

DEEPER DEFENCE COOPERATION

163

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FINLAND AND SWEDEN TOGETHER AGAIN?



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- Finland and Sweden are increasing their bilateral defence cooperation. Officially, it is restricted to peacetime and international crisis management operation activities, but it nonetheless has national territorial defence impacts.
- The planned deepening of cooperation between Finland and Sweden builds on the already extensive daily cooperation between the two countries.
- Both Finland and Sweden see deeper cooperation as an important addition to cooperation within the EU, NATO, and NORDEFECO frameworks, as well as other significant bilateral cooperative relationships.
- Fruitful cooperation will require strengthening trust among military and political actors, as well as an acknowledgement of differing perspectives regarding the role of the defence industry in security and defence policy formation.
- Cooperation may continue to deepen as the momentum for it builds, or through a binding agreement developing into a defence alliance – Defence Alliance Finland-Sweden (DAFS).

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Finland and Sweden are in the process of deepening their bilateral military cooperation in a way that has the potential to impact the security policy situation throughout the Baltic Sea region. The changing security environment, coupled with underfinancing of both the Finnish and Swedish defence forces, and diversifying demands in terms of capabilities are making deeper cooperation a necessity.¹ The key questions this paper addresses revolve around the need for cooperation, what it entails and where it may lead.

Officially, the goals of deepened military cooperation between Finland and Sweden are to increase “efficiency through combined use of resources, through increased interoperability and through a closer dialogue on common challenges”.² Deepening cooperation has political support, with the new Swedish government mentioning it as one of the most important defence-related priorities in its programme, and is focused on militarily concrete goals where long-term benefits are seen as more important than who benefits more in an individual exercise or area of cooperation. The Action Plan for Deepened Defence Cooperation between Sweden and Finland further states that “cooperation is limited to activities in peacetime”, although in practical terms this will easily bleed into cooperation that is useful during crisis/wartime.

The two-page-long Action Plan was approved by the Swedish and Finnish defence ministers on May 6 2014, tasking the defence forces with exploring the potential for deepening cooperation in the near (2014–2015) and longer term (2016 onwards). A mid-term update has been delivered with the final proposal for how cooperation could be deepened, due in January 2015. Political decisions are expected soon thereafter.

For both Finland and Sweden, bilateral cooperation is, however, seen as occurring in parallel with cooperation within NORDEF, NATO partnerships, the EU, and other important bilateral cooperation

efforts. The need to seriously discuss deeper cooperation between Finland and Sweden exists independently of either country’s developments within the EU, or their respective potential NATO membership. Even if both countries belonged to NATO, it would be rational to engage in regional and bilateral defence cooperation under the umbrella of NATO or, in some cases, the EU.

For Finland specifically, the deeper cooperation with Sweden is part of a broader decades-long effort to develop a national security model that is societal and assembled by weaving a multilayered web of continuously deepening multilateral, multinational and bilateral cooperative relationships. The different strands of the web ensure that, irrespective of the type of security challenge, Finland can potentially meet it with others. Deeper cooperation with Sweden fits this approach.

Why cooperation is seen as necessary

The reasons why cooperation has gained urgency during the past year are varied. Fundamentally, they can be divided into financial, political and practical components. While support for deeper cooperation is strong among politicians and the militaries, the reasons for pushing for deeper cooperation vary from political expedience to a desire for genuine financial or military operational benefits.

Financially, cooperation has become necessary as successive governments in both Finland and Sweden have decided to underfund their national militaries, causing gaps between tasks, capability goals and the funding to achieve them. Although a majority of parties in both countries are in agreement over the need to increase spending on defence, the sums discussed may not even cover the impacts of inflation.

The Swedish defence forces have been underfunded for at least half a decade, and the gap between the funds needed to build up the so-called IO14 military (Insatsorganisation 2014³) and what successive

1 This paper has benefitted greatly from interviews with current and former Finnish, Swedish and other defence officials, officers and researchers. Thank you.

