
Part I

Institutional and national politics

Editor's remarks

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Part I of this book sheds some light on the different institutional and national policies of four Nordic countries: Denmark, Finland, Norway and Sweden (Iceland is considered in part IV). It focuses on their relations with the European Union and with the North Atlantic Treaty Organization, in terms of institutional affiliation; and on their policies towards world events and the development of these two institutions, primarily the EU. The authors of the chapters in this part explain the policies of the four larger Nordic countries in terms of certain characteristics inherent in these countries, but also as a result of external events that affect them and all European states. Two chapters explore the domestic political scene as a source for explanations of particular 'Nordic' policies, as well as for those of individual Nordic countries.

Since the 1990s, the EU has gone through an amazing process of change. This has perhaps been most evident in the field of security, an area that many would have thought the least likely to be at the forefront of development. The increasing build-up of military capabilities and the start-up of joint agencies and operations, new global ambitions, agreements on how to meet threats within a wider spectrum of civil–military management and, not least, the European Security Strategy of 2003 are only some of the achievements of the EU. At the same time, one of the most serious conundrums regarding transatlantic cooperation has been solved through the 'Berlin Plus' arrangements of December 2003.

The discussions in the European Convention in 2002–2003 and in the Intergovernmental Conference of 2003–2004 that led to the Treaty Establishing a Constitution for Europe also demonstrated a growth of reciprocal commitment within the EU. The new 'solidarity clause' in the Constitutional Treaty, relating primarily to terrorist attacks, and the clause on mutual support in the event that a member state is attacked were among the signs of this.

At the same time, there have been indications and developments that call into question the future smooth development of security-related commitments under the leadership of European institutions. One source of concern is the collapse of the ratification process for the Constitutional Treaty during 2005. Obviously, large sections of the European population find themselves uneasy with the direction or speed of European development. The rift between the grassroots and the elite needs to be healed if the European project is to pick up speed again. Regardless of whether various clauses of the Constitutional Treaty may be salvaged through agreements among governments in a 'cherry-picking' process, the European project is in danger without solid popular support.

Another problematic sign is the fact that European institutions as such have lost influence in comparison with individual states. This is not surprising: as institutions grow larger, it becomes increasingly inconvenient to pursue key discussions when all member states are present. Limiting important deliberations to a smaller group of large member states is not a new phenomenon but has become more common, not least within NATO. Unilateralism by the USA is heavily criticized by other NATO members, but it represents only the end of an expanding spectrum of flexibility in the geometry of cooperation among member states.

Where do the Nordic countries come into this process of evolving European patterns and policies? Seemingly, very little has changed. Long after the fall of the Berlin Wall, Finland and Sweden are still not members of NATO; Norway is outside the EU; and Denmark retains its opt-outs from certain EU policies, including common defence activity. Thus, in one or more ways, all these nations stand outside core cooperation in Europe. Other unsatisfied expectations concern the Nordic countries themselves. The Nordic region is not only easy to delimit but is also characterized by similarity and a sense of closeness among them. Yet the natural expectation that their policies will be pursued jointly or in coordination, within or outside institutions, has never been fulfilled.

This part of the book goes beyond these easily established patterns to examine what, if any, development has taken place and what might distinguish the Nordic countries from each other in their attitudes and their policies. The present remarks, which briefly summarize the chapters of this part, also speculate on what might be the future for Nordic policy.

Nordic reactions: institutional relations and new policies

Klaus Carsten Pedersen, in his chapter on Denmark and the European Security and Defence Policy, addresses the particularly intriguing issue of Danish policies vis-à-vis the EU, in order to explain what caused and has maintained the Danish security opt-out.

The four Danish opt-outs are said to have originated as emergency tools to permit Denmark to accept the 1992 Treaty of Maastricht, which was in doubt as a consequence of the Social Democratic Party's policy during the 1980s. Today, Carsten Pedersen claims, neither the Danish Government nor the general public support retention of the security opt-out. In spite of this, it is hard to relieve Denmark of these restrictions: in the referendum that is required before the opt-outs can be abandoned, the security opt-out may have to be bundled together with other, less unpopular, opt-outs and the majority for abandoning them might therefore not be secured.

