BETWEEN CO-OPERATION AND MEMBERSHIP
SWEDEN AND FINLAND’S RELATIONS WITH NATO

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INTRODUCTION

From the perspective of the security interests of Poland and the Baltic states, Sweden and Finland’s accession to NATO would significantly improve the level of security in the Baltic Sea region in the long term by changing the politico-military imbalance currently in Russia’s favour. This would set a clear line between NATO and Russia, and make it impossible for the latter to make use of the non-aligned status of the two countries in potential military operations in the region. This would also make the actions of all actors in the case of a crisis or conflict in the region more predictable.

Strengthening political and military co-operation with NATO has become a priority in Sweden’s and Finland’s security policies over the past few years. This paper presents the changes which have taken place in the two countries’ relations with NATO, and Russia’s reactions to their increasingly close co-operation with the alliance. It also presents domestic discussions on membership and the possible development of Sweden’s and Finland’s relations with NATO in the short and long term.
THESES

1. Sweden and Finland have come a long way in their relations with NATO – from collaboration as part of crisis management operations in the Western Balkans and Afghanistan to co-operation with NATO in the Baltic Sea region focused on improving regional security and deterring an increasingly aggressive Russia. NATO’s co-operation with these two countries is the most advanced when compared to all other partner states, as the format of NATO’s 28+2 meetings with both countries shows.

2. The significance of co-operation with NATO in the security strategies of both Sweden and Finland is steadily growing. However, while developing closer military co-operation with NATO and the USA and intensifying Swedish-Finnish relations, both countries underline their non-aligned status. This is unlikely to be revised in the coming years. The key decisions in foreign and security policy in the two countries are consensus-based – they need extensive political and public support, which restricts the possibility of any abrupt changes.

3. In Sweden discussions on NATO membership have intensified since 2013 with the political scene split in two on the issue. One of the key obstacles preventing Sweden from deciding to join NATO is the Social Democrats’ negative stance. Opinion polls suggest however a gradual decline in public opposition and growing support for membership, which is a consequence of Russia’s increasingly provocative actions in the Nordic-Baltic region. NATO accession may be one of the topics of the campaign ahead of the parliamentary election in Sweden in 2018.

4. In Finland the membership issue is discussed mainly on the expert level rather than on the political level. Public support for accession has remained low for years, and the Russian-Ukrainian war has not had any major impact on this. Therefore, the issue of NATO accession has been a marginal issue in Finnish politics. Only two out of the eight parliamentary parties back membership. Neither change in the stance of most political parties, nor an increase in public support should be expected in the coming years. However, this could change were Sweden to decide to join NATO.

5. In recent years Moscow has taken actions to intimidate the Swedish and Finnish political elites and public in order to discourage them from joining NATO or enhancing co-operation with the alliance. The Kremlin has
employed not only military tools for this purpose, such as offensive military exercises, violation of national air space and strengthening its military presence in the region, but also disinformation campaigns. These are aimed at undermining public trust in the Swedish and Finnish governments and the credibility of the two countries' policies in the eyes of their partners.

6. In the coming years, Sweden and Finland will make efforts to enhance political and military co-operation with NATO regardless of the way their discussions on membership develop. NATO’s activity in the Baltic Sea region will focus increasingly on collective defence and for this reason the engagement in it of non-aligned countries will cause controversies - both among NATO members as well as in Sweden and Finland. Therefore, the military non-alignment of the two countries will be an increasingly stronger impediment to the further enhancement of co-operation with NATO in the future.

7. Stockholm’s close co-operation with NATO has had a positive impact on regional security but it has also adversely affected Swedish security policy. Part of the Swedish political elite believes that Sweden is already covered by NATO’s security guarantees to a certain extent. Increasingly close cooperation with NATO gives Stockholm an illusory sense of security so the government does not feel obliged to substantially increase defence spending. From Helsinki’s perspective, enhanced military co-operation with NATO contributes to the modernisation of the Finnish armed forces and indicates that Finland is part of the West. The fact that subsequent Finnish governments have maintained the option to seek NATO membership is treated as an element of the policy of deterrence towards Russia rather than as a genuinely considered alternative in security policy.

8. Sweden’s and Finland’s increasingly close co-operation with NATO does not eliminate the uncertainty about the scope of these two countries’ co-operation with NATO should there be a military conflict in the region. Considering its geographic situation, Sweden would most likely become involved in a conflict between Russia and NATO, and it would find it hard to avoid political and military co-operation with NATO. Finland would make efforts to remain outside the theatre of operations and would limit its actions to defending its own territory.

9. The policy of the new US administration may affect the Swedish and Finnish security policies. If President Donald Trump introduces a ‘reset’ policy in relations with Russia, its consequences may be felt by the countries
in-between NATO and Russia, including non-aligned Sweden and Finland and may bring a limitation of US bilateral military co-operation with Stockholm and Helsinki. This would pose a huge challenge to both countries and would force them to revise their security policies.
I. RELATIONS WITH NATO: FROM GLOBAL CRISIS MANAGEMENT TO REGIONAL CO-OPERATION

In the early nineties the start of co-operation with NATO was for Sweden and Finland a step in the direction of abandoning Cold War neutrality and of integrating with Western structures; a policy that started with their application for membership in the European Communities. NATO’s Partnership for Peace (PfP) programme, which both countries joined in 1994, was addressed above all to the countries of the former Eastern bloc. Unlike Poland, Sweden and Finland did not treat their participation in the PfP as a preliminary stage preceding their accession to NATO. For both countries it was above all an instrument for building trust and transparency between NATO on the one hand, and post-Soviet states and the former satellites of the Soviet Union on the other1. Later on, Sweden and Finland used cooperation with NATO to participate in the crisis management operations of the West – first in the Balkans, and then in Afghanistan. Both Stockholm and Helsinki began to perceive the alliance as in fact an executive organisation of the UN Security Council. Sweden perceived the regional security environment after the end of the Cold War as a peaceful and stable one, and felt that participation in NATO-led crisis management operations fitted in its new active foreign and security policy on the global arena. Even though the geopolitical position of Finland after the end of the Cold War significantly improved, it still shared the 1,300 km border with Russia and engaged in crisis management operations to a far lesser extent, being focused on maintaining territorial defence capabilities. Moreover, both Stockholm and Helsinki treated co-operation with NATO as a catalyst for reforming and modernising their armed forces.

