



# Policy Notes

## European Security: A Finnish View

Thank you very much for that glowing introduction you gave me. Friends and colleagues, ladies and gentleman, it's good to be back. My stint as Ambassador here was only over last September but I grabbed the first chance to be back. Canberra is sometimes denigrated by some Australians as 'Canboring' or something along those lines. In my view they're simply wrong. My wife and I certainly loved it here and I'm sure that's true of most diplomats here. Canberra's got culture, clean air, cool climate wines and no traffic, and Sydney's only a short drive away by Australian standards. But best of all, Canberra's got ANU. One of the great universities on this planet. I am grateful that the Centre for European Studies provided me with this opportunity to talk to you and with you tonight. My good friend Kyle Wilson was very instrumental in making this event happen as well.

My subject tonight is 'European Security: A Finnish View'. I wish to stress the indefinite article. What I'm going to say is a view. It's not necessarily the official Finnish view at every point, although there is a lot of overlap. Let's start with a bit of history and a quote. First the quote: 'Don't you know, my son, with how little wisdom the world is governed?' These are the words with which the Swedish statesman Axel Oxenstierna reassured his nervous son Johan who was about to travel to Münster to negotiate the Peace of Westphalia on behalf of Sweden in 1648. Johan did well for our country. I say our country because Finland at the time was the eastern half of the Swedish realm. Our great power status in Europe was secured until the next century. Then in the early years of the 18th century, Charles XII engaged in needless and costly adventurism against Russia, some of which was fought on Ukrainian soil. His defeat was speed to a great victory – borders were removed. As a result, Peter established his new capital, St Petersburg, on Asian-Finnish land Ingria, near the shores of the Gulf of Finland. The proximity of St Petersburg to Finland has been a security dilemma for Finland ever since.

Now that our great power days are long gone, people in Finland, as in most small countries, tend to look at security from a rather narrow, national perspective. Obviously having Russia next door is the most important security concern we have. We can be parochially obsessed about Russia in this regard, as if Finland and Russia were alone in the world. Well, we are not alone with Russia nor have we ever been. Russia has never thought so nor have other great powers. Bigger players and broader issues of European security have often played a decisive role in shaping our destiny. Let me provide you with four 'what-ifs' to illustrate my point.

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**One:** What if Napoleon had not made the deal he made with Sir Alexandar I in 1807? Napoleon wanted to punish Sweden for breaking its continental Blockade against Britain. Russia meted out the punishment on Napoleon's behalf and gained Finland as a reward without that bit of the highest level horse-trading. We could have remained the eastern half of Sweden for another 100 years and maybe gained independence then like Norway. As it was, Finland became an autonomous grand duchy within the multi-ethnic Russian Empire for 100 years.

**Two:** What if Kerensky, after the February 1917 revolution had managed to turn Russia into a bourgeois Republic of sorts? In that case we might have stayed part of it for quite a bit longer than we did. As it was, the Balasevic Coup closed that option for us. Barely a month later on 6 December 1917 had Finland declared her independence. That was a decisive turning point in retrospect as we've managed to maintain our independence ever since. The centenary is being celebrated with all the pomp and circumstance we can muster at home and abroad, including here in Australia where my colleague Lars Backstrom is in charge.

**Three:** What if Stalin had not attacked us in 1939 in what became known as the Winter War? In that case we would not have tried to take back in 1941 what Stalin took from us. We would not have ended up in what we call the continuation war and in a war with the Soviet Union post 1949 Western allies, including Australia and the rest of the British Empire. Fortunately, the war between Finland and the rest of the British Empire was only declared, no shots were ever fired and we've been at peace with Australia for 70 years now since the Paris Peace Treaty of 1947. As it was, Finland ended up on the wrong side at the end of the Second World War and had to start getting along with the victorious Soviet Union as best she could. The Soviet Union's western allies did not really

care about our fate one way or the other. Many saw Finland as a lost cause. The Finns did not and we were not. We had already made our separate peace with Stalin in September 1944. We lost a great number of lives and 12% of our territory. We had to quickly resettle 400,000 fellow citizens – 10% of the population within the new borders. The price of our armed resistance to Soviet aggression was high but ultimately worth the pain. In a sense we lost, but ours was a defensive victory. We were never occupied. Our independence and democracy survived. The story of our Baltic neighbours was radically and tragically different for the next 50 years. Even Norway's fate was different.

**Finally, the fourth what if.** What if the Soviet Union had not collapsed in 1991? In that case, an independent and democratic Finland would have continued to pursue her policy of neutrality between East and West; being part of Western Europe culturally and economically, but not to the same extent politically and not much militarily. As it was, Finland soon set about to join the European Union, which we did in 1995. We since moved to the core, using the Euro and being part of the sharing system of free mobility for example. Our cooperation with NATO has also intensified. Our military gear is interruptible and we've participated in NATO operations in the Balkans and continue to do so in Afghanistan. We are now in NATO parlance and enhanced opportunities partnered along with Australia.

