

Saber Rattling and Security in Northern Europe: What Is Russia After?

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This White Paper was written by Maija Harkonen, Ph.D., Executive Director of the Center for the Study of Democracy. It draws on a 2015 roundtable discussion of The Patuxent Policy Group, a collaboration between The Patuxent Partnership and the Center for the Study of Democracy at St. Mary’s College of Maryland. This document reflects the perspectives of the panelists and participants at the roundtable and identifies findings and conclusions that are of interest to military planners and defense policy analysts and strategists. The views expressed in this paper reflect the output of a group discussion and are not intended to represent the views of any particular individual.



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Saber Rattling and Security in Northern Europe: What Is Russia After?

Introduction

The Russian Federation has become increasingly assertive in the European Nordic-Baltic region during President Vladimir Putin's second term, leading many Western political and military leaders to reassess its post-Cold War intentions. Russia's numerous airspace violations and submarine excursions in the Baltic Sea have left Nordic countries feeling threatened and concerned about the faith of the newly independent Baltic states. Russia's annexation of Crimea in 2014 and its launching of a proxy war in eastern Ukraine have further increased Nordic anxieties. To add to the general feeling of dread, Russia has increased its military presence in the Arctic area. What is behind Russian assertiveness and its saber rattling in Northern Europe? In what way has it changed the security environment in the area?

In this White Paper, the changing security environment in Northern Europe is examined with the focus on two major geographical areas. The first area of interest is the Baltic Sea area, which has coastlines with the Russian Federation; Federal Republic of Germany; the kingdoms of Denmark and Sweden; and the republics of Estonia, Finland, Latvia, Lithuania and Poland. The second area of interest is the Arctic and the Atlantic, especially the northern parts of the Arctic Ocean, bordered by Greenland, Russia and Norway, and the northeast areas of the Atlantic Ocean, particularly the Norwegian Sea and the Barents Sea. The last section of this White Paper examines how the North Atlantic Treaty Organization (NATO) and the United States as its leading member view their roles and responsibilities in the area and what, in their view, needs to be done to boost the regional security in the Baltic area. The conclusion of the October 2015 Patuxent Policy Group discussion that covers the evolution of the security situation in the Nordic areas mainly during the period from May 2012 to October 2015 is while Russia's saber rattling is increasing in the Nordic areas, it is far from clear what its intentions and long-term strategic goals are. If Russia's goal is to restore its great power status, as President Vladimir Putin has stated, the question is, what will it take before Russia feels it has achieved its goal? In the Nordic and Baltic countries, the question of war is in the air for the first time since the height of the Cold War. In the absence of other alternatives, NATO is the only alliance that can deter Russians and provide credible security guarantees for the Nordic and Baltic countries.

1. Geopolitical Context

For the Russian leadership and political elites, geopolitics with the emphasis on territory and military power matters. The Russian Federation is the largest country in the world, spanning eleven time zones. In the Northwest, Russia shares land borders with Norway, Finland, Estonia, Latvia, Lithuania and Poland. All but Norway are also countries that are situated along the Baltic Sea along with Russia, Denmark, Sweden and Germany. Out of the nine Baltic countries, Estonia, Latvia, Germany and Lithuania are members of The North Atlantic Treaty Organization (NATO), a military alliance that currently consists of twenty-six European and two North American countries. The Baltic countries that joined NATO after the collapse of the Soviet Union are Poland, Estonia, Latvia and Lithuania. Currently, Sweden and Finland are outside the alliance but since 2014, they have developed increasingly close relationships with NATO and built close bilateral defense relationships with the United States as an alternative to NATO membership.

The current security dilemma in Northern Europe stems from NATO's enlargement to the East, Russia's reaction to it, and the Kremlin's heightened aspirations for global relevance, if not dominance. NATO's eastward expansion evolved in the context of German reunification that was reached after agreements were made among the major powers, including the United States, the Federal Republic of Germany, and the Union of Soviet Socialist Republics. In return for Soviet approval of the agreement, the Western parties to the treaty promised generous financial aid and ruled out the stationing of NATO forces on the territory of the former East Germany. The agreement was concluded between Russia and 15 NATO countries in May 1997 and it prohibits the permanent basing of NATO soldiers in Central and Eastern European countries.

Russia's reaction to NATO's eastward expansion was initially muted. In fact, for years Russia and NATO collaborated on various missions. Later, however, Russia's narrative about the past agreements with the West and its place in the world in general changed considerably and President Dmitry Medvedev began to argue that NATO's expansion into Eastern Europe violated commitments made during the negotiations over German reunification. The "Theory of Great Betrayal" became widely accepted in Russia, leading to new interpretations of East-West relations and Russia's place in the world. This interpretation found its ideological justification in the "Medvedev Doctrine" that stated: "Protecting the lives and dignity of our citizens, wherever they may be, is an unquestionable priority for our country." This doctrine had a chilling effect on the countries around the Baltic Sea that had noticeable minorities of ethnic Russians, including Germany, Estonia, Latvia, and to a lesser extent Lithuania. Would the Russians use the Medvedev Doctrine to justify an invasion of the Baltic countries? If so, what would happen to non-Russian ethnic groups?