The intensification of Russian military activity in the Nordic-Baltic region, the development of Russia’s military capabilities and the Russian-Georgian war in 2008 have all made Sweden and Finland attach greater significance to co-operation with NATO in the region. The two countries began looking for new forms of co-operation with the alliance, also in order to maintain their interoperability with allied forces as NATO gradually phased out operations in the Balkans and Afghanistan. For these reasons, Finland (since 2012) and Sweden (since 2014) have begun to take part in NATO Response Force

(in the NRF’s lowest readiness component)\(^2\) on a regular basis. The NRF was then expected to have increasing significance for maintaining the interoperability of the allied forces, as foreseen in NATO’s Connected Forces Initiative launched in 2012. The two countries were also the only NATO partner states to take part in NATO’s annual Crisis Management Exercise (CMX) in 2011, the first exercise in ten years based on a collective defence scenario. Sweden and Finland became more engaged in NATO’s exercises in the Nordic-Baltic region. They took part in regular Baltic Region Training Events (currently Ramstein Alloy exercises) with the participation of Baltic Air Policing fighter jets and exercised together with NATO’s Icelandic Air Policing and Surveillance mission in 2014. Both countries also signed an agreement on Air Situation Data Exchange (ASDE) with NATO (implemented in 2014).

After the Russian annexation of Crimea, Sweden and Finland have made efforts to lift their politico-military co-operation with NATO to a higher level. The Newport Summit in 2014 brought about a change in NATO’s approach to the partner countries and a greater diversification of the forms of co-operation, something both countries benefited from. Finland and Sweden (along with Georgia, Jordan and Australia) became part of the Enhanced Opportunities Partnership (EOP) programme, i.e. a group of privileged partners closely engaged in co-operation with NATO as regards military exercises and operations. Furthermore, during the Newport summit the two countries signed Host Nation Support (HNS) agreements\(^3\) that make it possible for NATO to use Sweden and Finland’s territory, territorial waters and airspace at peacetime, in crisis situations and in case of conflict (each time subject to consent from the Swedish or Finnish government, respectively).

The scenarios of military exercises in which Sweden and Finland participate in the Baltic Sea region have also changed since 2014. An amphibious landing of US and other NATO members’ naval infantry on the Swedish and Finnish


\(^3\) The agreement was ratified by the Swedish parliament in May 2016. In the case of Finland, the agreement came into force without a ratification procedure, also in May 2016.
shores was for the first time an element of the annual BALTOPS 2015 and 2016 naval drills (led by the US Naval Forces Europe-Africa). Stockholm and Helsinki have also expanded their participation in NATO’s BRTE/Ramstein Alloy exercises, landing in the Baltic states’ air bases, and in the case of Sweden providing close air support for ground troops in Latvia. In addition to this, in 2016 Sweden for the first time sent a mechanised company to the Polish Anakonda exercises (before this the Swedish contribution to exercises in Poland and the Baltic states covered staff officers only). In turn, since 2014 Finland has been sending small land forces units to the annual US-led exercises Saber Strike in the Baltic states.

In 2016, the two countries also took part in NATO’s annual CMX exercises based on a collective defence scenario that were to test the functioning of political and military consulting and decision-making mechanisms. According to media leaks, during the exercise Sweden decided to fully mobilise its military and allowed NATO’s forces to use Swedish naval and air force bases as well as territorial waters and airspace4. Finland adopted a more restrained stance, focusing on defending its own territory and on information exchange5. For 2017 both Sweden and Finland pledged to send their troops to the Estonian-NATO exercises Spring Storm.

The Warsaw Summit in July 2016 did not result in any new initiatives in Sweden’s and Finland’s co-operation with NATO, nonetheless it confirmed their privileged position among partner countries. In Warsaw, the Swedish prime minister and the Finnish president were for the first time invited to a NATO-EU meeting on the level of heads of state or government6. The first meetings in the 28+2 format were held on the levels of ministers of foreign affairs and ministers of defence in spring 2016. The meetings are an effect of the efforts made by Stockholm and Helsinki to create an exclusive format of talks with NATO on Baltic Sea region security issues. However, neither Sweden nor Finland views them as a step towards NATO membership.

6 The remaining EU member states which are not members of NATO (Cyprus, Malta, Ireland and Austria), did not take part in it. The possibilities of intensifying NATO-EU co-operation covering naval operations, cybersecurity and hybrid threats were discussed during the meetings. Before that, Sweden and Finland were invited to meetings dedicated to NATO’s crisis management operations in which their armed forces were engaged, but they had no access to meetings concerning the security of the North Atlantic Treaty area.
II. DOMESTIC DEBATES ON MEMBERSHIP

The debate on NATO membership in both countries, especially Sweden, has gained new momentum over the past few years. Both governments commissioned reports on the consequences of NATO accession, which were published in April (in Helsinki) and September (in Stockholm) 2016. However, neither of the two reports contain recommendations on the membership issue. In January 2016 in a joint article the Swedish and Finnish prime ministers stated clearly that the non-aligned status of both countries remains binding and argued that it contributes to the stability in Northern Europe; a position that will last at least until the end of the respective terms of the Swedish and Finnish parliaments.

