

Nordic-Baltic Security, Germany and NATO

The Baltic Sea Region Is a Test Case for European Security

Claudia Major and Alicia von Voss

The countries around the Baltic Sea are among Europe's frontline states affected by the conflict between Russia and western Europe. The Baltics and Nordics share a common concern about a revisionist, aggressive, and rearming Russia: Since the onset of the crisis in and around Ukraine in 2014, these countries have felt increasingly exposed to Russian military and non-military intimidation. Currently, they can neither defend nor maintain regional security by themselves: Their capacities are limited and their memberships in different security institutions (EU and NATO) complicate a common assessment and response, as do their diverging security policies. They depend on the deterrence and defence efforts of their partners and NATO. This has turned the regional Nordic-Baltic security challenge into a European and transatlantic one. NATO's credibility depends on whether it can guarantee the security of those countries. Germany, as one of the largest and most capable countries bordering the Baltic Sea, should contribute towards improving regional security by supporting regional cooperation, and by sharpening the Nordic-Baltic dimension of its security policy.

The ongoing crisis in Ukraine has dramatic effects on regional security: Although Russian assertiveness is visible in all of Europe, it is particularly noticeable in the Baltic Sea region, which comprises the Nordic countries (Denmark, Finland, Iceland, Norway, Sweden), Poland, and the Baltics (Estonia, Latvia, Lithuania). The region has developed from a rather inclusive security community into a defence community in a confrontational environment.

Between the end of the Cold War and the illegal annexation of Crimea in 2014 and the war in Ukraine, the cooperation of Nordic and Baltic countries with Russia had

intensified and improved on regional issues such as search and rescue, border regulations in areas such as Kaliningrad, and coast-guard cooperation. There was institutionalised bilateral and multilateral cooperation, be it between Poland and Russia, Norway and Russia, or in the Council of the Baltic Sea States and the Arctic Council. The Alliance and Russia cooperated in the NATO-Russia Council in areas such as defence doctrines and civil emergency. In reaction to the crisis in Ukraine, many of these links have been put on hold. Although NATO has suspended practical cooperation with Russia, political dialogue is officially still

possible but takes place on a very low level. Some bilateral ties continue to exist, such as agreements on border crossings between Russia and Norway. Overall, tensions with Russia have augmented tremendously, with the states in the region feeling fundamentally threatened.

From Cooperation to Confrontation

The main pattern with regard to Russia is no longer cooperation but confrontation. The countries in the region are exposed to Russian military and non-military intimidation. There is a risk of both a conventional military escalation and a hybrid one that combines military and non-military instruments.

In military terms, Russia has intensified its activities and increased its presence on the Russian side of the border, in international waters and airspace, and in the Russian exclave Kaliningrad, squeezed between Lithuania and Poland. At this sensitive spot in the Baltic Sea, Russia has increased its anti-access/area denial capabilities (A2/AD): It has deployed anti-ship weapons, air defences, and electronic warfare equipment. It has made it more difficult for NATO to operate in the Baltic Sea if necessary, e.g. to reinforce NATO forces in the Baltic states during a crisis. Particularly in 2014 and 2015, Moscow again expanded its military capacities in its Western Military District, which borders the NATO allies Norway, Poland, and the Baltic states. Exercises were intensified and weapon systems modernised. Russia also strengthened its ground forces and deployed modern anti-aircraft systems. It is demonstrating its military might by increasing the number of Russian aircraft flying close to NATO airspace, and by nuclear messaging. For example, Moscow temporarily deployed nuclear-capable Iskander missiles to Kaliningrad during exercises. Further forms of escalation are unannounced Russian exercises in which NATO members – but also non-allied states such as Sweden – are designated as the enemy.

Yet, a potential escalation could also start in non-military realms, such as through

cyber attacks, steering minority uprisings, or – probably in combination with propaganda – economic coercion. The countries of the region have been – and continue to be – exposed to a Russian policy of pin-pricks and provocations in various areas. This includes sabre-rattling public statements, such as Moscow threatening Denmark that its nuclear weapons can target Danish ships participating in NATO's missile defence system (2015). Other examples are incidents such as the abduction of an Estonian spy by Russia (2014), Russian bombers targeting Swedish military assets (2015), and Russia letting migrants pass the border via the northern route (2015/16). There is also an increasing level of propaganda being used for the purposes of confusion, misinformation, or manipulation, with Russian-speaking minorities in the Baltic countries being the main targets. Moscow is also threatening to use infrastructural links for blackmail, such as the energy supply routes that still link the Baltic countries to Russia.

