, 1986; Andersson, 1996: 87-93; Harden, 1994:147).

The perceived virtues of neutrality and its appropriateness were evident when Norway and Denmark joined NATO. The Swedish foreign minister declared: “our people cannot be convinced that their security now requires the abandonment of neutrality as an ineffective and out-of-date policy,” (Cramer, 1998:80), a statement which for most Swedes would seem equally appropriate in 2003. In 1961 the EC’s perceived federal ambitions and role as a complement to NATO were declared incompatible with neutrality and Sweden’s domestic social system; a position left unchallenged for three decades.

During this time the defense department pursued extensive ties with NATO in order to prepare for assistance, should a war erupt in Europe. However, these connections were never publicly disclosed. In fact only a small clique of policy makers were involved or informed, and even fewer knew of their extent (Dahl, 1999; Tunander, 1999). Despite later revelations of these ties (1984 and thereafter), support for neutrality has remained high. The official justification for neutrality carried clear ideological undertones (promotion of the “third-way” Swedish model, neutral broker, third world solidarity, neutrality for Finland’s sake), thus institutionalizing, among Swedes and the international

community, the perception that neutrality was far more than a *realpolitical* solution. This perpetual identification with neutrality left indelible impressions on identity, as discussed below.

#### 2.4 *Decision making*

With a strict parliamentary system the influence of individual leaders, notwithstanding charismatic and well-respected prime ministers such as Erlander (dubbed “country-father”) and Olof Palme, have been secondary to party and parliament, particularly on foreign policy. There has also been an incremental institutionalization of parliamentary powers made decision making by consensus (across all parties) the norm for foreign and defense policy. The government is obligated to submit all proposals originating in the EU to parliament, and the all-party Swedish EU Committee (hereinafter EU Committee) serves as a liaison between the parliament and government. It deals with all EU policy areas, as well as the coordination with Brussels-based representatives. EU issues are also integrated into the work of parliamentary committees, meaning parliament is included in every step of the policy making process.

#### 2.5 *Finnish and Swedish national security-political identities*

National political identity refers to the socially constructed hybrids drawn together through influences from past and present (Gellner, 1983:12ff; cf. Yuval-Davis, 1997). Nationalism evokes, and then legitimizes, a collective, a group of people with perceived commonalties (real or invented), through the use of narratives and symbols,

resulting in an identifiable "us" versus "the other," (Paasi, 2000:101). The results consist of shared memories, beliefs, and aspirations which are continuously shaped through social institutions and interactions, including education, ceremonies, and symbols. National identity is then manifested "when a mass of people have the same identification with national symbols...and act as one psychological group when there is a threat to or possibility of enhancement of, these symbols of national identity." (Bloom, 1990:52). The external dimension of national identity is people's perceptions of the state's self-placement within international contexts e.g. foreign policy traditions (Gstöhl, 2002:537). The latter was particularly prevalent in Sweden where, unlike the case in Finland, neutrality became part of the essence of "Swedishness".<sup>10</sup>

Neutrality was at the ideological core of Swedish identity (af Malmberg, 2002). It was believed to have kept Sweden out of wars, enabling the institutionalization of "the Swedish model" based on Social Democratic norms of societal conformity, *folkhem* (people's home, referring to comfort, familiarity, and security), third-world solidarity, and an extensive welfare-state system (Wahlbäck, 1986; K. Anderson, 2001). This identity assumed a perceived superiority, or *exceptionalism*, especially vis-à-vis continental Europe. The latter was seen as dominated by Catholicism, capitalism, conservatism and colonialism, all unappealing to a protestant, middle-way, anti-colonial Northern state (Dörfer, 1992:600; Anderson, 2001:286-288; Lawler, 1997:571ff).

As the post-WWII environment opened opportunities for international engagements in mediation and state-building in emerging democracies, a mental correlation emerged between domestic economic and social policies, and neutrality. Neutrality now enabled the external manifestation of the Swedish model, or "third-way,"

between unrestricted capitalism and socialism (Elgström, 2000; Dahl, 1999; af Malmberg, 2002). Foreign policy became dominated by the projection of Sweden as a neutral, impartial, moral custodian, with frequent criticism of both superpowers' policies. The Swedish model was touted to other smaller, distant states, along with extensive economic assistance (Waeber, 1992:84; Bildt, 1991; Dahl, 1999). This *international activism*, defended with missionary enthusiasm domestically, became the external manifestation of national identity, cementing neutrality as the unquestioned security political "supreme-ideology" (Andren, 1997:84,105). Its virtues have been championed in school textbooks, party literature, and the media, becoming a constitutive part of identity, where "being Swedish is being neutral" (*Opinion*, 2002).

The Finnish case was different. While part of Russia, Finnish leaders, so-called *Fennomans*, increased freedom of action and home-rule by subtly steering internal developments past points of potential conflict with the Czar. By the end of the century most matters except foreign policy were decided in Helsinki, led by a Governor General. Psychologically this was crucial. For the first time the Finnish people felt self-governed. Evoking strong national pride was a proliferation of Finnish literature celebrating traditions and commonalities, and a social movement promoting the Finnish language, culture and ideas (Paasi, 2000:101-03; Jakobson, 1998:17ff).

School textbooks, political rhetoric, memorials, films, and novels have commemorated struggles and nourished memories of endurance and perseverance under immense hardships, e.g. the Civil War, two wars against the Soviet Union in 1939 & 1941, and vast post-war reparations. Successful elite steering amidst economic privations and deep-seated international suspicion of Finnish neutrality cemented a strong Finnish

nationalism anchored in western values: Lutheran work-ethic, and democracy, but without external projection of Finnish structures as a model for others (Tiilikainen, 1998). Universal conscription helped cement resilience, pride and a common identity, contributing to dominant social norms of respect for authority, a conviction that foreign policy is best left to the president, and veneration of the defense forces; all now part of “Finnishness” (cf. Paasi, 2000:99-103; Häikiö, 1999:232-3).

### 3. Finland and Sweden in the European Union: the domestic debate

Economic incentives notwithstanding, the dominant reason for Finnish EC membership was security.<sup>11</sup> The tumultuous political situation in the Soviet Union and the Baltic states in 1989-91 had renewed security concerns. Though the *FCMA* was invalidated, NATO membership was opposed partly for historical reasons (see above, fn. 6 & 7), but mostly because it was considered potentially provocative towards Russia. Instead, membership in a union with progressively deeper integration was seen as an opportunity to enhance security through economic interdependence, and mutual political interests and responsibilities; a strategy which has continued since accession (e.g. joining the common currency from its outset) (cf. Lipponen, 2000a). By solidifying Finland’s place in western Europe it was believed she would never again be left alone to face her easterly neighbor.<sup>12</sup>

Swedish incentives were solely economic. By 1990 EU membership was seen as the only alternative to revive a sluggish economy and save the welfare state. Compared to the 1960’s the bulk of Swedish exports now went to EU members, and EFTA was no

longer as beneficial. This necessitated a step away from Sweden's longstanding attitude of aloofness and perceived uniqueness vis-à-vis the rest of Europe (Ingebritsen, 1997:246; af Malmberg, 2002:124). Knowing that membership was controversial, the government's intentions to apply was long kept secret, only to be presented at a press conference as the last proposal on a list of ten "measures to improve the economy." The decisions of other neutrals to apply (Austria and Finland) subsequently helped augment government assurances that neutrality would not be affected and economic benefits would ensue, making it easier for the major parties' leaders to justify the change of heart to a Euroskeptic constituency. Membership was later barely approved amidst fierce opposition centering on neutrality and lingering exceptionalism (Anderson, 2001:288).