1. The Swedish fifty-fifty

The debate on NATO membership has gained momentum in Stockholm since the beginning of 2013, when Russian military provocations against Sweden intensified (including a Russian air force exercise simulating an attack with the use of nuclear weapons on Swedish military installations). Russia’s aggressive actions in Ukraine and the Baltic Sea region have led to increasing support for NATO membership among the Swedish political elites and the general public. The minority left-wing government (made of Social Democrats and Greens) led by social-democratic Prime Minister Stefan Löfven officially claims that its policy is based on non-alignment; the coalition agreement signed in autumn 2014 provides that the government will not seek NATO membership. Nevertheless, the Löfven government has continued to enhance military co-operation with NATO, the USA and Finland, and with other countries in the Nordic-Baltic region; a policy that was developed under the previous conservative government. However, the Swedish political scene remains split in two over NATO membership. Since security and defence policy is currently widely debated in Sweden, this issue may become one of the key campaign issues ahead of the parliamentary election in 2018.

For Social Democrats, Sweden’s non-aligned status contributes to maintaining stability in the Baltic region and offers Stockholm more room for manoeuvre in foreign policy – as a mediator in conflicts or a proponent of international nuclear disarmament. This position is supported by the radical

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Left Party and the right-wing Sweden Democrats. Qualitatively new arguments against membership point to the length and complexity of the decision-making procedures in NATO and the decreasing military capabilities of the European allies, as well as the superiority of bilateral co-operation with the USA or Finland over NATO membership. The Left Party and a section of the Green Party view NATO as an instrument of US imperialism in Europe that – in case of accession – will enforce Swedish participation in US military interventions abroad and will enable the deployment of US nuclear arms in Sweden. The far-right Sweden Democrats also wants their country to maintain its non-aligned status, although there is discussion inside the party on changing the stance to a pro-NATO one. In the opinion of the radical left and right, Sweden’s non-aligned status protects the country from involvement in a conflict between Russia and NATO.

In turn, the entire conservative opposition bloc (consisting of the Moderate Party, the Liberals, the Centre Party and the Christian Democrats, the so called Alliansen) openly supports Swedish accession to NATO. As a result of the annexation of Crimea, the Centre Party and the Christian Democrats have changed their previously cautious stance on the issue. The conservative bloc points out that, given its geographical situation, Sweden – willing or not – will be involved in conflicts in the region and will have no choice but to co-operate with NATO. Conservative parties emphasise that Sweden is unable to defend itself alone and increasingly closer co-operation with NATO and the USA does not offer the key benefits, namely the security guarantees under Article 5. They point to the underfunding of the Swedish armed forces in the last decade (with military expenditure remaining on the level of 1% - 1.2% of GDP in the past years) and to only slight growth in the defence budget in the future. The position of conservatives on NATO membership is widely shared by most security policy and military experts in Sweden.

In-depth Swedish public opinion polls since 2012 have indicated a gradual decrease in opposition and an increase in support for NATO membership among the Swedish public. 2015 saw a watershed when more respondents voiced support for NATO accession (38%) than were opposed to it (31%)8. However, other

8 SOM-Institutet, Svenska Trender 2015, SOM-rapport 2016:26, page 68, http://som.gu.se/publcerat/rapporter/?languageId=100000&disableRedirect=true&returnUrl=http%3A%2F%2Fsom.gu.se%2Fsom_institute%2FPublications%2Freports%2F%3FlanguageId%3D100001 Public opinion polls conducted by DN/IPSOS also reveal a gradual increase in support for Sweden’s accession to NATO (from 28% to 35% in 2014-2016) and a lowering percentage of respondents opposing membership (from 56% to 40% in 2014-2016). See: Ipsos, DN/Ipsosstamätning om Nato och Sveriges försvar, 4 January 2017, http://ipsos.se/nyheter
polls reveal a greater variability of opinions – support would fall immediately after Russia’s aggressive actions (the annexation of Crimea) or after the Social Democrats repeatedly emphasised the need to maintain non-aligned status (spring 2016)\(^9\).

2. Finland’s trust in non-alignment

The Russian-Ukrainian war revived discussions on NATO membership in Finland above all on the expert level but less so in the public debate. Nor was NATO accession an important topic in the campaign preceding the recent parliamentary election (April 2015) and remained on the peripheries of political parties’ agenda. A majority of the Finnish political elite opposes NATO membership. In Finland even further enhancement of co-operation with the alliance still provokes political controversies on the left side of the political spectrum, although it has been consistently pursued by one government after another. The centre-right cabinet led by Prime Minister Juha Sipilä (made up of the Centre Party, the Finns Party and the National Coalition Party) has adopted a security policy based on aspirations to maintain credible defence capabilities and on deeper military co-operation with NATO, the USA and Sweden, while remaining non-aligned. Unlike Sweden, the Finnish government has not officially ruled out applying for NATO membership.

The two largest coalition parties want their country to maintain its non-aligned status – the Centre Party led by Prime Minister Sipilä and the nationalist Finns Party from which the current minister of defence and the minister of foreign affairs originate. This stance is also shared by the opposition Social Democrats, Greens and Christian Democrats. However, none of these parties rule out revising their stance if Sweden applies for NATO membership. NATO accession has been categorically ruled out by the Left Alliance which views NATO as an organisation which serves the US hegemony. President Sauli Niinistö, whose voice is important in foreign and security policy debates, also opposes NATO membership (even though he originates from the pro-NATO National Coalition Party). Opponents of accession argue that it will lead to a crisis in Finnish-Russian relations and a deterioration of Finland’s security as it will become NATO’s frontline country. In their opinion, NATO membership will

\(^9\) The results of opinion polls concerning NATO membership conducted by SvD/Sifo: 41% were for, 39% against and 20% had no opinion in September 2015 as compared to 33% for, 49% against and 18% no opinion in July 2016. See: SvD/Sifo: Kraftigt ökat motstånd mot Nato, 7 June 2016, http://www.svd.se/svd-sifo-kraftigt-okat-motstand-mot-nato
automatically make Finland involved in a potential conflict between Russia and NATO and will formally oblige Helsinki to defend the Baltic states. Furthermore, accession will mean increasing Finnish participation in NATO’s overseas operations and raising military expenditure from the present level of 1.4% to 2% of GDP. As in Sweden, arguments pointing out NATO’s ineffectiveness are also raised – the slow decision-making process, the falling military capabilities of the European member states, and doubts about the credibility of the Article 5 guarantees.