2 p. 1, Action Plan for Deepened Defence Cooperation between Sweden and Finland (May 2014). http://www.defmin.fi/files/2833/ACTION_PLAN_FOR_DEEPENED_DEFENCE_COOPERATION_BETWEEN_SWEDEN_AND_FINLAND.pdf

3 IO14 will be a hybrid all-volunteer full-/part-time force, effectively built for participation in international operations. Although initially expected to be ready in 2014, completion is now expected towards the mid-2020s, if the Swedish government increases the defence budget significantly.

governments have or are intending to provide is considerable. Moreover, even if IO14 is developed as planned, Sweden's defence capabilities would still remain seriously lacking. The Swedish Chief of Defence, Sverker Göranson, caused a stir in late 2012 when he stated that Sweden could only defend itself for one week. The fact that this is insufficient considering regional military security policy developments is becoming evident to all Swedish decision-makers.⁴

In Finland's case, the biggest short-term defence problem has been the inability of successive governments to provide a stable budget. Promises of increases in 2011 actually became cuts to be achieved immediately, making long-term planning of the defence system as a whole difficult. Procurements have borne the brunt of cuts, in addition to reduced reservist training, causing a potentially systemic weakening of defence capabilities. Near unanimity in a recent cross-party study group suggests that the budget will be increased by between €50–150 million annually between 2016 and 2019. Such an increase would, according to the Finnish Chief of Defence, make it possible to maintain the current defence capacity through to the end of this decade.

Ultimately, the need for cooperation is a result of both countries' current security policies, which have left them with few potential partners for deep defence cooperation. Both are EU members, and have for years pushed for the development of EU military cooperation. However, other than in the framework of military industrial and crisis management cooperation, this is unlikely to bear fruit because the great majority of EU member states (22 out of 28 members) have addressed their defence needs through NATO.⁵ Within the Nordic Defence Cooperation (NORDEF) framework, NATO members Norway and Denmark routinely decline

cooperation with collective defence implications, leaving Sweden and Finland to bilaterally contemplate deeper cooperation.

Practically, cooperation is driven by developments in military capabilities and the costs of fielding them. Moreover, strike ranges measured in hundreds of kilometres and precision guidance have made strategic depth increasingly important and harder to achieve. Developing the ability to address emerging threats, such as ballistic missiles capable of precision attack and cyber-operations, is also more expensive and difficult without cooperation. The reduction in the number of planes, ships, tanks, and so on beyond a certain number also increases risk, no matter how technologically advanced each individual platform is. Perhaps the ultimate 'practical' reason for cooperation is just that – practical: it is practical to continue the cooperation that has already provided benefits and, where possible, to extend it.

Future cooperation built on historical experiences

The history of military cooperation in the Nordic region is varied and frequently colours views on the desirability of cooperation. During the Cold War, official cooperation between Finland, Sweden and Nordic NATO members focused on UN peacekeeping. However, as documented in detail by Mikael Holmström, Sweden and Norway cooperated extensively in defence matters throughout the Cold War, even including Finland when possible.⁶ The extent of the cooperation was known by a limited number of Finnish officials but included, among other things, the sharing of intelligence, maps, hydrographic and radio/radar frequency information. For its part, Sweden stored a large number of Draken fighter jets in caves in northern Sweden; they were prepared for use by the Finnish Air Force, which trained a higher number of pilots than needed for its fleet of sixty-odd fighters.

With the end of the Cold War, Finland and Sweden were able to increase cooperation in defence matters. Cooperation initially blossomed between the respective navies, for a number of reasons: Cold War

4 For expert views on the development of the Swedish military, extensive analysis can be found in the following blogs: <http://wisemanswisdoms.blogspot.fi/>; <http://kkrva.se/>; <http://annikanc.com/>; <http://navyskipper.blogspot.fi/>; <http://oajonsson.com/>; <http://jagarchefen.blogspot.se/>; for its linkages to Finnish military and defence policies, see <http://fmashiri.wordpress.com/> and <http://corporalfrisk.wordpress.com>.