On April 25, 2005, President Vladimir Putin gave a speech to the Federation Council, saying the famous words: "the collapse of the Soviet Union was a major geopolitical disaster of the century". By the time of his speech, Russia had already expanded its military spending, developed its self-image as a country that was surrounded by hostile powers, and taken extraordinary measures to transform her semi-democratic political system into an authoritarian regime that curtailed freedom of expression and political dissent. Simultaneously, Russia had begun to flex its military muscle in its geographical neighborhood. For the first time since the Cold War, the Nordic countries and the Baltic region became a friction point in the geopolitical power struggle between Russia and NATO countries.

Russia was not alone in feeling vulnerable in Europe. During the first two post-Cold War decades, conflicts and discord were common in the continent. Yugoslavia disintegrated in the 1990's, bringing instability and war to the Balkans. The wars in Croatia and Bosnia resulted in the genocide of mainly Muslim Bosniaks and the migration of hundreds of thousands of refugees. Global terrorism became a new challenge, increasing the concern that weapons of mass destruction would one day end up in terrorists' hands. In the eyes of many Nordic leaders, NATO was the only security organization that had the needed capabilities to defend the post-Soviet world order and guarantee continued independence and sovereignty of the Nordic and Baltic states.

2. Russia's Saber Rattling

Russians became increasingly more aggressively in northern Europe sometime after 2012. The year 2014 witnessed a number of high-risk incidences. In March 18, 2014 an SAS passenger plane came dangerously close to a Russian reconnaissance aircraft that failed to transmit its position. In September 2014, Russian agents abducted an Estonian security service operative, Eston Kohver, from Estonia; that is, from NATO, territory. The incident took place immediately after President Obama's visit to the region and his repetition of security assurances to the Baltic states. In October 2014, there was a major submarine hunt by Swedish authorities in the Stockholm archipelago. In June 2014, armed Russian aircraft approached the heavily populated Danish island of Bornholm as if it were simulating an attack. In September 2014, Russian Su-24 bombers intentionally violated Swedish airspace possibly to test the capabilities of the air defense system strengthened after previous incidents. Both the Danes and the Swedes have frequently complained about Russian military aircraft switching off their transponders when flying in the western Baltic area, endangering civilian air traffic. The list of violations is long. More recently, in May 2015, Russian naval ships repeatedly disrupted cable-laying work between Sweden and Lithuania, prompting diplomatic protests from both countries affected. The "NordBalt" cable is being built to increase the security of power supply in both markets and lessen Lithuania's dependence on Russian energy.

Russia's aggressive posturing in the Baltic area appeared to be designed to prevent Baltic states from slipping deeper into the NATO orbit, Ukraine from becoming a NATO member and NATO from installing a ballistic missile defense (BMD) system in Eastern Europe. In March 2015, Russia warned Denmark that if it joined NATO's BMD system, its navy would become a legitimate target for a Russian nuclear attack. In spite of Russia's warnings, NATO resumed its talks on setting up the BMD system in Central Europe. The timing of the final decision was hardly ideal: it was after the 2008 South Ossetia war that the United States and Poland announced a deal to implement the BMD system on Polish territory, causing Russians to argue that the system was deployed not against Iran, as the United States had claimed, but against Russia. The planned BMD system was much smaller than was originally envisioned, but it did not stop Russians from warning the Poles that they were exposing themselves to a potential Russian attack.

Russia has used various levers of power to prevent Western influence and NATO expansion to what it has considered to be its sphere of influence. Military posturing, cyber attacks, verbal intimidation, and economic means have all been part of Russia's toolkit. Having the Baltic countries dependent on Russian energy supplies to keep them sensitive to Moscow's needs has also been one of their well-used levers of power. All these tactics had worked well

during the Cold War years, but the times had changed. To the surprise of the Kremlin, the Nordic countries responded to the Russian invasion of Crimea and its aggressive maneuverings near their borders with more resolve and determination than they had expected.

3. Nordic-Baltic Response

How did the Nordic countries react to Russia's military posturing in the Baltic Sea area and its illegal annexation of Crimea? Four major responses deserve attention: they began to take stock of their military capabilities, enhanced defense cooperation among themselves and with the Baltic states and supported European Union economic sanctions against Russia as a way of punishing it for the illegal annexation of Crimea. In addition, the Nordic neutrals, Finland and Sweden, began to move away from the veneer of neutrality they had maintained in the post-Cold War years and became more openly associated with NATO. Both countries seriously considered membership in the Alliance to Moscow's dismay.

When examining Nordic responses to Russia's sabre rattling, one should bear in mind the complexities of the post-Cold War Baltic security dilemma. The new NATO members, Estonia, Latvia and Lithuania, are small in population and size and isolated from other NATO countries. To the north of them, there are non-NATO but pro-alliance Finland and Sweden. To the south and east are Russia and Belarus. Only Lithuania shares a border with a NATO member, Poland, but it also shares a border with the Russian enclave of Kaliningrad. To boost their defenses, Estonia, Latvia and Lithuania sent a formal letter to NATO in May 2015 asking it to permanently deploy ground troops to their nations as a deterrent against an increasingly assertive Russia.