Only two out of eight parties represented in the Finnish parliament officially support NATO membership – the governing National Coalition Party and the small opposition party representing the Swedish-speaking minority\(^{10}\). These parties argue that Finland does not have sufficient defence capabilities and that only NATO membership can provide a real security guarantee.

Public support for NATO accession has been low in Finland for years. This is an effect of many factors: the belief that Finland skilfully manages its relations with Russia and will be able to defend itself in the case of conflict, the lack of a genuine public debate and politicians’ unwillingness to turn the spotlight on the NATO issue, the fear of the reaction from Russia, and the anti-US sentiments and positive associations linked to the idea of neutrality. The levels of support for NATO membership have not changed significantly since 2007, although the level of opposition has decreased and the number of those who have no opinion has increased, in both cases by around 10 percentage points\(^{11}\). In 2016, 25% of respondents were for and 61% were against NATO accession. At the same time, since the annexation of Crimea, the sense of threat posed by Russia has increased among the Finnish public, though it is still weaker than, for example, fear of terrorism, the migration crisis or global warming. Politicians and the armed forces leadership have emphasised in public statements since 2014 that there is no imminent threat of Russian aggression\(^{12}\).

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\(^{10}\) This was explicitly added to the manifestos of both parties at their respective conventions in June 2016. The National Coalition Party is of the opinion that Finland should join NATO in “the coming years”, while the Swedish People’s Party believes that Finland should join by 2025.


III. RUSSIAN COUNTERMEASURES

Russia has been watching closely the Swedish and Finnish discussions on NATO membership and the way both countries have been developing co-operation with the alliance. From Moscow’s perspective, Sweden and Finland’s accession to NATO would change the balance of power in the Baltic region to its disadvantage. Sweden’s membership would limit Russia’s political and military room for manoeuvre in the region. It would reduce uncertainty about NATO’s credibility in defending the Baltic states, as NATO forces would gain access to Sweden’s territory in case of a collective defence operation. Sweden would also cease to be a ‘no man’s land’ in the region which Russia could use for military purposes with relative impunity if deemed necessary. In turn, Finland’s membership would mean for Moscow that NATO would border directly on Russian areas of high military significance (the Kola Peninsula). Their NATO membership would also mean a political defeat for the Kremlin which for years has opposed any further NATO enlargement. For all these reasons Russia has threatened Stockholm and Helsinki with a military response in case they join NATO, albeit at the same time it has declared that any changes in their military non-alignment are subject to their sovereign decisions. In order to discourage the political elites and public in Sweden and Finland not only from joining NATO but also from advancing military co-operation with the alliance, Russia has been applying differentiated measures to intimidate both countries.

1. The counter-productive pressure on Sweden

The number of Russian military provocations targeted against Sweden has increased significantly since 2013. These include the Russian exercises simulating strikes against targets in Swedish territory, violations of Swedish airspace and territorial waters (in 2014, including the widely publicised case of foreign underwater activity in the Stockholm Archipelago), provocative flights close to the Swedish airspace, and the dangerous manoeuvres targeted against Swedish civilian and military units in air and sea. These provocations

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13 The most widely publicised exercises of this kind took place in March 2013, when two Russian Tu-22M3 strategic bombers escorted by four Su-27 fighters simulated a raid on two military targets near Stockholm and in southern Sweden around 35 km from the Swedish airspace.

are aimed at demonstrating Russia’s capabilities to launch offensive military actions against Sweden and the Swedish armed forces’ inability to defend its national territory.

**In other than military areas, Russia has fewer instruments of exerting pressure on Stockholm.** Russia is not a major trade partner for Sweden\(^{15}\), it has no land border with Sweden, and Sweden is not a destination for Russian investments, nor does it attract Russian immigrants to the same degree as Finland. Therefore, in the case of Sweden Russia has launched mainly **disinformation and psychological campaigns addressed to Swedish public opinion.** These involve statements from Russian representatives, information from the Russian media (such as Sputnik or RT), Russian activity in Swedish social media and taking over the Russian narrative by a section of the Swedish media. The campaigns are intended at undermining the credibility of the Swedish authorities, ridiculing their ‘anti-Russian’ approach and influencing the Swedish debate on NATO membership and co-operation with the US. Untrue and controversial information on documents allegedly prepared by the Swedish ministers of defence and justice has been spread several times over the past two years concerning, for example, arms supplies to Ukraine or the prosecution of war crimes there\(^{16}\). Russia has also made attempts to influence the discussion on the ratification of the Swedish-NATO Host Nation Support agreement by the Swedish parliament in spring 2016\(^{17}\) by exposing speculations that US nuclear weapons might be deployed to Sweden, which provokes strong objection among the Swedish public. The Swedish internal security service Säpo has warned of Russian attempts to influence Swedish public opinion and the political decision-making process in its annual report for 2015\(^{18}\).

In addition to disinformation campaigns, Sweden is also under increasing risk of **cyber attacks.** With all the attribution problems, they are widely interpreted as a demonstration of Russian capabilities to destabilise the functioning of the Swedish state. In March 2016, the servers of a few of Sweden’s largest

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\(^{15}\) Russia is the 15\(^{th}\) largest recipient of Swedish exports and Sweden’s 11\(^{th}\) largest source of imports. Apart from imports of Russian oil by tankers (which in the case of conflict can be imported from other sources), Sweden does not import energy resources from Russia.