The result, as Carsten Pedersen sees it, of the continued existence of the opt-outs may have been a policy of compensation in which Denmark has become more assertive in security and defence matters and prone to include 'hard' power methods. However, since this takes place only within NATO, there is still a barrier to real Danish influence in the EU. The Danish policy of close alignment with US policy, which may be a means to compensate for this lack of influence, is seen as unlikely to have given Denmark any influence on policies.

Carsten Pedersen sees an increased degree of Nordic cooperation as a possibility for the future. In order for Nordic cooperation to pick up a real momentum, however, nothing less than full membership of both NATO and the EU by all the countries, with no opt-outs, is necessary. For the first time, he claims, this is a real possibility, with no external factors working against it.

Teija Tiilikainen writes in her chapter of the widened range of Nordic cooperation as one important consequence of the post-cold war era. Her crucial point, however, is the effect that the development of the EU has had in not only dividing the five Nordic countries into EU insiders and outsiders, but also dividing the three insiders—Denmark, Finland and Sweden—on the basis of their general EU policy. The particular issue that she cites is the division of labour envisaged between the EU and NATO, on

which the various countries hold views that both reflect and affect their mainly European or mainly Atlanticist orientation.

Tiilikainen mentions a number of factors that influence the Nordic countries' initial choices of institutional affiliation and policies. These include historical identities; a state-centric political culture emanating from a Lutheran background; and policies characteristic of small nations. While still to a degree depending on such root causes (some of which are similar across the Nordic region), the development of the past few years has affected the Nordic countries in different ways, with Denmark and Finland representing the two extremes and Norway, paradoxically, seeming to be less critical of the EU's security policy than Denmark. These two contrasts are illustrated by the attitude to integration displayed by the Danish opt-outs from EU integration on the one hand and, on the other, the Finnish attitude that it is necessary to be represented in all forums, which led Finland to see the introduction of the euro as a primarily political issue.

The factors that originally led Nordic countries to stay outside or join organizations are still there. For Norway, for example—as argued by Tiilikainen—the arguments against the EU have been related more to economic than to security factors; this explains how security considerations have been able to steer Norway's active approach to the ESDP. Tiilikainen also makes a distinction between Sweden, whose experiences of neutrality and non-alignment have been positive, and Finland, with the opposite experience during the 20th century. Finland's reasons for joining the EU were thus primarily security-related, whereas Sweden's were heavily motivated by economic factors. A more sceptical attitude to integration in general also means that Swedish policy is not as overtly European in expression as is Finnish policy. This was seen, Tiilikainen notes, also in the discussions in the European Convention and in the Intergovernmental Conference, notably in the relative ease with which Finland was able to adjust to the changes implicit in the new provisions. She foresees, however, that the Finnish emphasis on territorial defence may be a hurdle to further integration in this field while for Sweden it is the value placed on national solutions that would be the major problem.

An important distinction made by Tiilikainen is between institutional issues and military capabilities, the latter giving individual countries the possibility to engage in various activities that help compensate for their lack of institutional membership. The fact of adherence or non-adherence to organizations still means a lot, however. The deactivation of the Western European Union deprived Norway of an important link between the EU and NATO. Also, as seen by Tiilikainen, the Danish attitude towards integration made NATO Denmark's preferred organization and the weakening of NATO as a European security actor in relation to the EU has therefore especially affected Denmark.

Generally, NATO has been an important organization for all the Nordic countries. Even the non-members Finland and Sweden, in their initial reactions to the 1998 Franco-British St Malo Declaration, which sowed the seeds of the ESDP, emphasized the need to maintain NATO's role and status by avoiding duplication by the EU of the military means already provided by NATO. Tiilikainen, however, emphasizes the development towards Europeanization that has since taken place for these two countries—and more so for Finland than for Sweden, she argues.