Nordic responses to Russia's military posturing in the Baltic Sea area are also conditioned by NATO's reluctance to antagonize Russia by deploying permanent troops in the new member states. Instead, NATO has considered other options, including viewing the non-NATO countries of Finland and Sweden and their conventional forces as a potential means to fill the Baltic security gap or at least slow down the Russian troops in case of their attack on Estonia. From the point of view of both Baltic and Nordic countries, slowing down the enemy was not enough. NATO needed to do more to assure the Baltic countries that it stood behind Article 5 of the Alliance agreement. In addition, Nordic countries began to take more initiative for boosting solidarity and regional defense. To show a united front, Sweden, Norway, Finland, Denmark and Iceland issued a joint statement in April 2015, noting that Russia's actions are the biggest challenge to the European security. They accused Russia of spreading propaganda and sowing discord between nations. The countries agreed to expand their military cooperation and collaboration with the Baltic states. Displaying such unity was encouraging, but how did the Nordic countries plan to make good on their promises?

3.1. Taking Stock of Military Capabilities

After the 2014 illegal annexation of Crimea by Russia, Nordic countries began to take stock of their ability to militarily defend themselves and their neighbors. This exercise resulted in depressing discoveries, especially in Sweden, which had optimistically concluded at the end of the Cold War that it no longer needed a conscription-based military or strong defense capabilities. In 2000, the Swedish parliament had cut the defense budget by half, its Army's manpower by ninety percent, and its Navy and Air Force by seventy per cent. Sweden's military preparedness de-

clined considerably from what it had been in the mid-1980s. At that time, Sweden still had strong defense forces, with 100,000 active-duty soldiers in Army combat units, and a Navy with some 40 warships and 12 submarines.

Finland, which had historically served as a buffer between Russia and rest of the Nordic states, found itself in a somewhat better position than Sweden. It had maintained its standing armed forces of some thirty thousand troops and also had reserves as part of a defense establishment of more than two hundred thousand troops. However, its military spending had steadily declined since 2006 and its GDP-to-defense spending ratio was 1.34 percent in 2014 and dropped to 1.28 percent in the 2015 budget. Russia's annexation of Crimea changed the situation quickly as the new Finnish government reversed course. According to the Finnish Defense Ministry's 2015 estimates, spending was set to rise 9 percent in 2016 to \$3.1 billion, equivalent to 1.4 percent of gross domestic product. Norway, a NATO country that shares an Arctic border with Russia, announced in October 2015 that it will increase its defense spending by 6.9 percent in 2016.

Denmark, a NATO member, was in a relatively good position, as it had maintained the capability to patrol its own airspace and help monitor the Baltics. However, the Russian annexation of Crimea and its aggressive posturing in the Baltic Sea area made Denmark determined to step up its military preparedness. And not a day too soon, many thought. In March 2015, some 33,000 Russian soldiers rehearsed a military takeover of the Baltic Sea, practicing the seizure of Bornholm, a Danish island, Finland's Åland islands, and Sweden's Gotland island. Russia's aim was to send a message that it has the means needed to achieve dominance of the Baltic.

3.2. Enhancing Defense Cooperation

A concern for Baltic regional security has unified Western democracies addressing Baltic issues in various ways since the collapse the Soviet Union. The collaboration between Nordic countries and the Baltic states to enhance their national military capabilities started immediately after the Baltic states gained their independence in 1991. Russia's hostile activities in Ukraine did, however, introduce a degree of urgency to this old project. As was noted above, in April 2015, Denmark, Finland, Iceland, Norway and Sweden announced their intention to intensify their cooperation with the Baltic states of Estonia, Latvia and Lithuania.

Military cooperation among the Nordic countries also increased in the wake of Russia's illegal annexation of Crimea. Denmark and Sweden announced that they would develop closer defense ties to supplement the preexisting agreements embedded in Nordic Defense Cooperation (NORDEFECO) and Sea Surveillance in the Baltic Sea (SUCBAS). NORDEFECO is a formal collaborative arrangement created by 2009 by Denmark, Finland, Iceland, Norway and Sweden. Sweden became the new Chair of NORDEFECO in 2015 and used its authority to push for an unprecedented level of practical collaboration among the member states. Regional cooperation was further enhanced in April 2015, when Norway, Denmark, Iceland, Sweden and Finland met to conclude a new defense cooperation agreement that included plans to build better fighter fleets, bolster air defense systems, modernize armored brigades and mobile artillery systems, and, in the case of Sweden and Norway, purchase state-of-the-art submarines. The agreement also envisioned expanded military exercises in the region and a more extensive sharing of intelligence among the countries.