\(^{17}\) Lön & förbannad dikt, Samtal med försvarsministern om informationskriget, 20 July 2016, http://blogg.mittmedia.se/podd72/tag/peter-hultqvist/

newspapers fell victim to simultaneous DDoS attacks. As a result, their Internet services were unavailable for a few hours. According to the Swedish crisis management agency MSB, this was the largest attack of this kind against the state’s information security. According to unconfirmed media reports, in May 2016 cyber attacks targeted the Swedish company Vattenfall, the operator of nuclear, wind and hydroelectric power plants, and the Swedish Civil Aviation Administration, the civilian air traffic administrator.

**The Russian action against Sweden has so far had the opposite effect.** It influenced the change in the stance of the two smaller conservative parties so that at present the entire conservative block openly supports NATO membership. It also had a positive impact on the increase in public support for accession. At the same time, it may have strengthened the belief shared by a majority of the political left that Sweden should maintain its non-aligned status. However, the Russian action has not led to the government’s policy of increasing co-operation with NATO and the USA being called into question – this is supported by a majority of the Swedish political scene. On the contrary, Russian provocation aimed at Sweden has stimulated the enhancement of co-operation. In 2017, US troops (including air defence units equipped with Patriot batteries) will take part in the Swedish Aurora 2017 military exercises for the first time in history. These will be the largest exercises for years based on a collective defence scenario. Sweden also made essential decisions in autumn 2016 to strengthen the country’s defence capabilities. Sweden has strengthened its military presence in the strategically located Gotland island\(^\text{19}\), and re-established coastal defence units equipped with the previously withdrawn RBS15 mobile systems\(^\text{20}\). Furthermore, Sweden decided to re-introduce selective conscription, partly to supplement the shortfalls in personnel in the Swedish professional armed forces.

The Swedish government also sees the need to improve the comprehensive approach to state security. Towards the end of 2015, it decided to resume the total defence concept which had been abandoned after the end of the Cold War. It focuses not only on the military sphere but also takes into account protection of the critical infrastructure and information space, and envisages the participation of all military and civilian structures and state institutions in state

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defence. The government also intends to develop the concept of psychological defence and for this purpose has recently joined NATO’s Strategic Communications Centre of Excellence in Riga.

2. Attempts to make Finland neutral again

In the case of Finland, Russia has intensified its military activity near the Finnish border. This involves more frequent violations of Finnish airspace, military exercises with offensive scenarios and the reactivation of the mechanised brigade in Alakurtti (around 3,600 soldiers 50 km away from the Finnish border). Russia is thus demonstrating its capabilities to use military force in order to counteract Finland’s potential accession to NATO, wishing to increase Helsinki’s uncertainty about the consequences of its possible decision to apply for NATO membership.

Russia can influence Finland in other than military terms in many ways. Firstly, the length of the Finnish-Russia border (1,300 km) allows for that. In late 2015/early 2016, Russia tried to escalate the migration crisis in Finland (the unprecedented influx of migrants from the Middle East) by opening and controlling the Arctic migration route on the Finnish-Russian border in the Lapland region. This was aimed at manifesting its capabilities of destabilising the internal situation in Finland and forcing the Finnish side to become engaged in bilateral talks to resolve the migration issue without the participation of EU institutions.

Secondly, Russia has employed economic instruments. Counter-sanctions imposed by Russia on the EU resulted in establishing an interest group in Finland lobbying for EU-Russia relations to be normalised. The Kremlin’s actions to this effect have been unsuccessful and have failed to influence the Finnish government to call for an end to the EU sanctions on Russia. In the broader context, Russia wants to structure co-operation with Finland by building economic dependencies that will make it possible to influence Helsinki’s decision-making processes. One example is the Russian-Finnish energy co-operation

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the Finnish import of Russian oil and gas, and Russian investments in the nuclear power sector in Finland (planned construction of a nuclear reactor in Pyhäjoki by Rosatom).

Thirdly, Russia has launched disinformation campaigns against Finland. These are intended at undermining the credibility of the Finnish security policy towards Finland’s partners from the region and from the West. Representatives of the Russian government and the Russian media at times present Finland as a neutral state which has ‘special relations’ with Moscow, and at others as a militarising state or one entering into secret military deals with NATO and the US. One example was the information published in 2015 that the Finnish government was making preparations to mobilise one million reservists – in fact the Finnish armed forces were updating their database of 900,000 reserve soldiers, reminding them of their wartime duties. The Kremlin’s information warfare is also targeted at the Finnish society. Russia wants to diminish public confidence in the Finnish government and the EU by stimulating anti-immigrant sentiments or by spreading false information about the situation in the Donbass. Moscow also aims to undermine Finland’s co-operation with the alliance and the US by claiming that the re-arming of Russian units stationed close to the Finnish borders is a reaction to the intensification of Finland’s co-operation with NATO or by presenting the US-led coalition’s operations in Syria and Iraq (where Finnish soldiers are deployed) in a bad light. Moreover, incidents have been reported in Finland about Finnish journalists writing about the Kremlin’s information warfare being intimidated by unidentified perpetrators.

Russia actions targeting Finland additionally motivate Helsinki to pursue closer co-operation with NATO and at the same time are the main reason for refraining from joining the alliance. Russian confrontational approach towards the West and in the Baltic Sea region make even pro-NATO politicians in Finland claim that an application for NATO membership at present would provoke excessive tension. Opponents of NATO accession view the Russian pressure on Finland as a confirmation of their arguments. However, the impact of Russian propaganda on public opinion in Finland and other Nordic states should not be overestimated. Russian disinformation campaigns have not caused any substantial change in public opinion, though they still contribute to strengthening the existing divisions.

