

PUSHED TOGETHER 167 BY EXTERNAL FORCES?

THE FOREIGN AND SECURITY POLICIES OF ESTONIA AND
FINLAND IN THE CONTEXT OF THE UKRAINE CRISIS

Kristi Raik, Mika Aaltola, Katri Pynnöniemi,
Charly Salonius-Pasternak

FIIA BRIEFING PAPER 167 • January 2015



ULKOPOLIITTINEN INSTITUUTTI
UTRIKESPOLITISKA INSTITUTET
THE FINNISH INSTITUTE OF INTERNATIONAL AFFAIRS

PUSHED TOGETHER BY EXTERNAL FORCES?

THE FOREIGN AND SECURITY POLICIES OF ESTONIA AND
FINLAND IN THE CONTEXT OF THE UKRAINE CRISIS



Kristi Raik
Acting Programme Director
The European Union research programme
The Finnish Institute of International Affairs

FIIA Briefing Paper 167
January 2015



Mika Aaltola
Programme Director
Global Security research programme
The Finnish Institute of International Affairs



Katri Pynnöniemi
Senior Research Fellow
The EU's Eastern Neighbourhood and Russia research programme
The Finnish Institute of International Affairs



Charly Saloniemi-Pasternak
Senior Research Fellow
Global Security research programme
The Finnish Institute of International Affairs

- New turbulence in the international environment is pushing Estonia and Finland closer together in the foreign and security policy domain. The Ukraine crisis has re-introduced old geopolitical constraints and concerns about national security and sovereignty, limiting the room for manoeuvre for small states.
- Estonia and Finland took similar positions on many key issues regarding the Ukraine crisis. The common ground is based on both countries' attachment to the liberal world order and Western structures.
- However, there are deep-rooted differences between the Estonian and Finnish positions on the way to handle Russia and the need to adjust security arrangements, notably the role of NATO in the Nordic-Baltic region. It is common in Finland to see Estonia's approach as unhelpfully hawkish, and common in Estonia to see Finland's approach as too accommodating towards Russia.
- Shared interests stem from an understanding that the weakening of the security of one country inevitably weakens the security of the other. As both countries are investing more in national security and defence, relevant bilateral cooperation is increasing.

The Finnish Institute of International Affairs

Introduction

The Ukraine crisis has been sending shock waves across Europe. Concern about a dramatically deteriorated security environment has dominated recent foreign and security policy debates in Estonia and Finland.

Both countries have aligned themselves with the EU's response and underlined the importance of Western unity and respect for international norms. However, the crisis has exposed notable differences between the Estonian and Finnish positions, which stem from different historical experiences and foreign policy identities.

Official assessments of the events in and around Ukraine have been similar in many important respects, but the same cannot be said of the subsequent policy conclusions. Disagreements and sometimes mutual misunderstandings have been magnified in the public debate of both countries. In difficult times, unity and solidarity are sorely needed, but harder to achieve than in a time of good weather.

This paper analyzes both the common ground, embedded in both countries' attachment to the liberal world order and Western structures, and the differences between Estonian and Finnish foreign and security policies that have surfaced in the context of the Ukraine crisis.

To this end, the current debates are shown to indicate a strong continuity of national foreign policy paradigms and historical lessons learned in both countries. In spite of evident and persistent differences, it is argued that the new turbulence in the international environment is pushing the two countries closer together in the foreign and security policy domain.

The Ukraine crisis has re-introduced old geopolitical constraints and concerns about national security and sovereignty, limiting the room for manoeuvre for small states. The Russian geostrategic challenge re-contextualizes the difference between the two states and exerts pressure to reach clarity over possible future scenarios. The paper also highlights a trend of increasing pragmatic cooperation both bilaterally and in the context of broader regional frameworks.

Similar, but different responses to the Ukraine crisis

On 6 January 2014, the then Estonian minister of defence, Urmas Reinsalu, stated on a visit to the US that he would welcome the 'permanent presence' of US troops in Estonia. The statement provoked strong criticism (but also supportive comments) in Estonia. It was seen by critics as an unnecessary provocation that increased tensions. The criticism reflected a trend whereby Estonia was seeking to pursue a more pragmatic and less confrontational approach to Russia. Finland provided a model of pragmatic cooperation with the difficult neighbour. Estonia's policy shift seemed to pay off: in February 2014, after years of negotiations, the Estonian and Russian foreign ministers signed the border treaty between the two countries. Estonia's exports to Russia and the number of Russian tourists visiting Estonia were on the rise.¹

However, the tentative pragmatic shift came to an abrupt end. The Estonian-Russian border treaty has still not entered into force, as Moscow has taken no steps towards its ratification. Eastern trade and tourism have slumped.² The abduction of the Estonian intelligence agent Eston Kohver by Russia in September was reminiscent of pre-WWII events. Russia's aggression towards Ukraine proved to the Estonians that they had been right all along when they had warned about the Russian threat, but been labelled by many in the West as paranoid.