3.3. Sweden and Finland: Pro-Alliance Instead of Neutrality

Throughout the Cold War, Finland and Sweden had held formal positions of military neutrality. After the Soviet Union collapsed, they decided to remain neutral hoping that Russia would become a full-fledged democracy with a strong market economy. Both countries expected reduced threat levels in the future and Finland looked forward to developing increasing levels of cross-border trade in goods and services. After Russia annexed Crimea and increased its border violations in Northern Europe, hopes for peaceful coexistence were dashed. In response to Russia's increased militarism, Finland and Sweden moved closer to NATO and enhanced the interoperability of their forces with NATO to levels comparable to many NATO members. The change of heart happened quickly, taking the Kremlin by surprise.

To solidify their ties to the Alliance, Finland and Sweden joined NATO's Enhanced Opportunities Partners (EOP) protocol that was created at the 2014 NATO Wales Summit. It offers five partner countries, Australia, Finland, Georgia, Jordan and Sweden, the possibility of closer cooperation on a bilateral level on policies such as military cooperation, defense and security. In the case of Finland, the protocol opens the door for NATO troops to enter the country but only at Finland's invitation. The scenario that would lead to such an invitation includes the situation where NATO would like to use Finnish territory to defend Estonia in a conflict.

The EOP protocol alarmed Russians, who had issued threats against Georgia and Ukraine to discourage them from drawing closer to NATO. In the aftermath of the Wales Summit, Russians increased their propaganda aimed at Nordic public opinion, hoping to turn it against closer collaboration with NATO. They did not succeed: both in Sweden and Finland, public opinion became increasingly pro-NATO, although in August 2015, only 41 percent of the population in Sweden and only 22 percent in Finland backed joining NATO. The Finns remember well the two devastating wars they fought against Russia during the Second World War and they are mindful of their 830-mile border they have with their old enemy. They felt that Finland's inclusion in NATO would not improve their security. However, in both countries, but especially in Sweden, public opinion had shifted considerably in favor of NATO membership.

3.4. Supporting the EU Sanctions on Russia

As a result of Russia's illegal annexation of Crimea and its proxy war in Ukraine, the European Union imposed three layers of economic and financial sanctions on Russia in 2014. The United States, Canada, and other NATO allies and partners imposed their own sanctions. Nordic and Baltic countries, with the exception of Norway, are members of the EU and therefore participated in the sanctions. Russia then responded with its own sanctions on food imports. The results were economically challenging to both parties: Russia's economy fell into deep recession and the Eurozone experienced lower economic growth. Other factors, such as declining oil prices contributed to the trend. The effects of Russia's counter sanctions on EU nations were limited because Russia has not been an important destination for their goods and services. One exception is agricultural produce. Russia's counter sanctions on Finland reduced the profitability of its dairy and meat industries.

4. The Arctic and Atlantic

In the US-Russian geopolitical rivalry, the Arctic has played a small role. This is about to change. Although the Arctic continues to be regarded as one of the most stable areas in the world, the Arctic and non-Arctic nations have increased their military and non-military presence in the area. These countries include eight Arctic nations with territory above the Arctic Circle, and countries such as China, India, Singapore, the United Kingdom and Japan, which are interested in the undersea petroleum, gas and mineral reserves in the area and also new cargo shipping routes made possible by global warming and thinning of Arctic ice. Russia is the largest Arctic country and it has become increasingly determined to develop its capabilities in the far North. Its assertiveness in recent years has caused the other seven Arctic nations to fear that Russia is aiming at Arctic predominance undermining their commercial and strategic interests. To deter Russia, which already has an Arctic strategy and military bases above the 66th parallel north, those Arctic nations that are members of NATO, especially Norway, have asked the Alliance to develop its own Arctic strategy and establish a more robust presence in the area. Whether or not NATO will do so depends greatly on its view of Russia's intentions. The question of "what is Russia after in the Arctic?" is best understood by examining what it has done in the area and what its plans to do.

4.1. Arctic Cooperation

Geographically speaking, the Arctic consists of the areas above the Arctic Circle, including the Arctic Ocean, adjacent seas, and parts of the United States (Alaska), Canada, Finland, Denmark (Greenland), Iceland, Norway, Russia, and Sweden. During the Cold War years, there was some limited strategic interest in the Arctic by Russia, the United States, Denmark, Iceland and Canada. In 1951, the United States and Denmark signed the "Defense of Greenland" agreement and updated it in 2004. In the aftermath of the Soviet Union's collapse, the Arctic receded to the backburner. While NATO as an alliance showed little interest in the area, several individual NATO countries did upgrade their military capabilities, mindful of potential conflicts over the Arctic territories and resources in the future. Norway improved its permanent military headquarters above the Arctic Circle and Denmark established the Arctic Command in 2012 to conduct its activities around Greenland and the Faroe Islands. In the post-Soviet era, until about 2012, collaboration rather than confrontation marked relations among the Arctic nations.