Public opinion is very influential on security and foreign policy matters: e.g. in the rejection of nuclear weapons in the 1960s (Andersson, 1996). Among Swedish parties the left-wing of the SDP (consistently with electoral support of between 40-52%), along with the Left, the Greens, and the Center Party most ardently continue to espouse the sanctity of the "Swedish model," asserting that EU membership has lowered cherished labor and environmental standards. The Greens and the Left have gained supporters on anti-EU, pro-neutrality platforms, and they see the ESDP as inevitably leading to an EU defense alliance where Swedish values and influence are erased (Ruwaida, 1999; Hammarström & Nilsson-Hedström, 2000). On the other hand the Conservatives, Christian Democrats and the People's Party have adopted EU favorable platforms in the last five years, favoring increased EU responsibilities, as well as Swedish participation in the monetary union. The People's Party also advocates an EU defense, as a "logical consequence of European developments and integration." These opposition parties'



leaderships appear, however, to be out of line with their constituencies. Even as surveys show growing support for the CFSP and ESDP (figure 1) (**figure 1 here**) a vast majority also display pervasive EU-skepticism, and public support for remaining non-allied/neutral spans the political spectrum. This was conspicuously evident as in the Conservatives' 30% decline in the 2002 parliamentary elections, and the overwhelming Swedish rejection of the Euro in a 2003 referendum.

The Euro enjoys solid support in Finland, where the population also exhibits great trust in their political leadership, with public approval of foreign policy averaging over 75% since 1962 (*MTSB*, 2002). More than Swedes, Finns also increasingly identify, at least partly, as Europeans (*MTSB*, 2002; Tiilikainen, 1998:10ff). More than the other Nordic countries, Finland shares with states like Belgium and Germany a more federalist vision of the EU. This includes preferences for a strong Commission, and an internationally politically influential EU (e.g. Lipponen, 2000b). The latter is believed to expand the international influence of smaller members in ways otherwise unattainable (Valtasaari, 1999; Lipponen, 2000a). The government is "continuously re-assessing its policies in light of developments in the EU." (Finnish Council of State 2001: Introduction, 2.1), and participation in the CFSP is said to strengthen national security (*ibid*).

### 3.1 *The unintended consequences of a Nordic initiative*

The two Nordic states presented a joint proposal on EU crisis management in 1997. Notwithstanding official rationalizations to the contrary, this was intended solely to prevent a common EU security and defense (personal communication, Brussels, 2003).

Although originally sketched in 1995, the Nordic memo was not presented until a continental initiative aimed at creating an EU common defense by merging the EU and WEU (the now defunct military alliance) re-surfaced in the spring of 1997. The compromise was thus a direct counter-proposal, and included transferring only the political responsibility for humanitarian and rescue tasks from the WEU to the EU. Premised on a conviction of continued British opposition to any merger of the two organizations, or other defense developments, policy makers in both countries in fact saw this as an effective and “safe way” of showing commitment to the CFSP (personal communication, Helsinki, 2001, Brussels, 2003; cf. Eriksson & Sundberg, 2000:9; Sandström, 1998:34).

Two weeks before the Amsterdam summit the Finnish and Swedish governments expected the Maastricht treaty wording to remain unaltered, but for the transfer of political responsibility for the Petersberg tasks to the EU (EU Committee 1996/97, June 4, 1997; Halonen, June 13, 1997 in NDFFPY 1998). Yet in the week of the summit, and to the surprise of the Nordic ministers, several points in the original continental proposal were again placed on the agenda, backed by additional members (EU Committee, March 21, 1997; personal communications Finnish MFA, 2001).<sup>13</sup> Finland, like Austria, was intent on showing that a non-allied state could be a progressive force on CFSP issues, including those related to military options,<sup>14</sup> and relaxed its position, displaying the flexibility and integrationist tendencies that have come to signify its EU policies. Finnish negotiators were prepared to accept a potential merger as well as other proposals as long as mutual defense guarantees were not transferred to the EU.<sup>15</sup> Swedish Prime Minister Persson did not even mention Finland when reporting to the Swedish EU-committee: “I

can conclude that besides Sweden, Britain, Ireland and Denmark oppose an integration. To argue against a WEU-EU integration is one of the most important defense priorities in Amsterdam.”(EU Committee, June 13, 1997).

At the summit the Swedish government nonetheless backed away from its total opposition and threats of a veto, instead negotiating over symbolic language, seeking to avoid references to an *explicit* merger, with which they succeeded. Nevertheless, when the treaty text with appendixes was finalized and distributed a month later the language was mostly reflective of the six-nation continental proposal (cf. EU Committee in Sandström,1998:36-38; Ojanen et al, 2000: 53-55). References to the *gradual* construction of the WEU as the EU's military component created the link between crisis management and defense the two had originally sought to avoid (Barkman,1997).<sup>16</sup>

While no immediate concrete EU developments followed, treaty references to crisis management had significant and unanticipated consequences in facilitating EU defense integration following Prime Minister Blair's 1998 highly unexpected and unforeseen reversal of Britain's longstanding and firm opposition to EU defense. Thus the Nordic compromise in fact contributed to empirical developments the Scandinavian countries tried to prevent. The Nordic states have found themselves hard pressed in opposing further developments; even if their original intentions were opposite the direction the ESDP has subsequently taken. This also shows how even when policy makers act rationally, in compliance with socially defined norms and role attributions, short time horizons (satisfying imminent constituency concerns), coupled with long lags (the complex causal links between decision and outcome), can result in unanticipated future consequences of earlier decisions, giving rise to change (Person, 2000:482ff).

#### 4. Policy changes

##### 4.1 *Acceptance of autonomous EU operations*

Traditionally viewed as the only organization authorized to approve any type of military operation, Finnish and Swedish contributions to UN peacekeeping have exceeded 30,000 and 40,000 troops respectively. The recognition of autonomous EU operations to be carried out “in accordance with the principles of the UN Charter” without necessarily requiring a Security Council resolution, thus constitutes a significant departure from previous norms.

In the spring of 1999, with ample evidence of growing support among the largest members for the 1998 British-French St.Malo declaration, the Finnish government signaled a positive view of strengthening EU capabilities (Lipponen, 1999a). Following “persuasive arguments” at the June Council Summit, Prime Minister Lipponen declared that Finland would participate in peacekeeping and crisis management in the EU, as well as the UN and NATO (Peel, 1999). Then Foreign Minister Halonen also acknowledged that Finnish legislation was out of line with other EU states, and was now convinced that “[t]he policies outlined by the [Cologne] summit as well as events in Kosovo compel the need to reconsider the Peace Keeping Act,” reversing her previous position (*NDFFPY* 2000:134,146).