Finland has been working on adequate responses to the threats and challenges posed by Russia. It has introduced changes in the armed forces to be better prepared for possible military provocations from Russia (improving the speed
of mobilising the reserves and establishing high readiness units in the land forces). Finland has also increased the quantity of rehearsal exercises for reservists, and has announced an increase in wartime size of the armed forces from present 230,000 to 280,000. Finland has also lobbied for an EU expert centre to counter hybrid warfare to be created in Helsinki in order to strengthen EU co-operation in this area. Furthermore, Finland has been scrutinising the purchase of real estate by individuals and companies from Russia, since many of them are located close to facilities of military significance and may be used by Russia to hinder the mobilisation of the Finnish armed forces in the case of conflict.

At the same time, Finland views Russia not only as a source of threats and challenges but also of economic and political opportunities. On the one hand, it is about imports of cheap Russian oil and gas and Finnish exports to the Russian market. On the other, Finland wants the EU and the USA to maintain dialogue with Russia in the ‘Helsinki spirit’ and has put itself forward for the role of mediator in this dialogue. Subsequent Finnish governments, regardless of the government coalition, have made efforts to maintain good relations with Moscow and have expressed a readiness to solve problems in bilateral talks and pragmatic co-operation in selected areas (trade unaffected by sanctions, the energy sector, cross-border co-operation and combating organised crime).
IV. CONCLUSIONS AND POSSIBLE SCENARIOS

1. The limitations and consequences of enhancing co-operation with NATO

Sweden and Finland will make efforts in the coming years to enhance political and military co-operation with NATO regardless of how the domestic discussions on accession develop. Analysts from both countries have made far-reaching proposals for strengthening co-operation with NATO.

Swedish analysts have appealed for: more advanced co-operation as regards situational awareness, including through exchange of intelligence data; strengthening the Swedish and Finnish presence in NATO’s command structure; exploring the possibilities of co-operation in the initial phases of NATO’s operational planning, in particular, as regards counteracting Russia’s anti-access/area denial capabilities; and developing political consultation mechanisms with partners in case of crisis and conflict situations preceding NATO’s activation of Article 4 or Article 5\(^\text{23}\). Finnish analysts have supported: expanding the format of the 28+2 meetings to a level lower than ministerial; creating a common early warning system in the region; including Sweden and Finland in NATO’s exercises already in the planning phase; stronger participation of the two countries in the headquarters of the Multinational Corps Northeast (MNC NE) in Szczecin; and the establishment of NATO force integration units in Stockholm and Helsinki to coordinate military interactions between NATO and the two countries which would be similar to those operating in the NATO members on the eastern flank\(^\text{24}\). Other proposals concern Sweden’s and Finland’s participation in exercises of those components of NATO Response Forces (i.e. VJTF and IFFG) to which the two countries have not so far had access; holding large NATO exercises in Finland and Sweden; and access for both countries to the NATO Integrated Air Defence System (NATINADS)\(^\text{25}\).


(1) The fact that Sweden and Finland are non-aligned will be an increasingly stronger impediment to enhancing their co-operation with NATO.

At present, both countries co-operate with NATO so closely that further enhancement of this co-operation would mean they would be teetering on the edge of membership. Since NATO’s activity in the region is increasingly linked with collective defence, this causes controversies both among its member states and in Sweden and Finland. Therefore, it will be necessary to find ways to further develop political and military co-operation that will contribute to improving security in the region while maintaining a clear line between NATO members and non-members. One example could be the participation of Swedish and Finnish military units in exercises of NATO’s Very High Readiness Joint Task Force (VJTF) or battalion-size battlegroups in Poland and the Baltic states, without the formal participation of the two countries in these units or in their operational planning.

(2) On the one hand Sweden and Finland’s ever closer co-operation with NATO has had positive consequences for regional security, while on the other it has adversely affected both countries’ security policies.

The ever closer co-operation with NATO and the USA makes a section of the Swedish political elite believe that Sweden does not need the controversial membership in the alliance because it is covered by NATO’s security guarantees to a certain extent anyway. Stockholm is increasingly convinced that defence of the Swedish strategic infrastructure and regions is in NATO’s interest. This conviction has been influenced by discussions concerning the strategic role of Gotland. If Russia occupied the island and deployed long-range air and coastal defence systems there, it would gain air and maritime superiority over NATO’s forces in the region. Similarly, the discussions about the need to use Sweden’s military infrastructure (air and naval bases) in NATO’s operations aimed at defending the Baltic states strengthen this way of thinking. Deepening co-operation with NATO and the US is thus believed to be sufficient to guarantee security to Sweden and a move that allows to avoid the politically inconvenient public debate on actual membership inside the Swedish Social Democratic Party. Nor does the Swedish government feel obliged to significantly increase the country’s military expenditure – the defence budget is still given lower priority than some other issues. Sweden’s military expenditure is currently at a level of US$6.5 billion, i.e. 1.1% of GDP (2015)\textsuperscript{26} – and it is expected to grow only slightly in the coming years.

\textsuperscript{26} Data from SIPRI in Constant (2014) USD, SIPRI Military Expenditure Database, https://www.sipri.org/databases/milex
Deepening co-operation and keeping the option to seek NATO membership are in turn treated in Finland to a great extent as an element of the deterrence policy towards Russia. The fact that subsequent Finnish cabinets have stuck to the principle of not ruling out NATO membership is a signal to the Kremlin rather than a political option: were hostile measures to be taken against Finland, it could revise its security policy and decide to join the alliance. The intensification of military co-operation with NATO or bilateral co-operation with Sweden and the US is treated in Helsinki partly as an alternative to increasing defence expenditure. Finland’s defence budget is around US$3.5 billion, i.e. 1.3% of GDP (2015). Finland’s military expenditure is the lowest among the Nordic states, which is partly a result of a lower GDP and the economic stagnation. The centre-right government led by Prime Minister Sipilä excluded defence expenditure from the governmental austerity policy, but it is still stagnant, and repeated promises to raise its level have not been kept. Its level in 2017 will be slightly lower than in 2016 despite the government’s plans to increase the defence budget by 2019.