Overall, Moscow is using various opportunities to test the reactions, preparedness, political unity, and military readiness of the Europeans. These actions form what is often coined hybrid warfare. It describes the combined use of military and civilian means – such as propaganda or economic blackmail – in a conflict, with the overall goal to destabilise the target country. It is not a new phenomenon, yet the scope and intensity of these actions – and the importance of technological means – have caught western Europe by surprise. Such an approach expands the grey area between peace and conflict: force still plays a role, but is often not directly attributable to any party, nor does it have a clear military character. This undermines the internationally recognised prohibition on the use of force by making it difficult to define – and it makes it complicated for the international community to develop a coordinated reaction. This is the aim when using hybrid strategies: Delay a united response and gain the momentum to create facts on the

ground. The overall result is a deeply transformed regional security, with increasing levels of fragility and volatility.

The Nordic–Baltic Security Conundrum

For several reasons, the Nordic and Baltic countries are particularly vulnerable. To start with, the region is a patchwork with regard to membership in security institutions. There are NATO members (Baltic countries, Norway, Denmark, Iceland, Poland) and non-NATO members (Finland, Sweden); non-EU (Norway, Iceland) and EU countries (all others, but Denmark has opted out of the CSDP). This complicates cooperation and coordination. The geographic setting amplifies these membership issues. The security guarantees that NATO offers to its members depend on cooperation with non-members: For geographic and logistic reasons, NATO can hardly defend the Baltics if it is not allowed to use Swedish and Finnish (i.e. non-NATO) airspace and airfields. Although the two countries have declared their support to do so, NATO cannot automatically use Swedish and Finnish facilities in times of crisis; the Alliance still needs their consent.

Vice versa, if Sweden or Finland were attacked, the entire region's security would be affected: NATO could hardly stand by idly, even if there is no Art. 5 obligation (which is for Allies only). Besides, the two countries could consider invoking the defence clause of the EU's Lisbon Treaty (Art. 42.7), which obliges EU states to offer "aid and assistance by all means in their power" in case an EU member is the "victim of armed aggression on its territory". France invoked the article after the November 2015 Paris attacks. In case of a crisis, particularly Finland and Sweden – as EU, but non-NATO, members – could contemplate activating European support via this clause. Yet, so far, it is not clear what the invocation of Art. 42.7 would mean in military terms. Still, the countries of the region have all come to recognise that, due to the geo-

graphic setting, membership obligations, and overlapping bilateral links, the region is one interdependent military operational area from which no country can withdraw.

Also, the regional geography is unfavourable: The countries share long borders with Russia (Estonia, Lithuania, Finland, Norway), which are often difficult to access and sparsely populated (like in Norway) or have exposed outposts (like the Swedish island of Gotland). Particularly the Baltics are missing strategic depth: In Estonia the shortest distance from the Russian border to the coast is only 176 km; the distance from Narva, near the Russian border, to the capital, Tallinn, located at the Baltic coast, is 196 km. At the same time, the Baltics are in many ways more closely linked to Russia than to western Europe. This is a legacy from Soviet times, and applies to energy networks, Russian investment, Russian minorities, but also to the populations that speak Russian and are thus exposed to Russian media and propaganda.

Besides, the defence spending of all countries in the region is low: Sweden reaches €4.9bn, Norway €4.7bn, Latvia €0.25bn (for comparison: Germany spends about €33bn, the United Kingdom €45bn). Although the Baltic states have almost doubled their defence budgets since 2014, in view of reaching the 2 per cent of GDP target required by NATO, it means little buying power: The Estonian defence budget of 2.1 per cent of GDP amounts to roughly €0.5bn. Also, their armed forces (active service men, without reserve) are small compared to most NATO allies: Denmark 17,200, Sweden 15,300, Latvia 5,310, Poland 99,000 (Germany has 177,000 active service men, France 215,000). Yet, some countries are considering reintroducing conscription (Sweden) or have recently done so (Lithuania), whereas others have – or are developing – reserve systems to substantially increase the numbers in times of crisis. Finland counts only 22,200 active service men, yet its reserve system is said to allow its armed forces to quickly reach 200,000 personnel.