Holding the EU presidency as the EU Headline Goals were negotiated (fall of 1999), both amplified and altered Finnish intentions. The pressure from others to ensure progress on defense resulted in more far-reaching agreements than anticipated, both in

EU agreements and subsequently in Finnish security and defense (*Hufvudstadsbladet*, 1999). Reflective of other members' high opinions of Finnish conduct, General Hägglund was elected head of the EU Military Committee, making a non-allied officer the highest ranking military in the EU. Finnish political commitment was also evident as the maximum number of troops allowed by Finnish law to serve abroad any time (2,000) were pledged to the EU RRF. The government made clear that membership in a political and economic union carries the same obligations of solidarity as those in a defense alliance (Lipponen, 2000 a,b; cf. Enestam in *NDFFPY 2001*:104,147-8).<sup>17</sup>

Domestically, as parliament considered a government proposal to overhaul the PKA, the various ministers', and particularly Lipponen's, public statements and commitments naturally limited legislators' perceived options. MPs have the right to vote their conscience even if the government seeks to assure itself of approval through intra-cabinet bargaining and attempts to enforce party discipline, though if this is not always possible. Disappointed with parliament's diminished role in Finnish EU security policy, Finnish MPs attempted to reassert some influence by passing an alternative bill, allowing for participation in EU peacekeeping operations, while retaining the need for a UN mandates for peace-enforcement operations (*Hufvudstadsbladet*, 2000; *Helsingin Sanomat*, 2001a). However, if operations are classified as "humanitarian," Finnish participation is unequivocally acceptable, thereby providing decision makers broad leeway. Furthermore, premised on the way foreign and defense policies are decided most observers, scholars, and practitioners agree that any decision on participation will ultimately be based on political rather than legal considerations (Aro, 2000; personal

communication, 2001 & 2003), and will be made jointly by the prime minister and the president (cf. Forsberg, 2001:4ff).

Swedish policy makers were surprised by the support for the British initiative and the subsequent British-French proposal. In November 1998 the Swedish foreign minister made clear that EU actions could never be allowed to infringe upon the UN's predominance: "The standpoint is based on principle. When it is not a matter of self-defense or duress, a decision by the UN Security Council is required before military force may be used." (Hjelm-Wallen, 1998). The initial drafts of the Cologne EU Summit Presidency Report also omitted the requirement of a UN mandate, and made references to defense instead of crisis management. The Swedish government responded by threatening a veto, citing ideological and domestic political reasons (*Dagens Nyheter*, June 5, 1999). Against the backdrop of Europe's failure in the Kosovo crisis, as well as the Nordic states' own previous proposal on humanitarian tasks for the EU (albeit for different reasons as discussed earlier), it was difficult for Swedish policy makers to oppose other members who supported the proposals (Schori, 1999b; Herolf, 1999). At the same time, a few Swedish ministers and other officials, who previously opposed any military role for the EU, were also persuaded by other members of the need for an EU force and harmonization of defense policies; sowing the seeds for later policy change (Schori, 1999a,b; Barkman, 1999). At the behest of Prime Minister Persson a compromise wording was found, stipulating that the EU "in accordance with the principles of the UN charter." The phrase later incorporated into the Nice Treaty.

In what one analyst called "significant wordplay," the government domestically downplayed the declaration's significance, declaring itself cautiously pleased, as "the EU

must assume its responsibilities for crisis management.” (*Dagens Nyheter*, June 5, 1999). The wording was also vague enough to enable Swedish interpretations of the agreement as congruent with existing Swedish positions, thereby helping to sooth some of the domestic opposition (EU Committee transcripts, July 15, 1999). A senior diplomat explained: “with the political situation being what it is in Sweden, with two anti-EU parties and the left-wing of the SDP holding on to old views, the rhetoric is understandable they [government] play to two audiences”(personal communication, 2001, confirmed 2003).

EU-committee transcripts reveal intense domestic reactions to the agreement, especially from the political left, reflecting ingrained Swedish perspectives. Accusations included: “bullying by larger states,” “abandoning neutrality,” “diminishing the UN...contrary to our traditions,” “a militarization of the EU,” and “The government has acted as though the Cologne decision poses no threat to non-alignment and [the primacy of] the UN, an *interpretation it shares with virtually no other EU government.*” (June 3-4, July 17,27, 1999; Ruwaida et al, 1999, emphasis added). Officials who participated in accession negotiations referenced previous assurances not to obstruct the CFSP, and, backed by conservatives, even stressed the need to compromise and harmonize policies with other states to avoid losing credibility, and end up stuck in “a minority of one.”

In the fall of 1999 other members found continued Swedish hesitancy and objections to much of what the Finnish presidency was preparing for the Helsinki Summit “irritating and problematic” (Rautio, 1999). Pressure from other states, including Finland, and reassurances by EU High Representative Javier Solana that no state would be obligated to militarily defend others under attack, convinced the government to drop

objections to autonomous EU capabilities.<sup>18</sup> Nonetheless, following the summit Sweden appeared to place itself in the aforementioned “minority of one”. Baffled parliamentarians heard an interpretation unlike that of any other member government, as it was explained how the Helsinki report actually *strengthened* the need to attain a UN mandate (EU Committee, January 21, 2000, emphasis added). Foreign Minister Lindh insisted that what applied in 1992 and 1998 remained valid in 2000: “[b]ased on principle the government's understanding [of the EU] is that a UN mandate is needed for peacekeeping operations.”(ibid), and later: “no developments occurred to precipitate a change in Swedish policy.” (Hammarström & Hedström, 2000).

Meanwhile, the 1999 Swedish Defense Commission (with representatives from all parliamentary parties) had recognized the Cologne Declaration’s consequences for Swedish defense (*DS*, 1999:42,47,55,67). In several reports in 1999-2001 it recommended extensive reforms and adaptations in order to achieve interoperability with other states, while enhancing Swedish capabilities. The rapid developments of the EU’s crisis management capabilities were said to necessitate a change in the law on Armed Forces for Service Abroad (1992, section 1153) to allow the government, without parliamentary approval, to make armed forces available for peace-keeping activities based on a decision by the EU (*DS* 2001:44:72, 190). According to the defense minister the bill also enables parliament to approve participation in peace enforcement without UN mandates.