(3) The ever closer co-operation of Sweden and Finland with NATO does not eliminate the uncertainty about the scope of their co-operation with NATO in the case of a military conflict in the region.

Sweden, given its geographic location, would most likely become automatically engaged in a conflict between Russia and NATO, and would find it difficult to avoid political and military co-operation with the alliance. Stockholm would most likely make the Swedish military infrastructure, territory, airspace and territorial waters available for NATO’s needs. However, due to insufficient military capabilities, the activity of the Swedish armed forces would rather be limited to defending their country’s territory, securing sea routes, operations in Swedish and international airspace and to collaboration with NATO forces in these fields.

Finland would make efforts to remain outside the theatre of operations. Most likely, it would want to avoid providing NATO with access to Finnish air and naval bases. Helsinki would most likely limit its co-operation with NATO to information exchange and securing maritime transport routes to ensure the security of supplies. Finland would focus on defending its own territory to prevent Russia from using it to launch an operation against NATO in the region.

27 See above.
Helsinki would make efforts to avoid a situation in which Finnish armed forces would be used for tasks other than those directly linked with defending the territory of Finland.

2. Membership perspective and domestic politics

Sweden and Finland appear unlikely to apply for NATO membership at present and in the coming years. The key decisions in foreign and security policy in both countries are consensus based – they need extensive political and public support. In controversial cases, any change of course is preceded by long and thorough discussions, which makes quick changes unlikely.

For Sweden to decide to join NATO, the Social Democrats would have to change their stance. The majority of the party currently wants the government to continue its non-alignment policy, although some well-known but already less active party members are voicing support for accession\(^28\). If, after the parliamentary election in 2018, the government is again formed by the Social Democrats and the Greens with support from the Left Party, the present policy will most likely be continued, given the strong objection to NATO membership manifested by the latter two parties. If, however, the government coalition is formed by the pro-NATO conservative bloc, the Social Democrats may change their stance. The “pragmatists” within the Swedish Social Democrats (including Prime Minister Stefan Löfven and Minister of Defence Peter Hultqvist) may be willing to revise their stance should the security situation and arguments in the debate change and if the “ideologists” faction (represented by the Minister of Foreign Affairs Margot Wallström) weakens. If Sweden were to make the decision, it would consult it with Finland, but it will not make its accession dependent on the Finnish government’s decision to join NATO\(^29\). Holding a referendum on NATO membership would be a political necessity in Sweden.

It is unlikely that most political parties will change their stance and that public support for NATO accession will grow in Finland. Support for left-wing parties is growing (while the approval ratings of the nationalist Finns


Party are plummeting) due to the unpopular austerity policy adopted by the centre-right government. According to most recent polls, it is difficult to imagine a government after the parliamentary election in 2019 without the Social Democrats. They, in turn, are opposed to NATO accession and want to balance strengthening military co-operation with NATO and maintaining good relations with Russia (just like the Centre Party currently in government). Given the tense relations between Moscow and the West, even the two pro-NATO groupings (the National Coalition and the Swedish People’s Party) are not appealing for NATO accession in the immediate future. The situation might change if Sweden applies for membership – almost all parties have reserved the possibility to change their stance should Sweden decides to join NATO. In this case Finland would fear that it might find itself in a buffer zone between NATO and Russia in the Nordic-Baltic region. In Finland, as with Sweden, a referendum concerning this issue would be required politically.

3. The Trump Administration – a challenge for Stockholm and Helsinki

Switzerland Sweden and Finland’s security strategies may be affected by the policy of the new US administration. If President Donald Trump introduces a ‘reset’ policy in relations with Russia, its consequences may be felt by Sweden and Finland remaining outside NATO. The ‘reset’ might include limiting US military relations with Stockholm and Helsinki, and probably also an unwillingness to potentially accept the two states as NATO members. That would pose an enormous challenge to the two countries and would force them to change their respective security and defence policies.

Sweden has viewed the deepening of relations with the USA as one of the pillars of its present security strategy. If the US revises its engagement in the Nordic-Baltic region and limits bilateral co-operation, this may provide a stimulus for increasing defence expenditure, intensifying military co-operation with Finland and deepening relations with the largest countries in the Nordic-Baltic region – the United Kingdom, Germany and Poland. The potential restriction of US-Swedish military co-operation may also provide a new impulse in the discussion on NATO membership, unless the Trump administration opposes accession. This would offer an additional argument to the conservative supporters of NATO membership. Given that NATO is a multilateral organisation, co-operation and security guarantees within the alliance would be much more reliable than counting on bilateral relations with the USA, dependent on post-election changes. However, President Donald Trump’s ‘waywardness’ is used as
an equally strong argument by those who are opposed to Sweden’s accession to NATO, an organisation in which the USA predominates.

The scenario in which the USA would attach less and less significance to NATO’s ‘open door’ policy is potentially the greatest challenge for Finland. Helsinki needs a credible option to seek NATO membership not only to discourage Russia from taking hostile actions towards it but also to emphasise that it belongs to the Western world and not to the Russian ‘near abroad’. If the US engagement in the Baltic Sea region reduces, Finland would also be ready to intensify its cooperation with Sweden. Some political parties (for example, the Finns Party) may make attempts to use the new international context to struggle for a larger defence budget. A potential reset in US-Russia relations might be used by Finland as a pretext for improving relations with Moscow, in particular in trade. If the option of membership remains open, the continuation of Donald Trump’s rhetoric conditioning US security guarantees for the allies and the pressure on increasing defence expenditure in Europe will adversely affect public and partly political support for Finland’s NATO accession.