To facilitate their peaceful cooperation, Russia, Nordic countries and the United States set up the Arctic Council in 1991. It is an intergovernmental forum for Arctic governments and peoples to discuss issues such as oil exploration, climate change and shipping. The United States assumed the two-year rotating chairmanship of the council in April 2015. Its term will be up in May 2017 when Finland will assume the chairmanship. Within the Arctic Council, the stakeholders have enjoyed collaborative relations helping each other with rescue missions and environmental protection issues. The United Nations Convention on the Law of the Sea (UNCLOS III) has formed a legal basis for solving disputes, although the United States had not ratified the treaty. The ratification of the treaty by Russia and Norway enabled them to resolve the dispute concerning their maritime borders in the Barents Sea. According to the 2010 treaty between Norway and Russia, the parties divided the disputed area of over 67,000 square miles equally between them.

Potential sources of future conflicts are many. Old border disputes remain unresolved and new ones are on the horizon. In 2007, a Russian-led polar expedition planted a Russian flag on the seabed 2.5 miles beneath the North Pole, reinforcing the view by some Western powers that Russia's intention was, indeed, to become an Arctic superpower.

Russia also resumed patrol flights over the Arctic and submarine patrols in its icy waters. In 2014, Denmark, which possesses the semi-autonomous country of Greenland, also staked its claim to the North Pole. Canada, the second Arctic geographical giant, plans to claim the seabed beneath the North Pole in 2018. According to international law, all countries are allowed exclusive economic zones within 200 nautical miles of their coastlines. In addition, countries may make further claims for natural resources based on extended continental shelves, as Canada did.

Frustrated commercial aspirations will also strain relations among the Arctic powers. Moscow's commercial activities in the Arctic suffered a severe setback when the Western powers imposed economic sanctions on the country to punish it for annexing Crimea. The 2014 EU sanctions prohibit European actors from engaging in the sale, supply, transfer or export of technology that could be used in offshore oil exploration anywhere north of the Arctic Circle. The same year, the United States joined EU in expanding sanctions to target Russian Arctic and shale-oil projects. This put a stop to a joint project by Exxon-Mobil and Rosneft in the Kara Sea where the companies had discovered more than 100 million tons of oil. Without Western technology, the fields cannot be easily exploited. Although the sanctions did not affect the operations of the Arctic Council, save a few missed meetings by the Canadians, the era of peaceful cooperation among the Arctic powers is being replaced with cooperation that is marked with suspicion and uncertainty.

4.2. Militarization of High North

The European Arctic, the High North, is not expected to have conventional wars any time soon. However, during the second Putin term that started in May 2012, Russian ambitions in the Arctic grew quickly. Judging from the size of the military infrastructure and a number of troops assigned to the Arctic areas, and also from the increase in funding earmarked for future military spending in the area, it is reasonable to conclude that Moscow is planning to use the Arctic to boost its strategic military strength not only in the Arctic areas but also beyond the High North. Putin's sabre rattling in the Arctic serves to reinforce his authority at home and project Russia's military might vis-à-vis other nations interested in exploiting Arctic resources and shipping routes. It is also meant to remind the rest of the world that Russia is an Arctic superpower with a fleet of icebreakers larger than that of all other Arctic nations combined.

The speed of Russia's militarization in the Arctic took Western observers by surprise. In December 2013, Putin announced that Russia would begin to reinstate its military base in the Novosibirsk Archipelago that had been abandoned by the military in 1993. A year later, it reopened the base in the Russian town of Alakurtti, located in the Murmansk region about 40 miles from the Finnish border and stationed a detachment of about 800 servicemen from its Northern Fleet there. Around the same time, Russia began to restore its radar sites to benefit its air defense forces. To elevate the importance of the Arctic, the Kremlin modified the 2014 Russian Military Doctrine to include a phrase "protecting Russian interests in the Arctic" for the first time. It also adopted a new Maritime Doctrine that had amendments focusing on the Arctic and Atlantic. To enhance its administrative structures in support of the Arctic military infrastructure and missions, Russia set up a new Arctic Joint Strategic Command in 2014.

During the second Putin term, the Russians also began to demonstrate their Arctic power through an increasing number of military exercises that followed each other quickly. In September 2013, Russia launched the military exercise Zapad 2013 with Belarus. Some of the operations were extended to the Barents Sea and its air space off the Kola Peninsula. In September 2014, the Russians held the largest post-Soviet military exercise, Vostok-2014, in

the Russian Far East, focusing on rapid mobilization and demonstrating the use of both conventional and unconventional forces. In March 2015, they executed a five-day operation that involved some 80,000 troops, 220 aircraft, 41 warships, and 15 submarines.

During the Cold War, the Soviet Union maintained a formidable presence in the Arctic. Under Putin, the trend continues but with more assertiveness. For Moscow, the Arctic is not only the destiny but also a springboard. Russia's Northern Fleet has 42 of its 72 submarines, including 8 of its 13 ballistic missile submarines (SSBNs). SSBNs assigned to the Northern Fleet account for 80 percent of Russia's submarine-launched ballistic missile (SLBM) arsenal. They are directed at targets beyond the Arctic region, forming an important part of Russia's strategic nuclear forces. Because the Northern Fleet contains the main component of Russia's nuclear triad, it is highly relevant to the security situation in the region and the world.

