

NATO AFTER PRAGUE

Edited by Karoliina Honkanen and Tomas Ries

OCCASIONAL PAPERS – No. 2

ATLANTIC COUNCIL OF FINLAND

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**Contributions to the Seminar on “NATO After Prague” arranged by the
Atlantic Council of Finland in Helsinki on 29 November 2002**

SUOMEN ATLANTTI-SEURA RY
THE ATLANTIC COUNCIL OF FINLAND

HELSINKI 2003

About the Atlantic Council of Finland

The Atlantic Council of Finland (ACF) was established on 16 December 1999. The ACF became an Associate Member of ATA in the 46th General Assembly of ATA in Budapest on 3 November 2000.

The purpose of the Atlantic Council of Finland is to promote discussion, research and information in Finland on Euro-Atlantic security and defence policy issues, with a special focus on NATO and the EU. The Council aims at strengthening respect for peace, stability, democracy and human rights in Europe. The Council is independent of all political parties. In order to promote its aims, the Council organises conferences and other events for its members in addition to carrying out publishing and educational activities.

Acknowledgements

The Atlantic Council of Finland would like to thank the Ministry for Foreign Affairs of Finland and Metso Corporation for their support and sponsorship of the Seminar.

PREFACE

The Prague Summit started not only the biggest enlargement round in NATO's history but also a far-reaching transformation process of the Alliance. From Finland's viewpoint, it was especially important that the three Baltic states were among the countries invited to start accession talks. Like many of our sister councils, the Atlantic Council of Finland felt that it would be important to gather politicians, journalists and researchers to discuss the results of Prague. The purpose of the seminar "NATO After Prague", held on 29 November 2002 in Helsinki, was two-fold: 1) to improve understanding of the post-Prague Alliance and 2) to assess the implications for Finland.

Also the EU-NATO relation was a key theme at the seminar. Many speakers expressed their concern on the inability of the EU and NATO to solve the Berlin-plus agreement over using NATO assets and capabilities in EU-led operations. This problem was solved only a few weeks after the seminar at the EU Copenhagen Summit. However, we have retained the original contributions to the seminar in this publication.

Since the afternoon session of the seminar focused on the implications of the Prague Summit for Finland, a few words on the context of the security political debate in Finland may be useful for a foreign reader. While the topic of Finland's possible NATO membership has been raised sporadically since the mid-1990s, the debate has become more lively after 9/11. Only a few days before the seminar, there was a further impetus for the debate, as the former President, Martti Ahtisaari, gave a speech in support of Finland joining NATO.

The politicians have held a lower profile in the debate. No party has come out in favour of Finnish NATO membership, and politicians tend to avoid strong views on NATO before the parliamentary elections to be held in March 2003. Public support for Finland's NATO membership is low. According to a poll conducted in October-November 2002, only one in four Finns supports NATO membership. A clear majority (68%) felt that Finland should not apply for NATO membership even if the Baltic States were invited to join the Alliance. Comments by many politicians have focused more on the procedures – whether or not there should be a referendum – than on the pros and cons of NATO membership.

The policy programme of the Finnish government mentions the option of joining NATO but does not propose applying for membership. Finland's non-allied status is likely to be part of the policy programme also of the Government that takes office after the elections in March. At the same time it is understood that there is a need to carefully monitor Finland's security environment. A key role in this is played by the Finnish Parliamentary Review Committee on Finland's Security Environment, which was appointed in June 2002. The group includes representatives of both government and opposition parties.

The next checkpoint for Finland will be in 2004. The "NATO question" will be assessed in the next defence white paper (the Government's Security Policy Report to Parliament) which is due in 2004. What is needed now is an informed public debate. The Atlantic Council of Finland believes that the seminar "NATO After Prague" was an important contribution in this respect.

Helsinki, 10 January 2003

Karoliina Honkanen and Tomas Ries
Editors, Board Members of the Atlantic Council of Finland

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OPENING REMARKS

Paavo Rantanen

On behalf of the Atlantic Council of Finland I wish you all warmly welcome to the seminar "NATO after Prague". The title of this event is not very original as such: First, it is only natural to study NATO after its important meeting in Prague; second, we have received several invitations from sister councils to meetings like this one. I do not know who owns the copyright for the name of gatherings like these.

When following NATO and its developments during recent months it has been very clear that the enlargement has been a key item under discussion. But it is not the only one. There are many other themes of interest on the table, such as the mission of NATO, the out-of-area question, terrorism, capabilities, decision-making, new doctrines and the discrepancy between American and European investment in defence.

I participated in October at the 48th Conference of the ATA in Istanbul, and when listening to debates there I got the feeling that enlargement was taken for granted and it somehow was not item number one anymore. It was in the shadow of many of the questions listed above. The future of NATO was very strongly in delegates' minds and it was commented in many speeches in different ways. There was a sense of a challenge in the air.