Military representatives working in Brussels alongside colleagues from NATO states recognized Sweden’s limited potential, and began urging adaptations and reforms. Defense reforms initially adopted in 1992, and again in 1996, had only seen limited



implementation (Madsen, 1999; *Dagens Nyheter*, August 1, 1999). International engagements were made a main priority for the national defense forces (Swedish Defense Ministry 2000: 304; Swedish Defense Bill 2000/2001, section 2.1-2.4). The institutional developments in the EU, with increased Swedish commitments of assets and troops, and the prioritization of international operations necessitated changes, such as making international service for enlisted personnel compulsory. New legislation on mandatory international service for career officers was adopted in April of 2002 (Defense Bill 2001/02). With conscription periods of 7-8 months, more demanding international operations, and only 10% of conscripts apt to serve internationally, it is impossible to ensure adequate training, and even the sheer number of troops needed for international operations (personal communication, 2001; Hederstedt, 2000c; von Sydow, Veckobrev 34, 2001). As a remedy, a percentage of soldiers can, beginning in 2004, sign multi-year service contracts, the first ever professionalization of the Swedish military.

The government worked with opposition parties on necessary changes, through the Defense Commission, thereby engaging in collective political burden sharing on some unpopular decisions. Yet there are indications that rapid structural changes in the defense system, and the increasing complexity of defense and defense policies, have led to feelings of alienation amongst the general public (cf. Lindmark & Stutz, 2001, p.14ff). With fewer conscripts less people have personal experience with the total defense system, which means less familiarity with the national defense structures, with diminished popular support for defense policies as a result (Versktadsgruppen, 2001; *Opinion*, 2001). Politicians now face the new problem of marketing something that used to be compulsory

and unquestioned. Unless popular sentiments change, many of the problems the reforms intended to remedy may prove less effective.

#### 4.2 *ESDP and Nordic relations to NATO*

The aforementioned EU development influenced the Nordic states' relations to NATO. Both states are members of NATO's PfP program and use NATO's Planning and Review Process (PARP) to achieve stated PfP goals (individually tailored agreements aimed at NATO compatibility and enhanced capabilities for international peace-support operations).<sup>19</sup> The need to improve capabilities and harmonize systems within the EU have contributed to vast expansions of both states' PfP agreements. For the period 2003-2008 over 30 new areas were added which show significant overlap with the stated goals and type of operations planned for the ESDP: planning and defense strategies, strategic analysis, military training, doctrine, logistics, consultation with NATO in crises, and more.

Finnish NATO-cooperation has been taken further than Sweden's, to include membership in Enhanced Military Operational Procedures and Host Nation Support. The latter in particular is significant as it seeks to ensure that air- and seaports are configured to accommodate NATO force structures, making it easier to receive aid in times of crises (*Helsingin Sanomat*, 2002b). These measures constitute a "a significant step from previously...the agreements go as far as possible without membership....along with EU developments it's all but signing the dotted line." (Senior Finnish diplomat, personal communication, 2003).

NATO membership was never considered an option prior to 1999, but aligning militarily is now recognized in Finland as potentially being the price for security through EU integration and mutual solidarity (Lipponen, 1999c; cf. Enestam, 2002; *Helsingin Sanomat*, February 7, 2002). Officials acknowledge that more than external threats, developments in Russia, or NATO's expansion, EU defense developments (and its intricate ties to NATO and NATO standards) make such membership "a logical and ever less dramatic step" (*Helsingin Sanomat*, 2002a), and "a viable option discussed in government" (personal communication, 2003). The security doctrine, "Non-allied under current circumstances," leaves open the possibility of accepting a common defense in the EU and/or NATO, and a report on the effects of NATO membership is due in 2004.

Surveys indicate that roughly 60% of Finns, and 50% of Swedes support a common EU defense compared to 18 and 21% respectively for NATO, and that even Swedish officers now prefer an EU defense over NATO if faced with that option (*MTBS*, 2001,2003; *FSI*, 2001; cf. figure 2 and 3 (**figures 2 and 3 here**)). Given the respect for authority and continuously high approval of foreign policy (over 75%), Finns would accept NATO membership if the president and prime minister were of such opinion. While a referenda is only a remote possibility in Finland, the Swedish voters would assuredly decided on NATO membership. Because neutrality was credited with enabling prosperity and the social model that followed, its roots are deep and constraining on policy makers: "NATO membership would mean submitting to a nuclear weapons defense, *an ethical moral dilemma* for a state with no existential threats to its survival." (von Sydow, August 21, 2001); "Sweden would lack political influence over decisions,

rendering Sweden subject to decisions in the U.S. Congress.”(von Sydow, veckobrev 4, 2000)

The Swedish position on NATO appears contradictory and increasingly unpersuasive to others. While the Baltic states' sovereignty are said to be protected through NATO membership, Swedish membership is argued to potentially *weaken* national security, and compromise sovereignty, by diminishing Sweden's independent influence and role as regional bridge-builder and mediator in conflicts (Lindh, 2003; von Sydow and Lindh, 2000; von Sydow, August 6, 2002). Research shows how several NATO countries (e.g. Canada, the Netherlands, and Norway), participate actively in international crisis management (van Staden, 1997; Dahl, 1998), and their nationals serve as successful mediators. The lingering Swedish exceptionalism and “large state mentality” also appears to place Sweden in a virtual no-man's-land (Tallberg, 2003). Excluded from talks between the larger member states following 9/11, Swedish officials was also not invited when Finland and ten other small, current and applicant, states met in the Netherlands in 2002 to discuss a small-state alliance in the EU.

In sum, with ingrained perceptions and expectations permeating Swedish policy, and pragmatism dominating Finnish, NATO membership is a more plausible scenario in Finland than Sweden.

#### 4.3 *European and Nordic armaments policies*

The political will to initiate EU defense cooperation has contributed to a politically more favorable climate for cross-country mergers in the armaments industry, resulting in numerous consolidations and multilateral treaties on R&D, procurement and

armaments deliveries (Schmitt, 2000:56, 2003; cf. Heisbourg et al, 2000). This has also prompted major reforms in the Nordic states, including the relinquishing of national defense champions in Sweden (with ensuing multilateral interdependence on defense material), and European as well as Nordic agreements on arms research and procurement.

The Swedish defense industrial sector, state-owned and heavily subsidized, expanded rapidly from the 1940s, eventually becoming the fifth largest in Europe. Self-sufficiency in arms was aimed at bolstering security political credibility in neutrality, and state ownership was said to be critical to national security interests as late as 1998(*DS*, 1998:17ff). Nonetheless, by the mid-1990s spiraling defense costs and state deficits were rapidly making subsidies (direct and indirect, through excessive ordering) increasingly unviable. A year of inactivity caused labor unions to publicly accused the government of jeopardizing jobs, the industrial base, and technological know-how, thus posing a direct threat the future of the entire defense industry (Antoniussen, 1999; cf. Ericsson, 1999).

An opportunity to retain domestic production and know-how arose in 1999 when Sweden was invited to join five EU-NATO states, the four largest armaments producing nations in Europe and Spain, in an agreement on defense industrial cooperation.<sup>20</sup> The so-called LoI aims to improve efficiency and cost-effectiveness on defense procurement and R&D through state-state and public-private collaborations.<sup>21</sup> A senior Swedish Defense Ministry official acknowledged,

the emergence of the ESDP significantly pushed the LoI, and [for Sweden]to have said no to LoI had not been possible...also, transnational defense corporations are so strong that they can play individual countries against each other, particularly smaller states, and so LOI is also a way to counter these forces. (personal communication, 2001).