In the chapter commenting on Tiilikainen's analysis, the present author has taken as starting points the strength of the impact of external factors and external events on

Europe, and its importance in particular for the Nordic countries. Given the small size of these countries, their policies have largely constituted reactions to events and to the policies of larger states. Partly because of this, the present author sees the individual differences among them as being smaller than Tiilikainen does. Geography—their location in a strategically important area—is one of the explanations for Denmark's and Norway's institutional choices but has been a vital factor behind the Atlanticism of Finland and Sweden as well.

A number of other factors, apart from those related to countries' general European leanings, may be cited to explain the increased Europeanization that has taken place in Nordic policies. One is the vast range of suitable means available to the EU but not to NATO for securing stability in Europe—against Europe's own sources of instability as well as global threats, such as those related to the events of 11 September 2001. US unilateralism and the tendency to let 'the mission determine the coalition' (see the introduction to this volume) has been seen as a wake-up call for all European countries but is especially damaging for small countries that are unlikely to form part of such favoured groups.

Other sources of the policies pursued by the different countries also show a pattern of greater complexity. The useful distinction that Tiilikainen makes between institutions and capabilities (including activities), when applied to the Nordic countries, gives a differentiated picture of the countries and their attitudes. Using this distinction, Finnish policies are seen to be in some ways less inhibited in EU matters, whereas in other respects Finland has reservations that are not shared by Sweden.

Domestic processes

Domestic factors are commonly seen to be important for the formation of Nordic foreign and security policies, and Lee Miles analyses this particular relationship. A number of features characterize all the three countries he looks at—the Nordic EU members Denmark, Finland and Sweden—and contribute to shaping their policies. One of these is the high degree of internationalization of their external agendas, with the United Nations holding a legitimizing role. Another is the importance that the concept of 'Norden' (i.e., 'the North') retains for them and their view of the effects on this region of the strategic changes that have taken place. A further common point is their belief that territorial defence considerations should be complemented by those of 'soft' security. A fourth is their resistance to a trend of development towards a federal Europe. Finally, the three countries are all characterized by a division between elites and the grassroots, with the latter being stronger believers in the countries' respective traditional policies of non-alignment or Atlanticism.

Miles finds that the 'fusion' theory of Wolfgang Wessels is helpful in explaining how the national political elites of, on the one hand, the NATO member Denmark and, on the other hand, the non-aligned Finland and Sweden view and value the merits of participation in the ESDP.

National policy makers, according to Miles, see integration in three different but complementary forms. The first, *performance fusion*, reflects the view that integration is motivated by the incremental effectiveness it gives the nation state in achieving its goals. The model of performance fusion can be applied to Finland and Sweden, according to Miles, given that during the 1990s the two adopted a less doctrinal and more performance-related way of evaluating their institutional affiliation. It applies to Den-

mark as well since its domestic perspective also has a performance-related element, albeit more difficult to put into practice because of the Danish opt-outs.

The second model is *political fusion*, according to which domestic actors view integration as a third way between intergovernmentalism, with its lack of efficiency caused by the need for unanimity, and full federalism. In contrast to federalism, integration is seen to have an open *finalité politique* and is not so much constitution-oriented. The idea of political fusion applies to Finland and Sweden to the extent that these two countries see the need for multinational frameworks in crisis management. Both, however, remain cautious about a development that might lead to common defence structures or to intensified cooperation among the larger EU states without transparency or permission for all to join. In the same way, writes Miles, a new supranational EU is what most Danish political actors want when they seek to abolish the opt-outs. However, the Atlanticism of the Danish public serves as an impediment to such a change of policy.

The third and last form of integration is *compound fusion*, according to which the Union is seen as a state-like system, working alongside states rather than replacing them and with no strict division between the two. This third vision fits the views of the two non-aligned countries, in that they believe crisis management is best handled by institutions which have a none-too-clear division of competences between them and with room to introduce new elements such as 'societal defence'. The Nordic tradition tends towards engagement in these processes, when possible, whereas previous reliance on the (essentially intergovernmental) Atlantic framework has waned somewhat as a consequence of US unilateralism. For the Danish elite as well as the Danish public—both interested in a strong role for civilian crisis management—compound fusion is also an attractive solution. However, the Danish opt-outs again create a problem and Danish efforts have therefore primarily been undertaken in NATO.