Overall, the differences between Estonian and Finnish foreign policies re-emerged as the Ukraine crisis escalated during 2014. On the surface, the official positions were similar on many key points: both states were quick to condemn the annexation of Crimea and destabilization of eastern Ukraine by Russia, and stressed the need to respect the international norms of sovereignty and territorial integrity; both supported the sanctions adopted by the EU and underlined the importance of Western unity; and both saw increased support for strengthening

1 Statistikaamet, <http://statistikaamet.wordpress.com/2014/09/26/kumne-euroopa-liidus-oldud-aastagon-eesti-turism-joudsalt-edenenud/>

2 Statistikaamet, <http://www.stat.ee/72344>; <http://www.stat.ee/72418>

national defence. But on closer inspection, disagreements, mutual suspicions, misunderstandings and outright criticism can be observed.

The differences evolved around two interrelated topics: the way to handle Russia and the need to adjust security arrangements, notably the role of NATO in the Nordic-Baltic region. It is common in Finland to see Estonia's approach as unhelpfully hawkish, and common in Estonia to see Finland's approach as too accommodating towards Russia.

Finland has stressed dialogue with Russia and has maintained the rhetoric of good bilateral relations, especially in the functional areas of low politics, albeit adopting the common EU stance in the area of high politics.

The visit by President Sauli Niinistö to Sochi to meet his counterpart Vladimir Putin in August 2014 was given a positive spin in Finland, although it did not seem to produce any obvious results or benefits. The Finnish argument was that delivering unwelcome news (about the EU's unity) was best done face to face, thereby keeping channels open for more positive dialogue in the future.

The visit was strongly criticized in the Estonian public debate, and its purpose as expressed by Finland was met with suspicion about a possible hidden agenda of appeasement. Likewise, Finnish statements made during the crisis about a 'friendly' bilateral relationship with Russia – as something that can allegedly be isolated from the EU-Russia tensions and condemnation of Russia's actions in Ukraine – were met with bewilderment and speculation in Estonia about 'a new Finlandization' (*'uussuomettuminen'*). Estonia has had no bilateral contacts with Russia over Ukraine, as it is not seen as prudent.

Furthermore, Estonia has been in the frontline of supporting harder sanctions against Russia, whereas in the Finnish debate the effectiveness and political usefulness of sanctions has been questioned, although the government has followed the EU line.

One of the reasons for Finland's more critical approach lies in the economic costs of the EU sanctions and Russia's countersanctions. However, the sanctions have had no major impact on the already ailing Finnish economy, although specific sectors

of the economy (notably the food industry) and the eastern regions have been hit hard.³ Estonia has also experienced negative economic effects, but this has not changed its hard-line position on the sanctions, as there is a clear priority order between what is perceived as an existential security matter (i.e. the need to counter Russia's unacceptable actions) on the one hand, and short-term economic interests on the other. Finland has made an effort to keep economic and security interests separate, and has underlined the continued benefits of eastern trade.

Denial of the security policy implications of economic ties was sharply expressed in the debate on a new nuclear reactor to be constructed by a joint venture with Russia's Rosatom. Following tense domestic debate, the decision was adopted by the Finnish parliament in early December 2014. The decision was viewed by many in Estonia (and elsewhere) as quite simply being based on false judgement of the related risks and vulnerabilities, and moreover a step that ran counter to the EU's policy to reduce energy dependence on Russia.

As for regional security, Estonia has made no secret of its wish for Finland (and Sweden) to join NATO, and duly welcomed the revival of the debate in Finland after the annexation of Crimea. On his state visit to Finland in April 2014, President Ilves was careful not to explicitly encourage Finland to join – but his strong statements about the benefits of NATO were received as an implicit message to this end. More generally, many Finns have the perception that Estonia has been too pushy in advocating Finland's NATO accession. Moreover, some Finns are concerned that as a NATO member, Finland would be made responsible for the defence of Estonia, which might incentivize Estonia to decrease investments in its own defence.