This paper was completed in January 2017
## APPENDIX 1. SWEDISH AND FINNISH POLITICAL PARTIES ON NATO MEMBERSHIP

<table>
<thead>
<tr>
<th>Political party</th>
<th>September 2014 election</th>
<th>November 2016 polls</th>
<th>Attitude to NATO membership</th>
<th>Attitude to military co-operation with NATO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Democratic Party (government coalition)</td>
<td>31%</td>
<td>29.2%</td>
<td>Against</td>
<td>In favour of deepening co-operation</td>
</tr>
<tr>
<td>Green Party (government coalition)</td>
<td>6.9%</td>
<td>4.5%</td>
<td>Against</td>
<td>Limited co-operation with NATO, against HNS</td>
</tr>
<tr>
<td>Left Party (outside the government coalition)</td>
<td>5.7%</td>
<td>7.7%</td>
<td>Against</td>
<td>Against co-operation</td>
</tr>
<tr>
<td>Moderate Party (opposition)</td>
<td>23.3%</td>
<td>22.8%</td>
<td>For</td>
<td>In favour of deepening co-operation</td>
</tr>
<tr>
<td>Liberals (opposition)</td>
<td>5.4%</td>
<td>5%</td>
<td>For</td>
<td>In favour of deepening co-operation</td>
</tr>
<tr>
<td>Christian Democrats (opposition)</td>
<td>4.6%</td>
<td>3.1%</td>
<td>For</td>
<td>In favour of deepening co-operation</td>
</tr>
<tr>
<td>Centre Party (opposition)</td>
<td>6.1%</td>
<td>7.1%</td>
<td>For</td>
<td>In favour of deepening co-operation</td>
</tr>
<tr>
<td>Sweden Democrats (opposition)</td>
<td>12.9%</td>
<td>17.5%</td>
<td>Against; unofficial discussions inside the party on changing the stance</td>
<td>Co-operation with NATO as part of PfP</td>
</tr>
</tbody>
</table>

## Finland

<table>
<thead>
<tr>
<th>Political party</th>
<th>April 2015 election</th>
<th>November 2016 polls</th>
<th>Attitude to NATO membership</th>
<th>Attitude to co-operation with NATO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centre Party (government coalition)</td>
<td>21.1%</td>
<td>19.6%</td>
<td>Against; may revise its stance if Sweden joins NATO</td>
<td>In favour of deepening co-operation</td>
</tr>
<tr>
<td>National Coalition Party (government coalition)</td>
<td>18.2%</td>
<td>18.8%</td>
<td>For; Finland should apply for membership in the coming years</td>
<td>In favour of deepening co-operation</td>
</tr>
<tr>
<td>Finns Party (government coalition)</td>
<td>17.65%</td>
<td>8.5%</td>
<td>Against; may revise its stance if Sweden joins NATO</td>
<td>In favour of deepening co-operation</td>
</tr>
<tr>
<td>Social Democratic Party (opposition)</td>
<td>16.51%</td>
<td>21.2%</td>
<td>Against; may revise its stance if Sweden joins NATO</td>
<td>Co-operation with NATO as part of PfP</td>
</tr>
<tr>
<td>Green League (opposition)</td>
<td>8.53%</td>
<td>13.6%</td>
<td>Against; may revise its stance if Sweden joins NATO</td>
<td>In favour of deepening co-operation</td>
</tr>
<tr>
<td>Left Alliance (opposition)</td>
<td>7.13%</td>
<td>8.7%</td>
<td>Against; regardless of Sweden’s stance</td>
<td>Against, also against HNS agreement</td>
</tr>
<tr>
<td>Swedish People’s Party (opposition)</td>
<td>4.88%</td>
<td>4.0%</td>
<td>For; Finland should join NATO by 2025</td>
<td>In favour of deepening co-operation</td>
</tr>
<tr>
<td>Christian Democrats (opposition)</td>
<td>3.54%</td>
<td>3.4%</td>
<td>Against; may revise its stance if Sweden joins NATO</td>
<td>In favour of deepening co-operation</td>
</tr>
</tbody>
</table>

**Source:** SDP leads in Yle poll, YLE, 3 November 2016, http://yle.fi/uutiset/osasto/news/sdp_leads_in_yle_poll/9270027
**APPENDIX 2. SUPPORT FOR NATO MEMBERSHIP AMONG POLITICAL PARTIES’ ELECTORATES IN SWEDEN AND FINLAND**

Support for NATO membership among political parties’ electorate in Sweden

<table>
<thead>
<tr>
<th>Party</th>
<th>For membership</th>
<th>Undecided</th>
<th>Against membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population as a whole</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moderate Party</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Centre Party</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Christian Democrats</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liberals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sweden Democrats</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Democrats</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green Party</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Left Party</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Support for NATO membership among political parties’ electorates in Finland

<table>
<thead>
<tr>
<th>Party</th>
<th>For membership</th>
<th>Undecided</th>
<th>Against membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population as a whole</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Centre Party</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finns Party</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Coalition Party</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Democratic Party</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green League</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Left Alliance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other parties</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

APPENDIX 3. MILITARY EXPENDITURE IN SWEDEN AND FINLAND

Military expenditure in Sweden and Finland in 2004-2015 in US$ billions (according to SIPRI)

![Graph showing military expenditure in Sweden and Finland from 2004 to 2015 in US$ billions.]


Military expenditure in Sweden and Finland in 2004-2015 as a percentage of GDP (according to SIPRI)

![Graph showing military expenditure as a percentage of GDP in Sweden and Finland from 2004 to 2015.]