The opportunities afforded by the LoI (e.g. technological developments and multilateral projects such as the European Meteor Missile and a European air combat system), amidst economic problems, led to an easing of rules on foreign investments and ownership (Antoniussen, 1999; personal communication, 2001). During a brief four year period all Swedish companies were acquired by predominantly European, but also some American, companies. Most industry representatives, realizing that an internationalization of the domestic defense industrial base was the only means of survival, actively began pursuing European and international cooperative projects (*Folk och Försvar*, 1999).

The government insisted that neither LoI stipulations, nor the sale of industries, would diminish independent decision making or neutrality policies. However, although an economic and technological life-preserver for Swedish industry, the LoI carries policy-altering implications. The state must now consider the interests of foreign owners as well as stipulations in on export regulations. The LoI white-lists of accepted export recipients is classified, yet it is reported to be “largely dictated by the largest signatories.” (*BASIC*, 2000:3ff). The other members (with partial exception for Germany) all have less stringent export regulations than Sweden, whose laws are largely based on the 1906-1907 Haag Conventions. The LoI rules are also more lenient the 2000 EU Code of Conduct on Arms Exports; a clash not yet resolved. LoI participants and observers alike agree that if Sweden is the exit-country in a multilateral project, political pressure and economic necessity will force Sweden to accept export recipients previously banned under Swedish regulations (British official referenced in *BASIC*, 2000:3; personal communication, 2001 & 2003). On the up side, thanks to the LoI and EU-NATO security agreements, Sweden

also received NATO status for its arms exports. This opens new markets for Swedish subsidiary companies, while saving jobs domestically and increasing export revenue.

Swedish options are now locked in by previous decisions on industry ownership, LoI export stipulations, constituency demands on retaining production domestically, and the desire to retain technological know-how. There are few politically or economically feasible alternatives to a complete harmonization with other signatories' policies. Two domestic legislative amendments in 2000 constituted the initial steps towards easing regulations and adopting French and British export rules (Foreign Affairs Committee 2002:4). The fall 2001 sale of robots to India, at the time engaged in fighting in Kashmir, was also a first empirical sign of a new Swedish approach.

The Finnish military has always relied upon imports, complimented by a small, specialized domestic production by state-owned industry. In 1997 over 65% of Finnish defense industries were consolidated into the state owned aerospace and defense group Patria Industries. EADS subsequently acquired 27%, with British Aero Space currently seeking a similar share. In 2001 NATO-LoI treaty signatories began to bring discussions on projects and legislation into the EUMC and PSC, to the dismay of many Swedish officials hoping to keep armaments cooperation outside the EU framework. Finland, not yet party to the LoI, welcomed the development. Common procurement policies, and an integrated and internationally competitive European armaments industry, "benefits a partner like Finland in its own armaments development and defense reform work" (Möttölä, 2001:136-7), by increasing international investment and deepening mutually beneficial interdependence. The 2003 agreement on a European Armaments Agency (Tessaloniki EU Council Summit in 2003), followed intense promotion by the larger EU

NATO-members, with wide-spread (including Finnish) support, and unenthusiastic Swedish acquiescence.

On the strategic policy side all four Scandinavian states signed an agreement on defense material cooperation in June of 2001. In tough negotiations the two non-allied states had to concede positions as Denmark and Norway insisted on certain stipulations to fit with NATO policies (personal communication, June, 2001). Sweden, with the largest armaments industry, had most to lose from a failed agreement, while Finland, the treaty's main proponent, had few problems with the demands. The treaty in many ways exceeds the LoI and EU treaty obligations. It includes admission of armaments interdependence and, significantly, obligates all signatories to ensure uninterrupted armaments deliveries in crises and war (preamble and sections 2.1,2.2, 2.4), making neutrality in war a practical impossibility. The latter was not addressed by the Swedish government who instead heralded the treaty as vital to guaranteeing armaments deliveries, preserving political independence, as well the option of neutrality. In other words, the familiar rhetoric necessitated by the domestic constituency and political structure. Finnish officials and industry representatives declared the agreement beneficial to regional and EU integration, and conducive to strengthening Nordic capabilities.

#### *4.4 Flexible EU defense Integration and the solidarity clause*

Flexibility in CFSP/ESDP enjoys overwhelming support in most states and is included in the draft EU constitution, despite Swedish opposition in the Convention working groups and the Council (Kvist, 2002; Hagman, 2002:24). Officially Swedes argue that establishing a core group where armaments cooperation, strategic goals and



international operations are decided shows internal splits, leading to a system of “class A and B members,” thus inhibiting rather than strengthening the Union’s international credibility (EU Committee, December 8 & 10, 11, 2000). Unofficially, diplomats admit that retaining uniform pace is a preferred strategy to inhibit further development towards a common defense á la NATO. However, EU enlargement, an institutional change heavily promoted by (particularly) Sweden, has made flexibility unavoidable in order to prevent impasse on ESDP, and with that the “worst case scenario”: a continental-led European defense outside the Union. This would further strain Transatlantic ties and American presence in Europe, contrary to Swedish preferences (Hedström, 2002).

The Finnish preference for flexibility emerged in 2000 as a result of particularly French EU representatives “continuously and convincingly” arguing the case in EU committees (personal communication, 2001). Flexible defense integration is said to benefit Finland even if she decides not to join the initial group, as closer cooperation between some members fosters interdependence and solidarity across the Union, diminishing the potential for unilateralism (Tuomioja, 2001).

Swedish acquiescence to the EU solidarity clause as proposed in the EU Constitution (for non-man made crises and terrorist attacks), was premised on the omission of automatic assistance. Yet officials admit that practically, political pressure to aid a fellow member in a crisis would necessitate Swedish assistance (Lindh, 2002). Finnish officials deemed the clause unproblematic. It fits with views of security through integration and emphasizes on solidarity. Officials have explicitly stated the unfeasibility of remaining aloof should a crisis or war occur in or around the EU (Lipponen, 2000b; Vaahtoranta in *Helsingin Sanomat*, 2003). The Finns have indicated that “the EU should

take all means available to prevent and resolve disputes and restore peace.” (Lipponen, 2000b; cf. Finnish Council of State 2001:7-8), along with a willingness to apply military means to aid others “if asked.” (Enestam in *Helsingin Sanomat*, November 2, 2001; cf. *Helsingin Sanomat*, 2004).

### 5. Institutional web, adaptations, and concluding thoughts

Joining the EU entailed jumping onto a moving political train, and Finland and Sweden have clearly embarked on paths of an incremental Europeanization of security policies. New perspectives have come from the European group of statesmen and officials to which Nordic political leaders are closely tied through a complex web of agreements, package deals, solidarity, and loyalty.