Estonia's activeness on this issue has an obvious selfish motive, since it would be far easier for NATO to defend the Baltic countries if Finland and Sweden were members. However, for many Estonians it seems just as obvious that Finland's own security would be increased by its membership of NATO. The international media have speculated widely

3 Tulli, http://www.tulli.fi/fi/tiedotteet/ulkomaankauppatilastot/katsaukset/maat/venaja14_2/liitteet/2014_M16.pdf

about the possibility of Russian military aggression towards the Baltic countries, sometimes casting doubt over the credibility of the NATO security guarantee. However, the Baltic states express confidence that even if Article 5 might not *prevent* aggression, it will provide defence if needed. An increased NATO presence in the Baltic states has been strongly welcomed in Estonia, but seen as regrettable by some Finnish commentators, including Foreign Minister Erkki Tuomioja.

In the framework of these discussions, the benefits of Finland's 'sitting on the fence'⁴ are not evident to outsiders. Like many further abroad, Estonians find it difficult to comprehend how Finland can simultaneously see Russia as the only existential military threat, and yet think that it would be an unnecessary provocation to join NATO – a very common view in Finland.

Public opinion on the question of Finnish NATO membership has remained relatively stable during the past decade, with 60% to 71% being against membership. However, support for membership increased from 18% in 2013 to 30% in 2014. The historically large increase in support was explained by Russia's recent aggressive behaviour. Two-thirds of the population considered that Russia's actions have negatively impacted Finnish security.⁵ At the same time, the prevailing view, represented among others by President Niinistö, was that one should avoid further inflaming the tense international security environment by changing Finland's position on NATO.

Different worldviews stemming from history

The two countries' different responses to the Ukraine crisis are rooted in longer-term differences in foreign and security policy traditions and historical experiences. One can even argue that Estonian

and Finnish foreign policies are driven by different worldviews that underpin different foreign policy identities.

The shared positions on the crisis (as listed above) reflect commonalities in the post-Cold War patterns: strong identification with the liberal world order; integration with Western structures as 'normalization' and anchoring to a place where national identities are perceived to belong; and the rule of law-based vision of political order and societal development. As the collapse of the Soviet Union changed the structures of the global power game, this gave new liberty to small, peripheral states to choose their place on the European geopolitical map. Estonia rapidly realigned its national strategies and successfully pursued maximum integration into the Western structures.

By contrast, Finland and Sweden decided to remain militarily non-aligned, while becoming politically aligned in the EU. This created the most obvious difference between Estonian and Finnish security policies. Liberated from Soviet/Russian occupation, Estonia didn't think twice about joining NATO as soon as possible, whereas Finland has taken cautious steps from neutrality to 'military non-alliance' to 'not being a member of a military alliance', and speaks about a 'NATO option' that it has so far deemed unnecessary to try to use.

Another key difference in the post-Cold War era has been that while Finland (alongside Germany) actively promoted a policy of integrating Russia into the liberal order, Estonia maintained a more antagonistic and pessimistic view of Russia as a latent threat – a perception that never disappeared from Finnish (especially military) thinking either, but which was subsumed. Both Estonia and Finland have been disappointed at the lack of democratization and modernization in Russia, but the recent developments have been less surprising for Estonia.

Estonia has perceived the current storm clouds as the re-surfacing of an old and more alarming pattern. The historical memory of Soviet occupation in 1940 followed by decades under Moscow's domination has conditioned Estonian reactions to the current crisis. Accommodation to Russian demands ('legitimate security interests') had fatal consequences for Estonia in 1939–40, and is never to be repeated. Russia is seen as an aggressive neighbour

4 President Sauli Niinistö's speech at the Annual Ambassadors' Meeting, Finlandia Hall, 27 August 2013, <http://www.tpk.fi/Public/default.aspx?contentid=282762&noid=44810&contentlan=2&culture=en-US>

5 Advisory Board of Defence Information, http://www.defmin.fi/files/2973/MTS_Raportti_suomeksi_netiversio.pdf

that seeks to undermine the rule of law, destabilize societies, and instigate corruption in neighbouring countries. There is a sense of great danger and tension – even in a civilizational sense.

The pressure exerted by Russia is reciprocated in two ways: by building economically and politically sustainable rule-of-law states, and a strong national defence based on collective security arrangements. These two approaches are seen as functioning in tandem, to bolster two key differences between Ukraine and the Baltic states: a functioning democracy and the rule of law, and membership of NATO. The first aspect solidifies the state against Russian hybrid threats, while the second focuses on military defence.

The historical background for interpreting the current events and the related threat perceptions is more placid in the case of Finland. A sense of great danger, similar to the Estonian perceptions, is shared by some Finns and represented in the public debate, but it is not dominant. It is more common to think that the underlying situation for Finland is calm and stable.