5 Of the 28 EU members, only six are non-NATO members: Finland, Sweden, Austria, Ireland, Cyprus and Malta.

6 Holmström, Mikael (2011). *Den Dolda Alliansen – Sveriges Hemliga NATO-förbindelser*.

cooperation had resulted in existing relationships, both countries' naval ranger (Kustjägare) units shared Swedish as a daily working language, and mutually overlapping military interests remained. Cooperation was diverse, with exercises that nominally had to do with peacekeeping scenarios frequently also making cooperation on the potential defence of national archipelagos easier. Generally positive experiences and practical logic led the Finnish and Swedish navies to expand and deepen their cooperation throughout the 2000s.

Nordic cooperation also expanded and deepened further during the 2000s, especially in the field of international operations, with Norwegian, Swedish and Finnish units operating together in Afghanistan (ISAF). In 2007 Norwegian and Swedish chiefs of defence initiated a study to look into how cooperation could be expanded. Finland soon joined and in 2009 NORDEFECO brought existing modes of cooperation under one framework.⁷ During 2013 it became clear that despite a Vision 2020 declaration, Nordic cooperation would be limited by the non-NATO membership of Finland and Sweden. This led Finnish and Swedish heads of government to publicly speak for deepening bilateral military cooperation in early 2014.

Ongoing Finnish–Swedish military cooperation

The planned deepening of cooperation between Finland and Sweden builds on the already extensive daily cooperation between the two countries. The examples below give an indication of the depth of cooperation that already exists.

Finland and Sweden have shared sea surveillance and situational awareness data regarding the Baltic Sea, the Gulf of Finland and the Gulf of Bothnia for nearly a decade. The SUCFIS (SEA Surveillance Cooperation Finland–Sweden) system has evolved

since it became operational in 2006, and an operator can now see and identify a ship on a screen at considerably longer ranges than if the data provision were limited to national sensors. The Finnish Maritime Surveillance System (MEVAT) and Swedish Maritime Surveillance System (SjöC) are linked by a dedicated gateway. In addition to improving maritime situational awareness, one of the explicit objectives of SUCFIS is to improve interoperability between the two navies.

Another example of interoperability that already exists between the two navies comes from the Finnish Navy's most important national exercise in 2013, JOTU-13. The name of the exercise specifies that it served to fuse together units trained by the Navy for wartime duty (joukkotuotanto), and included all central elements of maritime and coastal army and navy capabilities. A company of Swedish naval rangers from Amfibieregimentet (AMF 1) also participated in the exercise, including the final assault to retake the critical Vuosaari commercial harbour. In the SWEFINEX 14 exercise conducted in May 2014, which took place between the Swedish mainland and the island of Gotland, the two navies increased awareness of the specific issues which needed to be addressed for deeper integration to be possible.

With these examples in mind, it is easier to see the potential of deepened Finnish–Swedish cooperation as described in the Action Plan for Deepened Cooperation. Even in its initial form, the level of cooperation proposed is notable.

Current status of efforts to deepen Finnish–Swedish military cooperation

At the Ministry of Defence level, secure communications, personnel exchanges and common studies are envisioned. The navies and air forces are charged with developing the common use of bases, combined units and on-the-fly transfer of operational control (OPCON) of units. The air forces are further tasked with exploring enhanced cooperation in air surveillance and Command and Control (C2). In practice, this could lead to sharing responsibility for identifying planes approaching Finnish or Swedish airspace, and reporting observations to both countries' relevant headquarters. For the navies it could mean naval task groups composed of Finnish and Swedish ships, responsible for various tasks in the

7 See Henrik Breitenbauch's chapter "Strengthening Nordic-Baltic Defense" (http://transatlantic.sais-jhu.edu/publications/books/advancing_u.s.-nordic-baltic_security_cooperation/chapter_12_henrik_breitenbauch.pdf) and Ann-Sofie Dahl's paper "NORDEFECO and NATO: 'Smart Defence' in the North?" (<http://www.ndc.nato.int/download/downloads.php?icode=408>) for good overviews of the cooperation and its future.

Baltic Sea. Among other things, the army commands are to investigate deeper cooperation in basic, artillery, winter and mechanized units training. In addition to these, shared logistics, materiel procurement and secure communications at all appropriate levels across the militaries are being evaluated.