Miles concludes that Nordic domestic actors have a shared preference for seeking an effective framework for European security and crisis management, based on selective supranationalism. This suggests a compound status for the ESDP, which is in fact very much what exists today—a mixture of national and EU personnel, EU and non-EU roles, and EU–NATO processes.

Cynthia Kite, in her commentary on Miles' chapter, adds to his analysis a number of other domestic factors such as who has the power to decide EU policies; the party systems; the party configurations of the government coalitions and their parliamentary alliances; as well as the degree of Europeanization of the various party organizations. She also brings up several important similarities and differences between Denmark, Finland, Norway and Sweden. She describes opposition to EU membership as having been traditionally on the left of the political spectrum, with the strongest support for membership among the elite. In Finland, Norway and Sweden a clear geographical centre–periphery split on this issue has also been apparent.

Among the three EU members, Denmark is more positive than Finland and Sweden to the EU—a fact which Kite sees as partly explained by the economic benefits that Denmark reaps from membership. Another reason she offers is that the Danish Parliament's European Affairs Committee has more wide-ranging opportunities to determine EU policy than its counterparts in Finland and Sweden, since it has the right to give ministers binding instructions. Furthermore, there are more demanding rules in Denmark for submitting EU-related issues to referendums than there are in Finland and Sweden. It is interesting that these devices, which were introduced partly to placate

Euro-sceptics at the time of accession, have made Danish membership more politically 'comfortable' in the decades since. The instinctively more directive style of Swedish and, especially, Finnish leaders may, by contrast, open them to ambushes from public opinion—as in 2003 with the failed Swedish referendum on adopting the euro—and to the strands of anti-EU and anti-government sentiment becoming intertwined.

As noted above, in the Nordic countries there are no differences between elite and grassroots when it comes to such elements as support for joint humanitarian actions and crisis management tasks. The problem is rather the issue of collective defence. Perhaps the Finnish Government, which has thus far been able to act with less attention to domestic scepticism, will be able to take this important step more easily as and when required than will any of the others. The Swedish Government, on the other hand, would be heavily dependent on a firm cross-party majority for a change. The problem for Sweden, as Kite sees it, is that the apparently comfortable compromise of being able to opt in or out as it wishes on security-related issues may not be optimal either, because it would make it impossible for Sweden to claim a place at the core of the EU.

In conclusion

Different perceptions of the Nordic countries' place in the evolution of ESDP are possible. One impression may be that there is little sign of change: Norway is still outside the EU, Denmark retains its opt-outs, and Finland and Sweden are still non-aligned. In contrast, the chapters in this part—while recognizing that popular attitudes remain divided—see much that has changed in these countries' ways of relating to the changes in Europe. One possible reason for the different readings is that, in general, Nordic countries attribute less importance to institutional membership as such. This can also be seen in the fact that the formal status of non-alignment has become less and less associated with security; the answer to the question of why the Finnish and Swedish populations remain so attached to it must be sought in other factors, such as identity.

Another possible reason is the Nordic view that organizations can and should complement each other—an approach arising not least from the fact that they have all traditionally been Atlanticists, whether in NATO or not. Unable or unwilling to change their institutional affiliations, they have treated the organizations to which they do not belong as good partners for cooperation. A third explanation is that the Nordic countries have been allowed to take part in new defence and security activities, both within organizations to which they belong and in cooperation with others, without any major differences in working procedures depending upon the formal institutional memberships.

Active participation in this style has come to be seen by the Nordic elites not only as a necessary but also as a legitimate way to demonstrate their loyalty to the European Union. Loyal participation in preventing and combating crises in Europe is seen as a way both to defend Nordic interests and to contribute to the security of others. Furthermore, civilian crisis management, a strong Nordic cause, has now also been accepted by those member states that initially focused only on the military dimension.