Although the storm is now raging, it may be a passing weather pattern rather than a sign of a changed international climate. In the globalizing and opening regional environment, the underlying relationship with Russia is not seen as hopelessly polemic and exclusionary. Russia's current actions are condemned, but they do not necessarily detract from the post-Cold War trend and effort towards a less threatening environment. Trade and other connections with Russia are seen as positive and calming down the situation.

The history of Finnish foreign policy during the Cold War under Presidents J. K. Paasikivi and Urho Kekkonen – namely a relatively appeasing relationship with Russia – still figures in the public discourse. The Ukraine crisis has brought about a revival of Paasikivi's realist thinking. The sobering wisdom conveyed by the recognition of geopolitical factuality implies that a small power has to come to terms with the key interests of major powers. Since Finland's position was marginal, its actions had to be cautious, modest, and moderate. Finland should stay out of the international arena dominated by big powers and refrain from becoming a prize in the big powers' games.

However, the ultimate aim was not to maintain a status quo. Instead, the purpose was to be active and to find added value in being a small power, to find mobility out of harm's way.

Another strong feature in Finland's foreign policy identity is the idea of being a bridge and a neutral ground in-between or above the geopolitical rift. Framed in this way, the existence of the Soviet Union – and now Russia – offered a test and, consequently, a potential source of prestige and power for those managing to straighten it out. The Conference on Security and Co-operation in Europe, which opened in Helsinki in July 1973, provided a place for East and West to negotiate, and strengthened Finland's identity as a neutral state.

In the 1990s, as the East-West rift seemed to fade away, the neutral position lost relevance. It was replaced by a strategic decision to become a progressive force and exemplary insider in various international organizations, with full access to information and the capability of influencing vital decisions. This new approach characterized Finland's EU policy in the second half of the 1990s. Finland did not, however, extend the same paradigm to NATO.

Apart from different historical experiences, one important source of misunderstanding lies in the very different discourses on Russia. Hardly ever before in its history has Finland's political leadership made such critical statements about Russia as it did during 2014. However, in the case of Estonia, even harsher criticism is not unprecedented.⁶

To understand this difference, it is important to take into account that positive talk about good neighbourly relations is part of the traditional Finnish rhetoric on Russia. This rhetoric is not as naïve as it may sound. Finland speaks in these terms because its key foreign policy priority is to have friendly

6 E.g. speeches by both presidents at the UNGA 69th General Debate in September 2014: <http://www.tpk.fi/public/default.aspx?contentid=313195&nodeid=44810&contentlan=2&culture=en-US>; <http://www.president.ee/en/official-duties/speeches/10600-address-by-the-president-of-the-republic-of-estonia-toomas-hendrik-ilves-at-the-general-debate-of-the-69th-united-nations-general-assembly-/index.html>

relations with Russia, but this does not mean that threats and negative actions are not given serious consideration. Yet speaking openly about Russia as a threat is not a normal part of the official discourse. Feigned naïveté is a diplomatic tool that is believed to have served Finland well.

The trick – and the danger – is that the line between feigned and real naïveté is elusive, both for the Finns and even more so for outsiders. During the Cold War, Finland's survival was dependent on the successful performance of friendship with Moscow. To some extent, Finnish politicians are still re-enacting the Cold-War game, by imitation of the previous performance. Yet, as a result of the Ukraine crisis, Finland has anchored itself ever closer to the Western community.

Increasing ties

Estonia and Finland are deeply connected by multiple links at grass-roots level, with economic and societal actors functioning as key drivers of regional integration. In the field of foreign and security policy, Finland was a key supporter on Estonia's path to EU membership, but once Estonia joined the EU and NATO in 2004, the bilateral relationship became somewhat less important, yet more equal. Shared interests are founded on the basic notion that the weakening or strengthening of the security of one country inevitably weakens or strengthens the security of the other.

The Ukraine crisis has re-vitalised the importance of the closest neighbours in seeking ways to adapt to the changed international environment. Bilateral links are increasing, taking place in the broader context of the Western security community. The two countries share a concept of security as embedded in networks, partnerships, and the pooling and sharing of resources. Both are investing more in defence, with Estonia focused on reinforcing the commitment of NATO, while Finland seeks to strengthen national capabilities and international partnerships.

Recently, Finland has deepened cooperation bilaterally with Sweden and multilaterally with NATO. The signing of the Host Nation Agreement with NATO concluded an almost decade-long process and should lead to intensified cooperation. Sweden and

Finland are set to publish a list of areas of deepened cooperation in early 2015. The focus on Sweden does not mean that cooperation with Estonia is unimportant, but reflects that the latter is not the most important bilateral military relationship for Finland.