I run through these four what ifs to draw a larger lesson. Small countries, perhaps even middle powers like Australia, may be profoundly affected by great powers and their policies but they can still make vital choices of their own if they are determined to make use of the opportunities that present themselves. Geography is important but it's not destiny.

What about European security today? Where are we a quarter of a century after the end of the Cold War? In brief, not in a good place. The high hopes for a peaceful post Cold War world have faded. History did not end. A stable world order based on shared values and respect for common rules has not come about. Europe became more whole and more free than it had been for decades, but it is not yet whole and free. In fact, Europe is less whole and less free than it was only a few years ago.

The post Cold War era has ended but we don't yet have a name for what has followed. For want of a better term I'll call it the 'New Cold War', especially as far as Europe is concerned. It has some of the features of the old one but many new ones too. I'll break down the problems facing European security during the 'New Cold War' into two. I say 'problems' because 'challenges' is such an overused term, giving a positive spin to issues that are in fact negative in their implications if not solved. In other words, they're problems. The problems I have in mind relate to the European security order in general and the EU in particular. The fate of the EU has profound implications for European security.

First I want to focus on the European security order with particular reference to our own situation up north. Post Cold War security in Europe rested on the assumption of continued cooperation between Russia and the West. The contractual basis for security and cooperation in Europe was already laid earlier in my capital in 1975. Back then, all states responsible for security in Europe – a diplomatic phrase to include geographically non European, US and Canada in

Europe – agreed on the ground rules of mutual conduct. The so-called Helsinki Final Act has mostly been seen through this prism of human rights. It inspired dissidents in the Eastern bloc to challenge Communist rule in their own countries. It did however contain other important innovations as well.

The Final Act expressly recognised the unqualified right of states to choose their own security orientation; whether to belong to military alliances or to pursue neutrality. That was a particularly important clause to Finland at the time and is still an important clause for us today, but for a different reason. The continued validity of the principals of the Final Act was reaffirmed in 1990 when the Soviet bloc was already disintegrating. An organisation known as the Organization for Security and Co-operation in Europe (OSCE) was set up to see to the implementation, with a focus on instituting democratic practices. Better military cooperation also followed for a while. More robust confidence building measures were agreed upon, including military over-flights under the Open Skies Treaty and Ground Force limitations.

The collapse of the Soviet Union in 1991 also stranded many of its nuclear weapons on foreign territory, namely in newly independent Ukraine, Belarus and Kazakhstan. All these nuclear weapons were eventually removed to Russia. Negotiations with Ukraine were particularly protected and difficult in exchange for giving up its nuclear weapons. Ukraine received a solemn assurance through the so-called Budapest Memorandum from three nuclear weapon states (Russia, the US and the UK) that its sovereignty and territorial integrity would be respected. That was in 1994. Fast forward twenty years to 2014 and try to square Russian annexation of Crimea and military and other support for separatists in Eastern Ukraine with that assurance. Not easy.

Dialogue with Russia needs to continue even as fundamental disagreements persist. Small steps where interests meet are possible, grand bargains are not, in my opinion. As a neighbour, Finland maintains a fairly regular, highest-level contact with Russia. President Putin will probably visit us soon again, this time at the Savonlinna Oprah festival later this month. The worsening security situation in Europe has already forced NATO to revert to its original mission: defence of its member states. While Finland is not a member, we see NATO and US engagement in Europe as crucially important to our defence as well. Two of our closest neighbours, Estonia and Norway, are members, and the third, Sweden, cooperates with NATO just as closely as we do. We have a close bilateral security relationship with Sweden although we are not allies in any formal sense. As far as we are concerned, the sky's the limit in further developing our security cooperation. By the way, we are soon beginning to replace our ageing F-18 hornet fighter jets. Gripen E from Sweden is also a strong contender to win that bid, but so are the F-35s and a couple of other good alternatives. The decision will be taken in a few years' time. Australia has committed itself to F-35s and I'm sure our Air Forces are exchanging tips just as they have done with the F-18s.

Assessment of the threats Finland and Sweden face is similar if not exactly the same in all respects. However, the tone of public debate is somewhat different. In Finland we tend to play down threats, whereas in Sweden they tend to play them up. As Anna Lena Lorean, a well-known Finnish journalist puts it, and I quote: 'The Swedes are more worked up than worried,

the Finns are more worried than worked up', and I think that's probably true. A concept of security that involves much more than military hardware is the same in both countries. Defence against hybrid warfare and cyber attacks is high on our agendas. In fact, the concept of comprehensive security in both countries involves strengthening resilience, physical and otherwise, throughout societies as our first line of defence.