The Action Plan makes it clear that as the respective militaries meet to discuss cooperation, the above should only serve as a jumping-off point. Interviews suggest hundreds of points of cooperation have already been identified at various staff levels. Currently, the only limiting factor is the need to restrict cooperation to peacetime activities. However, even peacetime cooperation can include operationally relevant components.

However, for deeper cooperation to have positive long-term consequences, both sides must work on the most important enabler of deeper cooperation: trust, in both the political and military spheres. The sharing of operational national defence duties, plans and true operative capabilities requires a level of trust that currently does not exist.

On the military side, ongoing daily interactions between the two militaries indicate a significantly higher level of trust than a decade ago. The damage inflicted by some trust-degrading experiences during the past decade – primarily in the field of procurement – has left its scars, but well-chosen smaller projects could begin to alleviate this. Since trust is formed initially between people and only after that between organisations, one initial approach to trust-building would be for officers to join each other's staffs at relevant naval and air force bases. This would be especially useful with a view to future bi-national headquarters, as national differences for which work-arounds have been developed at the tactical level still exist at the HQ levels.

Practical trust must be complemented by compatible views of security policy developments and trends. Politicians and senior civil servants could participate in each other's national security and defence policy analysis processes. The increased mutual understanding would allow for a much-needed joint analysis in the future. Finland could take the first step and invite a few Swedes to participate in the preparation of the defence white book, which needs to be produced soon after the new government assumes power in spring 2015.

Historical and structural differences in how defence policy is conceived and defence capabilities created must also be acknowledged for deeper cooperation to become a reality. One example is the role that the defence industry plays in national defence thinking. For Sweden, defence industrial policy is a core pillar of defence policy. Domestically built submarines and fighter planes are seen as strategic assets, and more of them are politically easier to acquire than the militarily more needed robust ground-based air-defence systems, and the redevelopment of a national logistics system and reserve/alternate airbases.

Considering the above, there are various paths that deeper military cooperation between Finland and Sweden could take in the future. Two potential paths are described below.

How deeper military cooperation could develop in the future

How deep military cooperation between Finland and Sweden becomes is dependent on political decisions in both countries. The decisions will reflect a mixture of political, military, economic, historical and identity factors, all continually influenced by developments in the region. Two diverging paths can be identified when endeavouring to understand decisions about deepening cooperation, one leading to deeper cooperation and the other to a bilateral defence alliance.

Momentum-driven limited cooperation

Strong national perspectives dominate this path, where political support for deeper cooperation exists but a lack of strategic vision results in "momentum-driven" cooperation. Here, political leaders in Finland and Sweden would frequently speak about the importance of deepening cooperation, but not be prepared to seriously discuss a defence alliance.

Cooperation would deepen in fields where cooperation already exists; that don't require explicitly and publicly relinquishing operationally sensitive capabilities and plans; and that are not difficult to complete within a few years. Examples include secure video conference capabilities between defence ministries and more complex participation in bilateral exercises.

This path would see cooperation continue into various grey zones, perhaps into operationally meaningful areas, but in such a way that even after a decade of cooperation the multiplicity of small steps would enable decision-makers to say that “there is nothing new in this [specific] form of cooperation”.

An interesting aspect of this path is that, in the long run, it could lead to a de facto defence alliance, as numerous individual actions, projects and modes of cooperation lead towards political and strategic cooperation on matters central to territorial defence. For example, outside observers could conclude that if the Finnish-Swedish naval task group that is mooted for the 2020s were to engage in active submarine hunts, both countries would assume de facto commitments to defend each other, even without entering into an official defence alliance.

From the perspective of domestic politics, the “momentum-driven” path is the easiest. Regionally, it would continue both countries’ security policy approach of remaining outside of military alliances, but engaging in serious military cooperation with each other and NATO. Its contribution to increasing defence capabilities in Finland and Sweden would likely be limited.

This path is most likely to dominate if the current increasingly unstable and unpredictable security situation prevails in the security policy environment in the Baltic Sea region. This is especially true as long as both countries feel they are continuing to benefit from strategic foreign and economic policy cooperation within the EU and security and defence cooperation as privileged NATO partners.