In the near future, Finland and Estonia may increase cooperation regarding air and cyber capabilities. The Ämari airbase in northern Estonia now hosts a component of the Baltic Air Policing mission, and Finland and Sweden could repeat the 'Iceland Air Meet' approach at the Ämari base. In practice, Finnish and Swedish jets would conduct exercises with NATO members, but a NATO member would conduct actual identification flights. While many Estonians would like to see the country being formally invited into the Nordic Defence Cooperation (NORDEFCO) structures, this appears unlikely. Finland encourages *ad hoc* participation by Estonia in NORDEFCO projects, but has thus far made it clear that a permanent expansion of NORDEFCO is not in its interests.

A key issue for NATO in the changed environment, apart from territorial defence, is how to defend members against cyber attacks and other forms of non-linear warfare that may not cross the Article 5 threshold. In the realm of cyber security Estonia has carved out a niche of expertise that is valued in the NATO framework and which has the potential for enhancing cooperation with Finland.

Another concrete step towards closer security ties was the agreement reached in November 2014 on the 'Balticconnector' project, which aims to construct two regional LNG terminals (a large one for Finland and a smaller one for Estonia), connected by a pipeline between the two countries. This is a strategically important step towards reducing the vulnerability of both countries by diversifying supplies. The agreed goal is to have the pipeline in operation in 2019, with financial support from the EU, which is yet to be secured.

The EU is seen by both countries as a venue for fostering a security community, which is not an alternative to NATO, but complementary to it. President Niinistö has called for deepening the Common Security and Defence Policy of the EU as a form of cooperation that should not be disregarded. Finland has traditionally favoured a solidarity-based concept of a security community within the EU context.

The EU cannot provide hard security guarantees, but member states are expected to show political solidarity towards a fellow member state in crisis situations, as happened during the Bronze Soldier crisis that inflamed tensions between Estonia and Russia in spring 2007. For Estonia, the Bronze Soldier crisis was proof that political solidarity inside the EU matters. The Lisbon Treaty, with its solidarity clause (Art. 2.2.2) and mutual assistance clause (Art. 42.7), reinforced the EU as a security community. However, the real value of EU solidarity in potential crisis situations in the future is uncertain.

Conclusion: common space strengthened by reduced room for manoeuvre

Estonia's post-Cold War foreign policy is characterized by clear-cut choices expressed through rather black-and-white rhetoric. In this way, Estonia has achieved an international standing and a level of security and welfare that are unprecedented in its history. Finnish foreign policy, by contrast, entails multiple layers of discourse that purposefully leave room for manoeuvre and interpretation. This has allowed Finland, even during the Cold War, to combine relatively good relations to the East with gradual integration into the West.

Both Estonia and Finland have the same fundamental goals (typical of small states): national sovereignty, regional stability, and the existence of international norms that regulate the behaviour of states. Both are attached to the Western structures underpinning the liberal world order. However, the shared goals are pursued in part via different pathways, and the commonalities are sometimes hard to discern beneath the surface of different discourses. The threat perceptions have converged to some extent due to the Ukraine crisis, but still display significant differences.

In the changed international environment, both Estonia and Finland appear convinced that their key foreign and security policy positions are optimal and that the other is in a more vulnerable position. Both also wish that the policy of the other would converge more readily with their own, and envisage the possibility of such a trend. A common space for foreign policy debate and pragmatic cooperation has been strengthened by external pressures. It is

perhaps because of the closeness that the remaining disagreements are perceived as particularly disturbing.

For Estonia, the Ukraine crisis served to confirm that it has made the right choices since the Cold War; there is no doubt about foreign policy continuity. In Finland, the crisis provoked a lively debate about the possible need to adjust policy, but so far the outcome seems to be a renewed consensus that changes at the margins are necessary, but the overall approach suits Finland's particular situation well.

The Finnish Institute of International Affairs
tel. +358 9 432 7000
fax. +358 9 432 7799
www.fiia.fi

ISBN 978-951-769-435-3
ISSN 1795-8059

Cover photo: Madaboutcows / Flickr
Language editing: Lynn Nikkanen

The Finnish Institute of International Affairs is an independent research institute that produces high-level research to support political decision-making and public debate both nationally and internationally.

All manuscripts are reviewed by at least two other experts in the field to ensure the high quality of the publications. In addition, publications undergo professional language checking and editing. The responsibility for the views expressed ultimately rests with the authors.