This type of loyalty to the EU in no way conflicts with the Nordic countries' traditional allegiance to the UN. The two complement each other, with the UN as the naturally superior organization, against whose wishes nothing should be done. For the Nordic countries the EU cannot replace the UN as a legitimizing organization, and much less can individual members of the EU.

The Europeanization process that is reflected in all the chapters of this part is thus taking place, as the Nordic countries see it, in a framework which the EU will not dominate. This does not exclude the growth of an increasing sense of European closeness, based on rational calculations—such as those embodied in Miles' concept of performance fusion—which will also lead in the direction of increased integration over time. To take just one instance, Sweden's declaration in 2004 that it was hard to imagine that it would be neutral in case of an attack against an EU country is a big step for a non-aligned country. Finland's policy formulations have been similarly far-reaching on many occasions; and the same goes for a number of Danish politicians who are eager to abandon the opt-outs.

These genuinely important developments may, however, still be far less far-reaching than others in Europe would and will expect. As Alyson Bailes writes in her introduction to this volume, the ESDP might at any time take a *fuite en avant*, led by countries that are more used to federalist ideology (or to the practice of collective defence) and would see such a development as natural. The question is under what conditions the Nordic policies might change to accommodate to this.

Some factors are already problematic for the Nordic approaches. For example, the procedure of compensating for lack of institutional involvement by engagement in activity works better for a large country like the United Kingdom, whose military resources are very large. A small country might contribute proportionately more in terms of its own overall security capacities without anyone noticing, whereby the message and the intended balancing effect are lost.

Another factor that might make Nordic countries prone to change their policies is the fact that institutional membership for small countries might be seen as a necessity for influence. All the Nordic countries, being internationally minded, are eager to have an impact in the world. To the extent that this is denied to institutional 'outsiders', they will be increasingly motivated to join in 'core' and 'mainstream' processes. However, the propensity to join for this reason is lessened by the awareness of the fact that, in today's world, influence is related more to size than to membership.

Furthermore, it is possible to imagine an external event of a kind that would make it advantageous for the non-aligned to join NATO, for Denmark to abandon its opt-outs or for Norway to join the EU. Much of Europe's progress in general has been spurred by unexpected happenings. Nordic positions at present might seem to be fairly well cemented: but just as the Nordic countries have continuously adjusted to events and developments thus far—if not in institutional affiliations, then very often in policy terms—they will most likely do so again, should unexpected events demonstrate the need for it.

As seen from the Nordic countries, the EU and Europe are—in Miles' terminology—the results of compound fusion, involving institutions and countries working alongside each other. The Nordic countries do not see the EU as a monolith of countries united in a common approach to all issues. Austria and Ireland also remain non-aligned; the UK is outside the Eurozone and this is not likely to change for some time; and France and Germany are among the countries that do not fulfil the criteria of the Stability and Growth Pact. The heterogeneity is vast also among those considered to be in the core of the EU, and all countries have their blemishes.

As an overall conclusion, it can be posited that any move by the Nordic countries towards more integrationist policies will stem from two particular developments: a rational decision-making process based on concern about lack of influence; and a

slowly growing, subjective attraction to more demanding obligations based on a strengthened feeling for Europe as a unity. Regardless of the precise reasons, any such steps would need to be taken with great caution, as befitting small states that have much to lose if the EU is dominated by a group of larger ones. The Nordic countries will certainly continue to watch closely whether other countries are abiding by the rules and reacting strongly against breaches of them.

It is also possible that individual Nordic countries will take steps in one direction or another without the others following. This was the rule rather than the exception in the past. Nordic cooperation, while always reflecting an aspiration among decision makers and the populations at large, has never been these states' first priority. Nordic countries will also continue to differ in the extent to which they will need to rely on popular consent. Even so, in today's circumstances there can be no more pressing task for all member states of the EU than to consolidate their popular support. A strong Europe needs not only leadership but also, and above all, the wide support of its citizens—and the Nordic region can be no exception.