4.3. NATO's Response

For the Alliance, the High North has been on the periphery of its strategic interest for quite some time, but for its individual members who sit on the Arctic Council, the High North represents a repository of future resources that require continuous protection. After Russia annexed Crimea, the Nordic nations began to view Russia's military modernization in the Arctic through a different lens. NATO soon followed suit and increased its involvement in the area. Its ability to project power in the Arctic is, however, limited. It does not have a fleet of nuclear-powered icebreakers as Russia has or bases above the Arctic Circle, let alone permanent troops. What would NATO do if one of the border disputes flared up? How would it help Norway in case it faced Russian aggression over the disputed Svalbard Archipelago? Could the Alliance protect future shipping lines from potential Russian interference? Would it be able to defend the Freedom of Navigation operations in the icy waters of the Arctic?

As the geopolitical importance of the Arctic region grows, NATO is planning to boost its strategic might and enhance its Arctic capabilities. It is in a good position to do so. Five of the eight Arctic states are NATO members and two, Sweden and Finland, are closely affiliated with it. Almost half of NATO countries are represented in the Arctic Council as members and observers.

Russian media portrays any Western military activities in the Arctic as provocative even when they take place within the Western powers' own territorial waters and airspace. One of the most disturbing ones from the Russian point of view was the Arctic Challenge Exercise (ACE) 15 that took place from May 25 to June 5, 2015. Norway, a NATO country, was the lead nation in the exercise that included over 4,000 personnel and nearly a hundred fighter jets from nine nations. The exercise included units from the Netherlands, Great Britain, Finland, France, Germany, Switzerland, the United States and NATO. The Russians responded by conducting unscheduled large-scale maneuvers to demonstrate their military strength and they concern over deepening military relations between NATO and the Nordic neutrals of Sweden and Finland. For a while, geopolitical tensions were high in the region.

The Arctic is no longer the stable part of the world it was some twenty years ago. Following Russia's illegal military intervention in Ukraine, tensions between Western powers and Russia also increased in the High North. With a heightened sense of insecurity, especially at times when military exercises take place, accidents are waiting to happen and they may escalate into armed conflicts. For the sake of enhancing Arctic security, more dialogue between NATO and Russia is needed. The Arctic Council is not a proper venue for such discussion. The NATO-Russia Council (NRC), formed in 2002, focuses on security issues and joint projects and improved cooperation. However,

in April 2014 NATO announced that it had decided to suspend all practical civilian and military cooperation between NATO and Russia because of the Ukrainian crisis.

5. NATO Readiness: Transatlantic View

The role of the United States in the new security situation in Europe is important. It is the leading nation in NATO, providing 73 percent of the alliance's spending on defense in 2013. Although there has been much talk about a common European security and defense union, setting up such a union with significant powers has been an elusive goal. There is the European Defense Agency (EDA) that was established in July 2004 to support member states in improving their military capabilities, but it is still rather weak in terms of organization and resources. Because of the global financial crisis, public wariness of wars in Iraq and Afghanistan, and the rise of nationalist parties across Europe, European leaders have been reluctant to divert their resources to EDA. Thus, NATO has remained the only military alliance capable of providing for European defense and the United States, its leading nation, the only single country that can exercise significant political leadership and authority within the Alliance. How well did it live up to the promises it had made?

5.1. Baltic Security Challenged

Soon after the Baltic states became members of NATO, they became concerned about the adequacy of the contingency plans NATO had for their defense. They were also aware that threats to the security of all nations had changed since the NATO agreement was drafted in 1949 and now included non-state actors and various elements of hybrid war, including cyber aggression. If Russia attacked a Baltic NATO country, Article 5 of the North Atlantic Treaty would be evoked. This article commits each member state to consider an armed attack against one member state to be an armed attack against them all. While it does not mandate an armed response, it pledges to take "such action as it deems necessary" to restore and maintain security. Is a cyber attack an armed attack that warrants NATO action? In 2007 Russia launched a cyber attack on Estonia but at the time NATO did not have any cyber defense policies in place and it had not defined cyber aggression as an "attack". NATO and the United States dispatched some of their top cyber-terrorism experts to Estonia to investigate, locate and shut down the sources of attack.

NATO's unpreparedness to respond to acts of cyber aggression can be explained, but not excused, by the novelty of such threats. But the Nordic and Baltic leaders were also concerned about military attacks by conventional and nuclear weapons. How prepared was NATO to defend the Baltic airspace and land borders? Was the United States, as NATO's lead member, committed to defending Baltic borders? In 2009, the United States had started shifting its focus from Europe to the Asian-Pacific region, believing that it could forge a new, less contentious relationship with Russia. From the Baltic point of view, the US pivot to Asia was not helpful given their relative geographic isolation from the rest of the Alliance. In fact, it raised serious questions about U.S. commitment to Baltic security. Reassurances were needed.

5.2. U.S. Special Role in Protecting Baltic Countries

During the Cold War, the United States policy was not to recognize the annexation of the Baltic states by the Soviet Union, considering Stalin's annexation to be a violation of international law. The United States championed the territorial integrity of the Baltic states and, by doing so, helped these small countries to restore their sovereignty after the collapse of the Soviet Union and to gain membership in NATO. After such decades-long diplomatic support, the Baltic leaders had a good reason to expect that NATO, and especially the United States, would consider their security challenges with utmost urgency. The United States, however, had adopted budget sequestration in 2013 and its military continued to downsize its presence overseas. This led to a concern among its allies, and especially the Baltic leaders, about U.S. readiness and resolve to defend them in case of hostile attacks. Perceptions matter.