Some Swedish officials insist that “[t]he Finns are overshooting. Finland has gone out of its way to demonstrate its eagerness to strengthen the administrative bodies of the EU and the path towards a federation” (Karismo & Sipilä, 2000); while Finnish officials maintain “We [Finns] go along with everything that does not directly contradict national interests, even if we do not always choose to participate in all aspects... unlike Sweden who opposes everything it does not like.”(personal communication, Brussels, 2003).

Recognition of others’ favorable views of Finland, its willingness to adapt and compromise, was implicitly confirmed by Foreign Minister Tuomioja after the December 2003 Brussels Summit, when he argued that Finland must at times “put its foot down lest it never be asked its opinion,” with expectation that it will be a constant “yes-sayer” (Hämäläinen, 2003).

Even with reforms, the beliefs and images other states' policy makers hold of Swedish policy, engrained through historically vivid and persistent espousal of Swedish neutrality, still persist. Questions of Swedish security political goals and doubts of its commitments to the ESDP are ubiquitous and perpetuated by contemporary rhetoric, such as lingering references to neutrality in the new security doctrine (personal communication, 2001, 2003). Strong ties between neutrality and national identity explains why the idea of Sweden as a neutral power in world affairs still occupies an important position in the domestic Swedish security debate (Kronsell & Svedberg, 2001:155). These ties, and previous vows to "never change our security policies" (Prime Minister Carlson in Eneberg, 1995),<sup>22</sup> are also the predominant reasons why the 2002 Swedish revision of the security doctrine is a lengthy and convoluted declaration (140 words) with retained references to the virtues of neutrality, despite acknowledging neutrality's inapplicability given recent years developments in the EU.

The meaning and influence of national identity has thus been brought to the fore, and its continued importance for guiding security policy making has been displayed. Compatibility between Swedish and EU policy agreements has been furthered by strategically avoiding certain language (peace enforcement, EU autonomy), while emphasizing other acceptable words (UN, peace promoting), to appear as maintaining the same policy positions, thereby satisfy the domestic electorate (e.g. Holmström, 2000a). Non-alignment and neutrality are inseparable to most Swedes, and all changes must be explained carefully to the public to minimize alienation (Hjelm-Wallen, in *Dagens Nyheter*, February 8, 2000). The Swedish public appears to have accepted and internalized most developments (of which they are aware) within the ever more flexible,

and conceptually stretched, neutrality framework, while making perfectly clear that NATO membership is unacceptable and something Sweden “should not be part of” (*Opinion*, 2002). Reflective of an intrinsic belief that Sweden “is neutral,” 55% of respondents asked to explain why explained “because Sweden is non-aligned and neutral”(ibid). Defense von Sydow elaborated on neutrality’s lingering appeal:

Most people perceive neutrality to be the only acceptable policy position for Sweden and find it difficult to perceive of Swedish soldiers engaged in military combat operations outside Swedish territory, even in peace-enforcement activities. European defense and security policies affects this crucial point in the attitude of the Swedish public and this is a very important factor for politicians and high ranking officers to remember and relate to. (von Sydow, 2001).

The aforementioned constraints are less prevalent in Finland. Continuity and compatibility means continuously seeking security under presidential-prime ministerial leadership. The external presentation of Finnish policies in the EU has been seamless, and confidence in, and admiration for, Finnish EU policy is high among other members. Finland has also contributed experts and financial assistance to the reconstruction effort in Iraq and the EU’s first out-of-area operation, in the Congo. As the first ever non-NATO member, Finland assumed operation command of the NATO-led operation in Kosovo in the spring of 2003; another recognition of its pragmatism and improved capabilities.

Staunch political commitment, a pragmatic approach to integration, and the ease with which EU-Finnish institutional compatibility has been achieved, has earned Finland a reputation as a “model member” (two officials, personal communication, 2003), graduating from its previous designation as a “model pupil”(Ojanen, 2000:3). References to a *credible* rather than *independent* Finnish defense (adopted by Lipponen as a recognition of the interdependent nature of defense strategy and arms), remains intact in

Finland's upcoming security report (2004), as does the option of NATO membership, pending developments in the EU.

### *5.1 Conclusion and further research*

Repeated interpersonal interactions, mutual interdependence (economic and political), arguments of shared responsibilities and common objectives, and the shamefulness of free-riding, promoted new security perspectives and perceived practical defense political needs in the Nordic states. This in turn promoted an increased acceptance of communal values, domestic structural adjustments, and harmonization of security policies. EU declarations and the consolidated treaty, the solidarity clause in the EU (draft) Constitution, and the Nordic Armaments Agreement, have incrementally combined to limit available security policy options, lending credence to theoretical claims that wherever existing institutions and repeated interactions provide both opportunities and constraints beyond simple inter-state bargaining, the political costs of not showing solidarity and burden-sharing are high enough that states are likely to adapt and compromise even as they formally possess a veto. The political solidarity to which members subscribe has become de facto binding, and the political costs of abstaining from providing assistance in terror attacks, natural disasters or military operations is too high.<sup>23</sup>

With further EU integration and strengthened ties to NATO continued adaptations can be expected. We have seen how domestic institutions continue to guide policy makers as they shape the image of policy decisions to fit accepted behavior, in effect

frequently engaging in conceptual stretching of neutrality. As the ESDP continues to unfold, with new neutrals in the EU, expanded research should focus on how the content of neutrality as well as national identity continue to undergo incremental adaptations.

Of interest is also whether, as preliminary research indicates, the more pragmatic current members (Austria and Finland) continue their current path and join the core of EU defense, as well as NATO, in the near future. In 1999 the Austrian parliament voted to modify their constitution to allow for participation in EU operations, making future decisions on Austrian actions strictly political (Gustenau, 2000, p.33 in von Niederberger, 2001, p.15, fn. 43). Security debates intensified in 2000-2002, a majority of Austrians support common EU foreign and defense policies, and political trends are similar to those found in Finland. If both states pursued these paths further this would not only strengthen the argument of the influence of institutions posited in this study, but also contribute to the broader argument in the international relations literature of how regional integration forge common policies through institutionalized cooperation.

Figure 1.