Fragmented Defence Cooperation

A further complicating factor is the fragmented defence cooperation. The countries of the region do not – or not fully – coordinate their threat assessments, military plans, procurements, or exercises, despite the increased threat perception. This negatively affects regional security, stability, and capacity to act. Although defence cooperation between the Nordic countries is comparatively well developed – be it multinationally, such as in the Northern Defence Cooperation (Nordefco), or bilaterally, such as between Finland and Sweden – there is no overarching Nordic–Baltic cooperation framework that includes all countries of the region. Nordefco recently associated the Baltic countries and Poland, yet this remains at a very low level. The bilateral relationships are better developed, and they tend to bridge the gap between NATO and EU members. Non-aligned Sweden and NATO ally Denmark recently began to intensify their cooperation, such as the sharing of naval and air-base infrastructure and increased training and exercises. Both underline that the decision was influenced by Russia’s policies, which have created a more unpredictable security landscape in the region. Also, Sweden and Finland recently signed a series of agreements to further deepen cooperation in areas such as training and the setting-up of joint units. Quite ironically, at the same time, Swedish–Norwegian cooperation came to a standstill.

The low level of overall regional cooperation and the resulting fragmentation of cooperation is partly due to a low level of trust, which results from different threat assessments and strategic cultures. There is indeed hardly such a thing as a common Nordic–Baltic approach to security. Although all countries agree that the threat situation has worsened, reactions differ. Some, such as Sweden, have revitalised the “total defence” concept, according to which civil defence and psychological defence are required alongside military tools; whereas others, such as Poland, favour military answers in a NATO context. While all are

concerned about Russian assertiveness, disagreement prevails on how to deal with Moscow. Whereas the Baltics and Poland are insisting on a clear deterrent message, are asking for additional support from NATO, and remain sceptical about dialogue with Moscow, countries such as Norway favour a double-track approach based on deterrence and dialogue, in view of improving regional security. Poland has a special role, in that it is the one to most clearly articulate its defence concerns, criticisms of Moscow, and its requests to NATO and seeks to position itself as a regional leader. Generally, in light of the major differences in the strategic cultures, the five Nordic countries fear that a further integration of the Baltic states into their Nordic defence settings might dilute the comparatively high level of cooperation already reached, or hinder progress.

Besides, NATO membership is still a topic of dispute. Over the last two years, Finland and Sweden have re-energised this debate and strengthened their ties with NATO. Both signed agreements with NATO at the 2014 Wales summit to strengthen cooperation, such as to provide Allied forces logistical support, including barracks, transport, and munitions (Host Nation Support agreement – HNS). As *Enhanced Opportunities Partners*, they have a special status since 2014 to discuss the further deepening of dialogue and practical cooperation with NATO. In both countries, the debate on membership has intensified, with more public debates taking place, and the government or parliament ordering reports on the pros and cons and potential consequences (Sweden: 2015 Bertelman report, Bringeus Report currently being elaborated). Although public opinion polls suggest growing levels of support for membership, there is no clear majority on the issue. Mainly for identity politics, both countries fear an entanglement with NATO that would negatively affect their security policies, and thus remain reluctant to join the Alliance.

A Regional Challenge Is Turning into a European One

Thus, none of these arrangements provides an adequate response to the current threats. They are too fragmented and diverse. These countries' strategic incoherence, their limited ability to defend themselves without outside help, and the threat this poses to NATO's and the EU's credibility are turning the regional Nordic-Baltic security challenge into a European and transatlantic one. The region might not necessarily be a priority for Russia's expansive or aggressive intentions, but it is the most convenient to test Europe's capacity to act.

NATO's credibility depends on whether it can guarantee the security of those countries and, in particular, the three most vulnerable to Russian aggression: Estonia, Latvia, and Lithuania. If the Baltics are attacked or undermined (e.g. through coercive but non-military action), the European security order based on the EU and NATO could enter a deep, even existential crisis – depending upon the answer that NATO and the EU would be able and willing to give. Overall, Europe's political cohesion and solidarity are being challenged. The EU's credibility is at stake when it comes to ensuring European political unity to jointly react to an attack on one of its members. Thus, in several dimensions, the Baltic Sea area can indicate how credible Europe's defence policy is.