Although the Baltic states did not get an immediate significant boost to their military capabilities and probably felt their needs were marginalized in comparison to U.S. and NATO commitments elsewhere in the world, NATO officials kept working on strategies to improve their security. They had numerous challenges to sort out. How would NATO give credible security assurances to Estonia, Latvia and Lithuania? Would it make sense to convince the neutral countries of Sweden and Finland to join the Alliance? After all, they are closer the Baltic countries, and, could defend them more easily in case of Russian attack. Finland and Sweden also had some complementary military capabilities, Sweden having considerable air power for a small country and Finland having mandatory military service and troops ready for deployment. Besides, all Nordic countries, whether NATO members or not, had developed close military ties among themselves. Why not expand the Alliance to Sweden and Finland and boost the security of all Nordic and Baltic countries simultaneously?

If boosting security were the main goal, having Finland and Sweden as NATO members would not be the solution. In the current situation, expanding NATO membership to Nordic "neutrals" would undermine the ultimate goal of transatlantic military cooperation: to maintain and enhance stability in the region. Russia would retaliate and it could resort to military action against Finland. Is it a risk worth taking? Sergei Markov, the Russian President's personal envoy, asked the same question more pointedly in June 2014: "Does Finland want to start World War III?" A more appropriate question one could argue is, would Russia start World War III over Finland? These chilling questions expose the sensitivity of further NATO enlargement in Northern Europe. NATO expansion in the North is neither wise nor necessary. The Nordic neutrals are likely to be more useful to NATO when operating in synch with but outside of the Alliance.

When weighing different strategic options to boost Nordic and Baltic security in the aftermath of Russia's illegal annexation of Crimea, the United States was, however, rather quick in embarking on a mission to show that it was committed to their defense. To its credit, it was able to forge a high-level transatlantic unity that later resulted in significant economic sanctions against Russia. The most important event in this regard was the NATO Wales Summit in September 2014. It condemned Russia's illegal annexation of Crimea and its proxy war in Ukraine and made a commitment for a more robust defense capability. Accordingly, the summit adopted a Readiness Action Plan, including a Very High Readiness Joint Task Force and the Partnership Interoperability Initiative (PII) that aimed at making partners able to operate together with NATO forces according to NATO standards, rules and procedures, and using similar equipment. Moreover, the NATO members pledged to reverse defense cuts and improve their military capabilities. The NATO summit also launched the Defense and Related Security Capacity Building (DCB) Initiative that allows members to provide support to nations requesting defense assistance from NATO.



While preparing for a strategic change of course, operational responses came in bits and pieces, showing a sufficient, although not adequate level of preparedness from the point of view of new NATO members. NATO increased the strength of the Baltic Air Policing mission that had been conducted on a three-month rotation since 2004. The U.S. Air Force deployed six F-15C Eagle fighter jets to Lithuanian air force base, thus reinforcing its air defenses. In May 2014, NATO established its second air base in Estonia while the French Air Force reinforced Poland's air defense capabilities. These types of quick responses were followed by activities with a longer term impact. In June 2014, President Barack Obama announced the European Reassurance Initiative (ERI) to bolster the security of America's NATO allies and increase the U.S. military presence in Europe. ERI ensured continuous exercises and deployments to Baltic states and also to Poland. The U.S. Congress appropriated and authorized nearly a billion dollars in funding for ERI in the Fiscal Year 15 defense budget. This reassured U.S. allies that the United States was committed to protecting their territorial integrity. In effect, it was an acknowledgement by the Obama Administration that NATO's readiness to defend the new NATO members was far from being sufficient in the face of a Russian threat.

In conclusion, the new security situation in Northern Europe has led the transatlantic policy-makers to reassess collective defense arrangements in these area. They realized that NATO, and especially the United States as its leading member, needed to assure the new members that it would have the means, desire and readiness to come to their defense in the event of a conflict with Russia. At the NATO Wales Summit in September 2014, measures were adopted to increase NATO's ability to respond swiftly to new security challenges. Although the Baltic states broadly welcomed the deterrence measures agreed to at the summit, Poland, Estonia, Lithuania and Latvia, argued for stronger measures, including establishing permanent bases in Eastern Europe and the Baltic states to create credible conventional deterrence against Russian military might. Their wish list for the future was long.

Conclusion

After the Soviet Union collapsed, there were high hopes in Northern Europe that the area would be on the path toward lasting regional peace and increasing economic prosperity. Between 1998 and 2008 Russia's GDP grew on average 6.9 percent a year, in part due to the boom in earnings from oil and gas exports fueling Nordic expectations for increased trade with Russia. With all eyes on the Russian economy and its future that was supposed to be prosperous, democratic and peaceful, Nordic nations let their military spending fall, along with their material and tactical preparedness to face Russian aggression. NATO, in spite of having three Baltic nations as its new members, paid relatively little attention to the region. For all practical purposes, the Nordic countries had let their guard down in the aftermath of the Soviet collapse and the Baltic countries were too weak to defend themselves against Russian aggression. The Baltic Sea area, the Kremlin thought, was an easy target for Moscow to test the limits to its military posturing.