Defence Alliance Finland-Sweden (DAFS)

A strong regional security bilateral defence perspective dominates this path, where Finnish and Swedish defence policy, planning and capabilities are increasingly penned and developed cooperatively. The defence alliance would see both Finland and Sweden retain national militaries. Both defence forces could still operate individually, but they would be optimized for binational joint operations. In practice, the defence forces would be asymmetrical in design, with different capabilities that support and depend on each other, especially in threat scenarios involving extensive use of military force.

Such cooperation would require an intergovernmental agreement that binds Finland and Sweden to cooperation even in times of military conflict. Currently, there is disagreement within the political establishments of both countries on the desirability of such an agreement. Military planners rationally feel that an agreement of this type is a prerequisite for deep operational cooperation. In Finland, a slight majority of the population are for such an alliance.⁸

Based on interviews, such an agreement would have to be public, with some operational actions spelled out, such as shared basing, weapons, ammunition storage, and so on. However, a secret annex would likely be required, which would include details about what capability would be available in what timeframe, and so forth. The agreement or its annex would also need to provide a clear understanding of how political and military decisions are made regarding the deployment of military forces. More broadly, both Swedish and Finnish defence decision-makers need to know the how, who and when of decisions relating to national defence and its employment, as well as how these are communicated to a broader audience.

Defence Alliance Finland-Sweden (DAFS) would see Finnish and Swedish naval units conduct exercises and operate together, relying on complementarity to achieve a greater impact than before. Air forces could continue to be primarily based at national bases, but with detailed preparations and frequent twinned deployments; the current capabilities of the Finnish Hornets and Swedish Gripens complement each other well in terms of the armaments each can carry.⁹ Both air and naval assets would benefit from preparations to deploy in depth.

Militarily, DAFS would provide benefits over preparing for defence alone, but while the solution may be politically welcomed in Russia, it would potentially raise eyebrows in NATO member capitals.

8 54% (+3%) think that Finland and Sweden should form a defence alliance, according to an Yle Uutiset poll conducted by Taloustutkimus: http://yle.fi/uutiset/yli_puolet_suomalaisista_kannattaa_puolustusliittoa_ruotsin_kanssa/7151466

9 <http://corporalfrisk.wordpress.com/2014/10/09/replacing-the-capabilities-of-the-hornet-fighter-aircraft/>

Well-considered and coordinated efforts by Finland and Sweden would be needed to explain to domestic and international audiences why a military alliance with one country was necessary and preferable to joining a broader alliance.

From a defence industry perspective, an explicit defence alliance could pave the way for an increasing volume of joint acquisition projects. However, Finland and Sweden have differing approaches to acquisitions, with Finland tending to procure proven existing technologies, while Sweden is more apt to encourage domestic development and acquisitions. The two countries also have some genuinely different demands. An interesting and militarily significant industry-related issue is the organization of defence logistics. In Finland, the Finnish Defence Forces recently signed an internationally unique public-private partnership whereby almost all army and navy service, maintenance and upgrades will be performed by a private corporation, Millog, even during times of war. If Sweden were to opt for a similar approach, it would be critical that both involved companies were approved by both states, and were able to work together.

A defence alliance would be a significant change in defence policy for both Finland and Sweden, and would require both sides to fundamentally subscribe to the idea that the wellbeing and security of each other's countries is intrinsically important. Ultimately, that an attack against Stockholm is an attack against Helsinki, and vice versa.

In order for the political leadership of both countries to actively subscribe to this view and seek to make DAFS a reality, a number of changes would be required in the regional security policy landscape. For example, a clear weakening of EU foreign and economic solidarity, NATO deciding to curtail cooperation or end the privileged partner programme after the initial three-year period, or Russian actions aimed directly at Sweden and Finland, while reducing the number of incidents with NATO, could all constitute such changes. If combined with continuing pressures to decrease national defence budgets in Finland and Sweden, these changes could force politicians in both countries to seek a bilateral defence alliance.

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