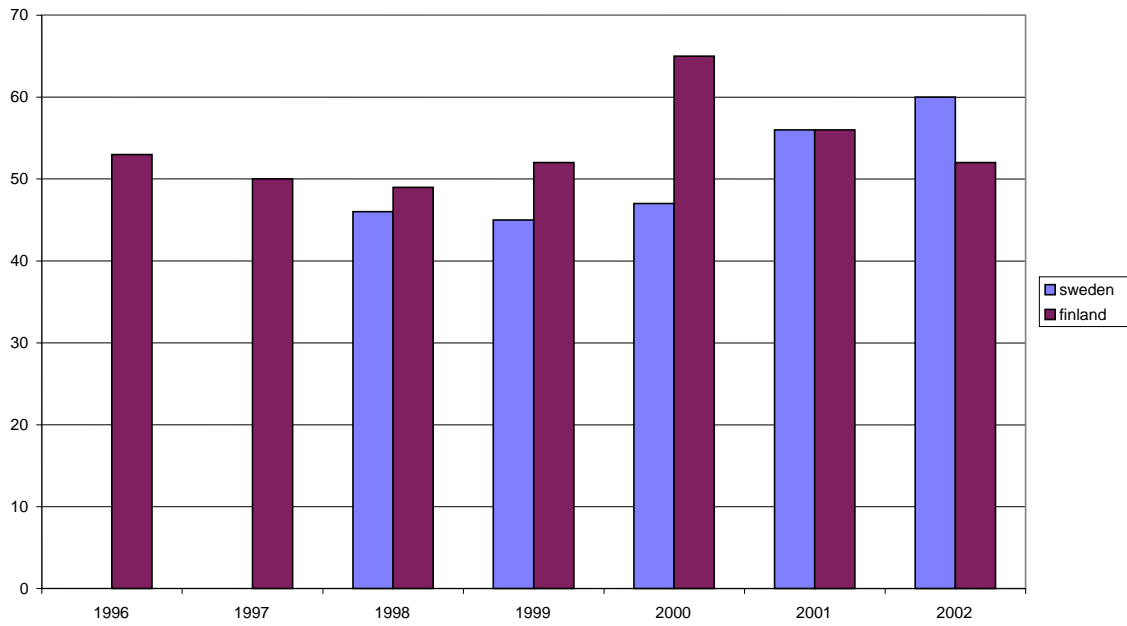


Figure 2.

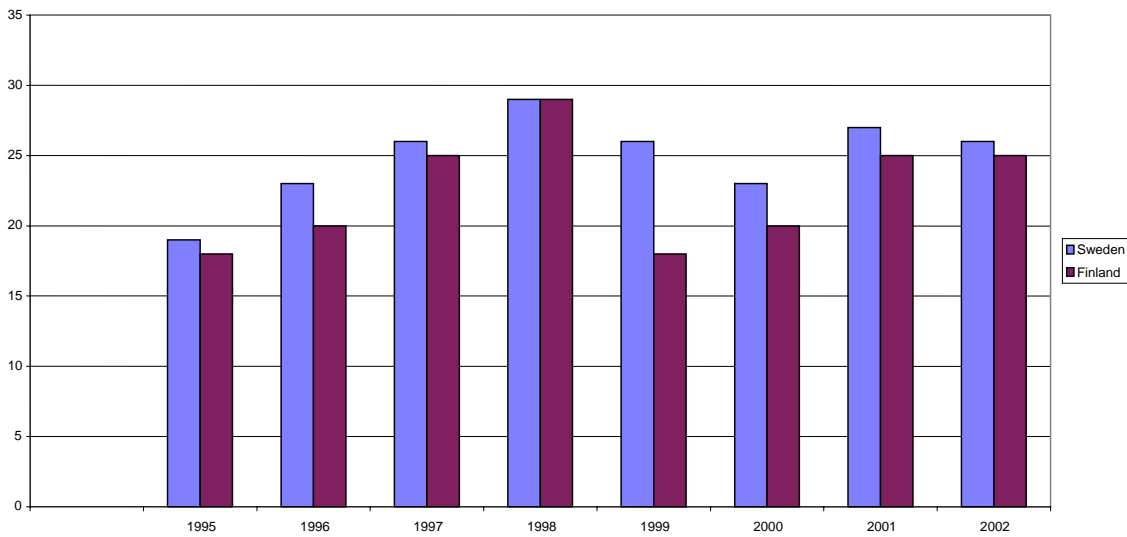
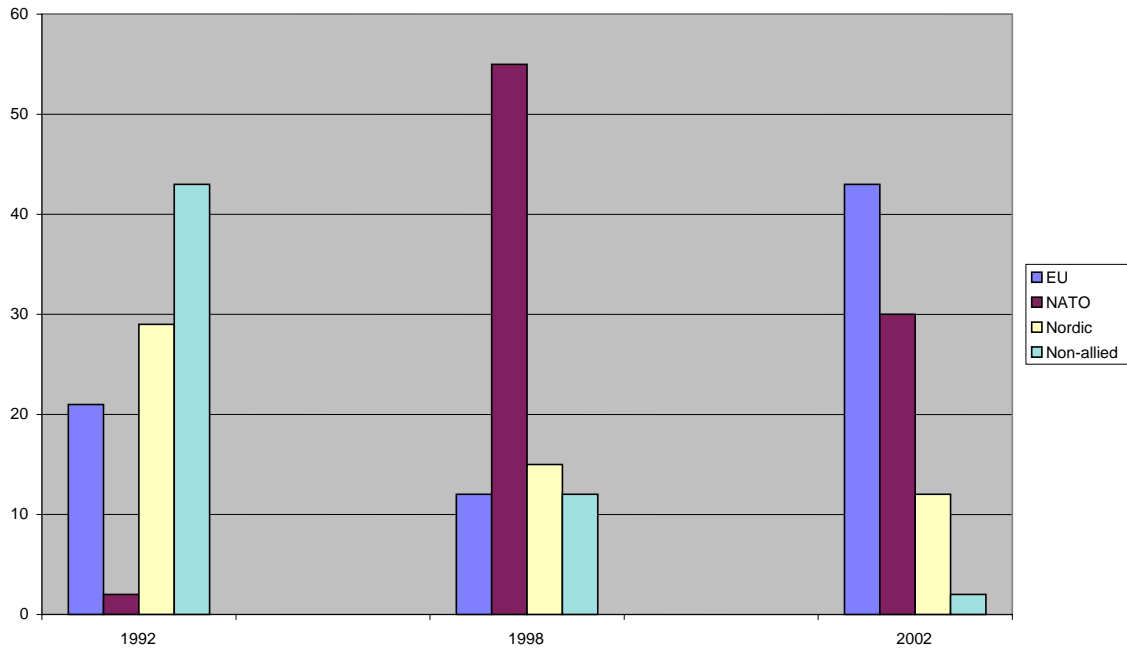


Figure 3.





## Endnotes

<sup>1</sup> The term used varies with the analyst, scholar, and even government official writing or speaking on the issue, e.g. Torstilla (2000) or Ahern (2000). Whereas the Nordic states officials frequently use “non-aligned,” Finland and Sweden are still referred to as neutral (Keohane, 2001; Sloan, 2000; Moravcsik & Nicholaidis, 1999), militarily non-aligned (Andren, 1998, Herolf, 1999), post-neutral (Dörfer, 1996; Gustenau, 1999), militarily non-allied (Dahl, 1999; Jakobson, 1999), or alliance-free (Wahlbäck, 2000).

<sup>2</sup> Finnish neutrality can be categorized as partly *de jure*, partly *de facto* yet flexible, pragmatic, politically isolationist. Swedish neutrality is *de facto*, yet rigid with an ideological international activism. Austria’s is also *de jure*, rigid, with a focus on confining the spread of conflict. Irish neutrality is *de facto*, rigid, with ideological foundation. These typologies draw upon arguments by Cramer (1998), Ojanen, Herolf, & Lindahl, (2000) but the classifications are my own and further developed in Eliasson (2004).