But as it turned out, the Russians had underestimated the Western resolve. Russia's illegal annexation of Crimea and its proxy war in Ukraine started a chain of events that led to consequences that Russia had not anticipated in 2014, including the debilitating EU and US economic sanctions on Russia and closer military cooperation between the Nordic neutrals, Finland and Sweden, with NATO and its individual member countries in the Baltic Sea area. In addition, Baltic and Nordic countries were quick to increase their military spending and by 2014, Estonia had already met NATO's benchmark of spending 2 percent of GDP on defense. NATO's military training exercises also



began to take place with more frequency than before, signaling to the Russians that the Alliance was committed to Baltic security. Thus, whatever security vacuum had existed in the Baltic Sea area, it was being filled quickly. The Arctic areas were also getting more Western attention frustrating Russians' designs for Arctic superiority. The economic sanctions the West imposed on Russia included an embargo on technology Russians wanted to use for Arctic drilling. The economic damage was exacerbated with failing oil prices. In 2015, the Russian economy fell into recession.

What was Russia after with its saber rattling in Northern Europe? As we have seen in this paper, Russia's military posturing in Northern Europe was linked to its overall aggressive foreign policy that resulted in Russia's hostile takeover of Crimea and its support for separatist uprisings in the eastern Ukrainian region of Donbass. Moscow wanted to boost its standing as a superpower in a world that has become increasingly adverse to its geopolitical interests. In Moscow's view, NATO's expansion to Eastern Europe had left Russia feeling encircled by hostile forces. It annexed Crimea fearing that Ukraine may join NATO in which case Crimea would also become part of the Alliance. According to Moscow, the results would have undermined Russia's long-term strategic interests, especially vis-à-vis Turkey and the Middle East. In addition to such strategic calculations, Russia's aggressive foreign policy was designed for domestic purposes. In the midst of economic crisis, the Kremlin justified its foreign adventures with a curious mix of Russian nationalism and the Medvedev doctrine that promised to protect ethnic Russians wherever they lived. The gamble paid off and the Russian public support for Putin skyrocketed. What Putin had masterminded was not, however, a recipe for gaining greater international status for Russia because that requires a strong economy in addition to strong military. Instead, Russia had become an authoritarian military might with a failing and corrupt economy, a few allies and thinly spread resources around the world.

What has Moscow achieved with its aggressive foreign policy in Europe? It has not been able to break up NATO or turn the Baltic or Nordic countries pro-Russian. It has not been able to win in eastern Ukraine or convince the Western powers to eliminate or reduce economic sanctions. Instead, Russian aggression has led to a substantial increase of NATO presence in Northern Europe, especially the Baltic countries. It has also enhanced cohesiveness and military cooperation among NATO members and turned the Nordic neutrals, Finland and Sweden, openly pro-Alliance. Showing a united front in the face of Russian aggression is important as Moscow tests the limits of Western resolve. But it is the military preparedness and ability to counter cyber attacks and soft-power assaults that ultimately deter Russia from marking its sphere of influence across independent countries that wish to remain so.

Policy Recommendations

- The United States and its NATO allies should prepare themselves for a long-term strategic competition with an authoritarian Russia that will continue pursue its geopolitical goals with military and non-military means, including cyber warfare.
- NATO must show Russia that it is committed to protecting Baltic countries' territorial integrity in accordance with Article 5 of the alliance agreement. NATO must keep improving its readiness in defending its new members in Northern Europe.
- Mindful of Russia's cyber attack on Estonia, NATO must define cyber aggression as an "attack" and devise means to retaliate in kind.
- To deter Russia from further adventurism in Northern Europe and the Baltic Sea area, NATO should establish permanent bases in Poland, Estonia, Lithuania and Latvia.
- NATO should not pressure Finland and Sweden to join the alliance. Both NATO and the Nordic neutrals would benefit more when the latter are outside the Alliance but closely aligned with it.
- The United States, the European Union and other Western states should keep pressure on Russia with economic sanctions that impose increasing costs on Russian oligarchs and other elites that influence Moscow's foreign policy.
- The Baltic and Nordic NATO countries should improve their defenses and increase their military spending.
- NATO should prevent Russia from establishing a stronghold in the Arctic areas that are currently not under its control, including the North Pole. To deter Russia, the Alliance should develop its own Arctic strategy and establish a more robust presence in the area.
- The United States will have to invest more in technology and transportation capabilities in the Arctic areas. It is far behind Russia in the number of icebreakers.
- While deterring Russia's aggressive foreign policy adventures, Western powers should continue to find ways to engage Russia in international cooperation wherever they can. The Arctic provides a relatively safe domain for collaboration, in spite of looming territorial disputes.



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