Improving Regional Security

To address this situation – and acknowledging that the Russian threat is not temporary and the region is one military strategic area – NATO has been developing a Baltic Sea focus (which it did not have before) since 2014, and it decided on a fundamental military adaptation of the Alliance at its 2014 summit. The objective is a large-scale reinforcement and reorganisation of defence capabilities, with the main instrument being the Readiness Action Plan (RAP). Collective defence has been underlined as NATO's core task.

The RAP is based on two pillars: reassurance and adaptation. With the assurance measures, the Alliance is signalling to its eastern members that they can rely on NATO's promise of defence and deterrence. The measures include intensified maritime surveillance – especially in the Baltic Sea – and additional exercises, mainly in eastern Europe. With the adaptation measures, NATO wants to improve its operational readiness and responsiveness. This includes creating the planning, logistical, and equipment conditions for larger units to be moved more quickly to the theatre of operations and enabling them to be more rapidly operational once there. This includes the strengthening of NATO's regional presence, such as through the creation of small permanent regional units (NATO Force Integration Units, NFIU). They are to facilitate the rapid relocation of armed forces into the region and assist in the planning and coordination of training and exercises. Besides, regional NATO HQs are taking on more responsibility, namely the Multinational Division Southeast Headquarters in Bucharest and the Multinational Corps Headquarters Northeast (MNC NE) in Stettin. A further element is the reform of NATO's Response Force (NRF). An enhanced NRF should be more quickly deployable in the future. Furthermore, a small, particularly rapid, reaction force of around 5,000 troops (land components) has been created within the NRF to deploy at very short notice – the Very High Readiness Joint Task Force (VJTF).

In parallel, all countries of the region have responded on the national level to the changed threat perception. The main examples are: Increasing the defence budgets (such as Poland, the Baltics), intensifying cooperation with NATO (Finland, Sweden), deepening bilateral defence relationships (Finland and Sweden; Sweden and Denmark), and adopting measures against hybrid threats, such as countering propaganda or strengthening infrastructure (Finland, the Baltics).

A Test Case for Political Unity and Military Capacity to Act

Despite these efforts, the Baltic Sea area could turn into a test case for Europe's security settings, mainly because it is the most convenient for Russia to test NATO's and the EU's willingness and capacity to act.

First, it is a test of political unity, in both times of crisis and daily routine. Would the states of the region and the other Europeans be able to react jointly to Russian aggression in the north-east? This might be particularly difficult in the case of hybrid threats, where violence is often not directly attributable, does not have a clear military character, and often remains below the threshold at which the EU or NATO could clearly react. Although it is likely that Allies and EU members will achieve unity when faced with an existential crisis, it is more difficult to maintain it in everyday decisions. The EU's maintaining of economic sanctions against Russia and NATO keeping unity in the run-up to its 2016 summit in Warsaw are the current indicators of how resilient political unity will be. There will certainly be a display of unity at the NATO summit, but the decisions to be presented will show whether it is based upon a small or a large common denominator. Three areas matter in particular. First, the stance to be taken with regard to Moscow: Will the summit focus exclusively on deterrence and decide on further measures in the north-east, or rather on deterrence and dialogue? Second, to what extent will NATO develop answers to the challenges in the south, such as the Islamic State, thereby balancing eastern and southern requests? Particularly since the 2015 Paris attacks, some Allies, such as France, insist that the instability in the south is as much an existential threat as Russia is in the east. Consequently, opinions diverge about how strongly NATO's military adaptation should be directed eastwards. Third, the current debate on whether and how to adapt NATO's nuclear strategy to bolster deterrence is already dividing Allies. Finally, transatlantic ties will once again be on trial: Will the European Allies

get their act together and show solidarity, both with eastern and southern Allies, without relying solely on the United States (US) to take the first steps?