<sup>3</sup> By ideological neutrality is meant its role in national identity as the policy developed, peoples’ role conception of the state, and international engagements based on idealism tied to neutrality (impartiality, fairness, equality) and projections of domestic socio-economic structures. The 1907 Haag Conventions remain the core aspect of the law of neutrality, albeit codified by 20<sup>th</sup> century international customary law. Indicative of fluctuating policies the meaning of neutrality has become increasingly context dependent and individualized.

<sup>4</sup> These took place at the Foreign Ministries and Defense Ministries in Finland, Sweden and Britain, as well as their embassies and the military headquarters in Brussels, Belgium.

<sup>5</sup> “To this effect the EU must be able to apply the whole gamut of available instruments, from conflict prevention measures of various kinds to military action; enhance military capabilities and interoperability, and improve the institutional arrangements to achieve these objectives.” (Cologne EU Council Conclusion 1999, par.1,2; 1999 Cologne Presidency Conclusions, par. 3,4). The intense progress on the ESDP is reflected in over 30 new treaty articles, EU Council declarations and regulations, and bilateral declarations in 1998-2001 (Rutten, 2001). For more on ESDP see e.g. Howorth (2002), Eliasson (2003).

<sup>6</sup> The president was also given the post of Supreme Commander, he approved the government and could dissolve parliament at will. (e.g. Forsberg, 2001:4ff).

<sup>7</sup> Western policies left deep and lasting resentment towards the alliance. Foreign observers declared Finnish independence “a lost cause” [and] “Finland may not be a Soviet satellite, but sooner or later this oversight would be put right” (Bevin, British Foreign Secretary, 1945, in Bullock, 1983:513-15 in Jakobson, 1998). Roosevelt and Churchill’s interpretations of the Yalta agreement was that neighboring states be run by “friendly governments that respect Soviet security interests.” The United Kingdom and the U.S. also made clear they would not assist Finland in case of a Soviet attack. Later Henry Kissinger was one of the few Western statesmen who recognized Finnish style “*realpolitik* neutrality,” expressing support for its conservative international outlook, an understanding of Finnish abstentions in UN votes on matters related to the two blocks, and praise for its restraints under pressure from Moscow (Jakobson, 1998:74-76, 96).

<sup>8</sup> On the one hand this skepticism and Soviet doubts (Stalin dismissed the concept of neutrality and was concerned only with policies not opposing Soviet interests) provided the president greater leeway to pursue policies not otherwise available or acceptable under international standards of neutrality (e.g. German support in 1919; SAS troops training Finnish troops in 1944; the lease of the Porkkola base to the Soviet Union and free transit through Finnish territory). On the other hand the treaty forced Finnish policy makers to divorce security policy from the country’s ideological, cultural and economic ties to the west (Jakobson, 1998:74)

<sup>9</sup> The foreign policies and institutional arrangements put in place under Lipponen remain intact as Vanhanen (Center Party) became prime minister in May, 2003. In fact, the president’s powers, because of her vast international experience, have increased.

<sup>10</sup> For more elaborate discussion on Finnish national identity see e.g. Passi (2001) or Jakobson (1998); on Swedish national identity see e.g. af Malmborg (2002) or Wahlkback (1986).

<sup>11</sup> Citing his own memo from 1993 Finnish President Koivisto stated, “[t]he strongest reason for seeking EC membership seemed to me to lie in the realm of security policy. The economic reasons were secondary.” (Koivisto, 1997:246; cf. Ojanen, Herolf & Lindahl, 2000: 79).

<sup>12</sup> Cf. four government reports by the Council of State 1988-1992, which if examined in sequence, show increasing elite support for, and emphasis, on joining the EC/EU for predominantly security related reasons but also economic benefits.

<sup>13</sup> The surprise for Finnish-Swedish negotiators also indicate, contrary to intergovernmentalist theory (Moravcsik & Nicolaidis, 1999: 62ff), that there was uncertainty about other states' positions heading into the final negotiations. Furthermore, the compromise was not the least common denominator, and members refrained from using their veto on an important national position.

<sup>14</sup> Austria was the first of the new non-allied members to hold the EU presidency (Fall of 1998) and wanted to appear constructive and supported the six-nation proposal. Furthermore Finland generally prefers greater integration and a strong Commission as a way of strengthening small states' influence in the EU.

<sup>15</sup> That Finland was less concerned with wording as long as it excluded direct reference to WEU integration is supported by diplomatic sources in Karismo & Sipila (2000); cf. Prime Minister Lipponen, June 12, 1997 (NDFFPY, 1998) who interpreted that “nothing was proposed which states had not already committed to in the Maastricht Treaty,” (cf. President Ahtissari, June 17, Ibid).

<sup>16</sup> Transfer to the EU of all but the WEAO, article V, and the WEU assembly took place January 1, 2002. Even if actors operate under conditions of “bounded rationality” the future consequences of contemporary decisions are even less clear when placed in the larger novel context of a political organization such as the EU, where the normal complexity and fluidity of political decision making are manifold, making it difficult to assess the impact of decisions in the EU and appropriate domestic responses and links to effects on security and social life.

<sup>17</sup> Officials confirm that Finland, not wishing to be seen as irresponsible or obstructionist, would likely not abstain, and certainly not object to, EU operations irrespective of UN mandates (personal communication, 2001 & 2003).

<sup>18</sup> “While officials cannot, for domestic political reasons, be as clear publicly, they recognize the significance of what is happening and the need to adjust policies and practices accordingly[and] this is an EU project...we are all responsible.” Another senior diplomat noted, “despite rhetoric in the capital ... a *defacto* EU defense is emerging. If the EU acts they [Nordics] will partake regardless of UN mandate.” (personal communication, 2001 and 2002).

<sup>19</sup> NATO is the only organization with standardized criteria for military technology, strategy and related areas. Eleven of fifteen (now nineteen out of twenty-five) EU states are members of NATO and pushed for using this standardization for the ESDP.

<sup>20</sup> LoI is short for Letter-of-Intent, signed in 1998 by France, U.K., Germany, Italy, Spain, Sweden. In 2000 the LoI was signed into a treaty entitled “Framework Agreement Concerning Measures to Facilitate the Restructuring and Operation of the European Defence Industry.” Signatories account for 98.5 % of all EU defense industrial output.

<sup>21</sup> 68% of Swedish weapons sales went to the EU in 2001; the Finnish equivalent was 78%.

<sup>22</sup> In 1999 the government had no intention of changing security policy, yet by 2000 it invited parties to negotiations, and in 2002 the new doctrine was accepted, which includes “the option of neutrality in conflicts served us well ..... through our participation in the European Union we share a common solidarity which aims at preventing war on the European continent.” (Government, 2002).

<sup>23</sup> While never totally assured, neither are the mutual obligations in NATO automatic, as pointed out by Finnish Foreign Minister Tuomioja (December, 2002), and shown in the case of Turkey in the Iraq war.