Finland also sees possibilities for the EU to do more in defence in the future. The EU will not and cannot replace NATO but it can do more to protect its citizens. That's one of the reasons why we have long promoted and have now opened in Helsinki the European centre of excellence for countering hybrid threats. The new centuries and important firsts from the point of view EU-NATO relations. For the first time both organisations will address hybrid threats together. There's also a technical arrangement between the two that makes possible the exchange of information about actual cyber-attacks like the one we all heard about a few weeks ago. Another big but rather under-reported change in the EU-NATO relationship over the past few years is that there's no longer competition. Cooperation is now the new norm. The point for each organisation is to use its unique resources effectively to maximize the benefits to both. This cultural shift is excellent news.

Ladies and gentlemen, now for the second problem: The fate of the EU itself. Despite the good news I just related, the bigger picture is still cloudy and uncertain. Where is the EU heading? Ever since the global financial crisis in 2008, public debate in Europe and elsewhere has been rife with speculation about the possible collapse of the EU. Indeed there has been an accumulation of unprecedented difficulties: the crisis of the eurozone with the near bank bankruptcy and bailouts of Greece and major difficulties in some other eurozone member States; the rise of populist and so-called Euro-sceptic political parties in several member states (including my own); the crisis with Russia following its land grab and interference in Ukraine; the uncontrolled influx of huge numbers of migrants and refugees into the EU; and last but not least, Britain's decision to leave the EU. That's quite a list. The jury is still out on the EU's ability to emerge from these multiple crises as a viable economic and political entity. What's the jury's verdict going to be? No one knows. For what it's worth, I'll give you my own. Let's take each crisis in turn.

First, the eurozone has not disintegrated. Greece is still problematic but continues to be a member. The feared contagion has not spread to bigger members. Spain and Portugal have recovered, and new members – the Baltic states – have actually joined the eurozone. Italy's wobbly banks may well be the next problem. However, it seems to me that the eurozone is not only surviving but becoming defacto to the institutionalised core of the EU, with a differentiated set of economic and physical norms and mechanisms to push for more compliance with political balance of power within the EU. In favour of such differentiation is, I believe, shifting with Brexit. Soon Poland will be the only large member state outside the eurozone and more than two-thirds of the 27 member states after Brexit will be eurozone members.

Second, the rise of the populist and euro-sceptic parties seemed for a while inevitable no longer. They have been checked in Austria, the Netherlands and France and probably will be in Germany and Italy too. They have been checked also in my own state. Two years ago, support for the so-called true

Finns or Venus party hovered around 18%. They joined the government and now their support is about 9% and the party has split down the middle with the new alternative staying in government. The broader lesson here is that populists can be domesticated by taking them in, not by keeping them out. The issues that help these parties gain support in the first place have not gone away, but at least the other parties in the EU have gained breathing space for dealing with them.

Third, the crisis with Russia has not splintered the EU. It has made it clear to member states that Russia does not wish the EU well. Despite some differences among member states, the EU managed to agree on sanctions and has rolled them over a number of times. The latest six-month extension was last month (June 2017), and the pressure from business to ease sanctions has largely died down. Some common steps toward defence cooperation have also been taken and more are in the pipeline. The bottom line here is that belief in Russia's continued belligerence is now widely shared, and so is the need to counter it.

Fourth, the migration crisis is over, at least temporarily. This is the area where the EU continues to be badly split and where common measures and their implementation continue to be inadequate. The nexus with terrorism, which is true in some cases, and collisions of culture between migrants and locals, continue to be a breeding ground for populists. The EU needs to take stronger action to protect its external borders and to help keep economic migrants at home. Maybe the EU could learn something from Australia here too.

Finally, Brexit. No doubt Brexit is bad news for the EU, especially for those of us up north that share much of the free trade spirit of the British. Ironically, Margaret Thatcher was instrumental in the creation of the single market that Theresa May is now in the process of quitting. That's life. Brexit matters to Australia as well. There may well be more complications in the future free trade negotiations between the EU and Australia without Britain pulling its weight in our particular corner. Britain is also the other major European military power along with France. The good news here is that Britain will want to continue to play its important role in NATO and NATO-EU cooperation, as well as cooperating militarily with individual EU member states. For example, Finland and Sweden joined the British-led joint expeditionary force within NATO only a few weeks ago.

Without getting into the possible outcomes of the Brexit negotiations (nobody knows those), and assume that there is no reversal, let me end with my overall verdict. There is a saying, I think a Chinese proverb, that 'crises are opportunities'. There may be some truth to that. The EU is not collapsing. Rather, paradoxically, Brexit and the other crises I listed suggest to me deeper but differentiated integration. There seems to be willingness among the soon to be 27 member states to accept more eurozone differentiations in order to manage the political dividing lines between them, caused by different views on issues such as illegal immigration and different takes on European values. Let me hazard a prediction: In another ten years we may well have an EU that is stronger economically, politically and militarily than it is today. From the Finnish perspective that would be very good for our own and European security. Thank you very much.

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