Second, it is a test of Europe's military capacity to act in the north-east with its specific settings (geography, access, memberships, capacities) as well as a test of the readiness and responsiveness of its military forces and political decision-making processes. In the case of an emergency, will NATO be able to decide quickly, deploy forces rapidly, and reinforce them at an appropriate strength and speed? Will the military posture be sufficient? Put differently, will the measures taken at the 2014 Wales summit pass the reality test? How will non-allied Finland and Sweden interpret their ties with NATO in cases where the Alliance needs their support? And will the EU be able to react militarily if one of its members invokes Art. 42.7?

Germany: The Silent Baltic State

Germany is an ambiguous element of Nordic-Baltic security. Until recently, its policy was rather built on an east-west axis, also because the Nordic-Baltic region was not a trouble area. But the crisis with Russia has brought the region to the forefront of security and defence issues. Since then, Germany has increased its commitment tremendously, in particular to the Baltic states and Poland. Yet, conceptually, the long-term goal of the Baltic-Nordic focus in Berlin's security and defence policy is still not always clear, despite Germany being one of the largest states bordering the Baltic Sea and a key player in NATO.

Moreover, although Germany has responded with substantial material and political commitments to NATO, the EU, and to multilateral and bilateral formats, it has also irritated regional partners with apparently contradictory decisions. Berlin's support for the Nord Stream 2 pipeline, which circumvents Ukraine and gives Russia a direct energy supply link to Europe, irritated the region and has been viewed as being incoherent with Berlin's other policies.

So far, Germany's security and defence interest in the region is particularly visible in its commitment to NATO and a greater level of bilateral support. In terms of bilateral support within NATO measures, Germany supports the Baltic countries and Poland by stationing troops on a rotational basis. Together with the US, Berlin launched the Transatlantic Capability Enhancement and Training Initiative (TACET) to ensure better coordination between the US and Germany in their training and exercises in eastern Europe. Several countries, such as France and Italy, have recently joined TACET.

In addition, in April 2015, Germany signed a series of agreements with the Baltic states to counter hybrid threats in various areas. These include cooperation in the areas of energy, culture, education, and civil society. A particular focus is on media and communications, with the goal of promoting independent and objective media to counter Russian propaganda.

Within NATO, Berlin substantially supports the RAP measures and the renewed focus on collective defence. Its commitments to the region are considerable in terms of rotating troops (the largest troop provider after the US); providing personnel to NFIUs and the MNC NE (which Berlin is jointly running with Poland and Denmark); participating in exercises; and its general standing contribution to NATO forces.

Yet, this return to collective defence poses a challenge to the German armed forces, simply because they are no longer used to it. Over the last decade, it was crisis management – and particularly the operation in Afghanistan – that informed their strategic thinking and guided decisions on how to equip and train the soldiers. In order to ensure collective defence again, the Bundeswehr had to substantially re-organise its planning, equipment, education, and exercises. This poses daunting political, military, and financial questions for Berlin. Politically, it has to create the preconditions for rapid decision-making on any deployment and Germany's share thereof, including, where applicable, in multinational struc-

tures such as the VJTF. Militarily, German obligations imply a long-term, increased requirement for personnel, equipment, exercises, and planning. Financially, the substantial contributions needed and related changes cannot be borne from current funds. The budget increase decided in 2015 and the announcement in January 2016 to spend €130bn on equipment until 2030 are important first steps but not sufficient.

Defining Germany's Role

Germany's considerable commitment in the east could have an even greater impact if guided by a concerted Nordic–Baltic approach. The countries in the region look to Germany as a key player and are calling for Berlin to get more involved in their regional security. Both Germany and the countries of the region need to clarify their expectations and the scope of what they are realistically willing and able to commit. Regional security would benefit from more clarity on 1) Germany's role, 2) regional contributions and interactions, and 3) transatlantic relations.

First, instead of broadly calling for a larger German role, the countries of the region should clarify what they precisely expect from Germany, in political and material terms. The Baltics and Poland have been calling for greater contributions in terms of troops and equipment within the NATO measures, or on a bilateral basis. Yet, it should be further clarified what these countries would organise among themselves, and what with Germany. Do they expect Germany to only provide troops, or also to help maintain capabilities, joint procurement, and even develop resilience? Would Germany serve as a backbone, as it does within the RAP, into which the smaller countries of the region would plug in? This would reduce the sovereignty of those countries and increase their dependence upon Germany, something that not all are comfortable with. Although it would send a strong message throughout Europe that close defence cooperation is possible, it

© Stiftung Wissenschaft und Politik, 2016
All rights reserved

These Comments reflect the authors' views.

SWP
Stiftung Wissenschaft und Politik
German Institute for International and Security Affairs

Ludwigkirchplatz 3–4
10719 Berlin
Telephone +49 30 880 07-0
Fax +49 30 880 07-100
www.swp-berlin.org
swp@swp-berlin.org

ISSN 1861-1761

Further Reading

Margarete Klein and
Claudia Major
*Perspectives for NATO-Russia
Relations*
SWP Comments 49/2015
<[www.swp-berlin.org/fileadmin/
contents/products/comments/
2015C49_kle_mjr.pdf](http://www.swp-berlin.org/fileadmin/contents/products/comments/2015C49_kle_mjr.pdf)>

Claudia Major
NATO's Strategic Adaptation
SWP Comments 16/2015
<[www.swp-berlin.org/fileadmin/
contents/products/comments/
2015C16_mjr.pdf](http://www.swp-berlin.org/fileadmin/contents/products/comments/2015C16_mjr.pdf)>

Claudia Major and
Christian Mölling
The Framework Nations Concept
SWP Comments 52/2014
<[www.swp-berlin.org/fileadmin/
contents/products/comments/
2014C52_mjr_mlg.pdf](http://www.swp-berlin.org/fileadmin/contents/products/comments/2014C52_mjr_mlg.pdf)>

would require a considerable amount of political trust. So far, not many countries have been willing to engage in such close cooperation. A possible step here could be the Framework Nation Concept (FNC), which Germany suggested as a tool to systematically organise defence cooperation, and to which several countries of the region have already signed up. According to the FNC, a larger country (e.g. Germany) would provide the military backbone, i.e. logistics, command and control, etc. Into this framework, smaller nations would plug their specialised capabilities, such as air defence. The entire cluster would become more effective and sustainable.

Yet, a greater German commitment would not be limited to material support but also involve a political dimension – with the potential for friction. Many countries of the region, such as Poland, do not share Germany's support for an approach based on deterrence and détente towards Russia. Thus, if Germany were to live up to these greater expectations and turn more to the north-east, its even greater role in European security might create tensions with some countries. Besides, such an eastern focus might irritate southern Allies, who already fear an imbalance in favour of the east.

Second, clarification is required as to what the Baltic and Nordic countries are able and willing to deliver themselves in terms of security, defence, deterrence, and resilience. To what extent would they commit themselves for each other, such as the Nordics for Poland? Here, Germany could serve as an enabler of regional cooperation. Yet, the prerequisite would be better regional interaction.

The non-NATO states Finland and Sweden should also seek to clarify their commitments to NATO. Although it is difficult to imagine that these states would not receive any help from their partners if they were to be attacked, both have to understand that NATO Art. 5 is for members only. Free-riding on security comes at the price of uncertainty, whereas being a NATO ally has clear advantages. Yet, by limiting the debate

to the membership issue, which is unlikely to materialise soon, NATO and Germany on the one hand, and Finland and Sweden on the other, are missing out on other cooperation issues. All should explore the opportunities for cooperation that are possible without it: The HNS is a first step. Capability cooperation, as started in NATO with the FNC, could also be implemented in the EU – all sides would benefit from it. Besides, the EU states should clarify what the implementation of Art 42.7 would mean in practical – including military – terms.

Third, particular attention should be paid early on to the role of the US, given its considerable commitment, and given that most countries see their bilateral ties with the US as the ultimate life insurance. The Baltic states and Poland greatly value the bilateral troop deployments to their territories as a key element of reassurance and deterrence. Others, such as Sweden, are seeking to renew bilateral defence agreements. Yet, in order to strengthen regional security and move towards a fairer transatlantic burden-sharing, the US and Europe should strive to overcome these bilateralisms. Though understandable, it is not a long-term solution. The US should use its leverage to force Europeans into long-term intra-European cooperation. One possibility is the establishment of a cooperation cluster (following the FNC model), in which the US cooperates with small and large European allies, thereby forcing them into sustainable cooperation. Once this cooperation is established, the US could withdraw, leaving the Europeans to maintain it. A potential area is heavy air lift.