The Atlantic Council of Finland is very happy that – according to its mission – we have been able to gather a fine group of experts here today to discuss NATO's future after the Prague Summit. This morning we look forward to hear opinions and comments about

- how representatives of Finland approach this matter,
- how it is interpreted by a senior NATO official,
- how the situation is seen by an eminent diplomat specializing in US-European economic relations – the link between economics and politics is self-evident, and
- how an expert on Nordic security questions deals with the topic.

It will be highly interesting to find out which conclusions can be drawn from this, and later it will be equally interesting to see how the new situation is met by several representatives of the Finnish political establishment, especially during the second, "Finnish speaking", part of this seminar in the afternoon.

What are the implications for Finland, this is the question. Maybe we hear clear answers, maybe not. I am sure, however, that we will get material for our internal discussion on many aspects touching our security policy. Such a discussion will be useful and it is necessary for this country.

WELCOMING ADDRESS

Jaakko Laajava

Thank you very much for your kind invitation for me to welcome everyone to this important seminar. The NATO Summit in Prague last week was a success, no doubt. The overall theme was the transformation of the Alliance – and indeed many important decisions to that effect were in fact taken. I assume that my colleagues who follow these things on a daily basis will deal with the topics related to NATO enlargement, new NATO missions and new capabilities in more detail. Let me therefore say just a few general words of welcome from a Finnish perspective.

In Finland we take matters of security very seriously – perhaps sometimes even too seriously. But as you all know, Finland was dramatically tested as to her will of independence during the Second World War. I believe we passed that test with flying colors. Yes, to some degree, we may still today cherish some myths but the truth is that Finland's security situation has been quite challenging, to put it mildly. Security therefore has always been Finland's national interest number one.

Neutrality was for us a method, not a philosophy but a means to achieve a maximum amount of security and stability in the existing awkward and at times frightening circumstances. The policy of neutrality was never meant to be some kind of compromise to our fundamental Western values of democracy, freedom and human rights. We pursued our interests, particularly economic ones, maximally in order to survive and succeed as a Western democracy and market economy.

Times have changed. Today, Finland is an active and constructive member in the European Union. We look forward to a developing Union, a union that is internally strong but also shoulders its share of responsibility on the global arena. The Union is naturally as interested in global stability, security and overall predictability as is the United States. We may differ on the two sides of the Atlantic as to the respective value hierarchies and methodologies in international affairs but we both certainly want to see a world where democracy flourishes and human rights and fundamental freedoms are respected and promoted.

In the new security environment it is vital that the EU and NATO find sound methods to cooperate with each other. The Union is fundamentally a civilian actor with a vast array of conflict resolution assets at its disposal – and increasingly also military assets for crisis management. Together, the Union and the Alliance should avoid duplicating precious military structures and assets. Unfortunately, the draft agreement on this, the so-called Berlin+ has not yet received full approval by all. Yet, I think, everyone recognizes the need for such an agreement.

A solid EU-NATO relationship is all the more important because security can no longer be seen only in the light of actions of states. 9/11 is of course a tragic demonstration of precisely this. Old threats have subsided – although not disappeared. New ones have emerged. We must understand security as a much

wider concept than a decade ago. Our policies, methods and institutions must change accordingly.

We are pleased with the fact that, in Prague, seven nations were invited to begin accession negotiations to join the Alliance. We would like to congratulate both the candidates themselves and NATO. The process of enlargement – the fulfilment of the aspirations by the applicant countries and peoples – will enhance stability and predictability in Europe. This also applies to the Baltic Sea area which has changed considerably in the last ten years. We welcome this development.

Although she has not applied for membership in the Alliance, Finland does not shy away from her responsibilities. Finland is no free rider. Yes, we have succeeded and we recognize that we must seek to promote chances of our neighbors to do the same. Our resources are of course limited but initiatives and smaller actions do matter. And that is what we in fact do. We believe that we contribute to common security first by taking care of our own defence in a credible and non-threatening way. Secondly, we participate actively and constructively in international crisis management efforts, often by fielding peace-keeping troops and sending other assets to troubled areas. We also take an active part in the conceptual and institutional development work in this area. For example, General Hägglund leads the EU's Military Committee. And the Finns are known as sound partners in these endeavours, with an excellent capability to act together with NATO forces.

In the Euro-Atlantic Partnership Council, Finland and Sweden have acted as major contributors to the development of the content and purpose of the partnership. Some of our ideas for closer Partner-Alliance cooperation have been incorporated in the newly adopted partnership action plan. Our aim is to help Partners cooperate more fully with NATO. Finland and Sweden – outside the Alliance itself – have lent a certain value added to these endeavours and given it a wider perspective.

As to the question of membership in the Alliance, I will only refer to the programme of the Finnish Government which mentions the option for Finland to join NATO but does not propose to apply for membership. There will be a security policy review in 2004.

As to the near-term future, I would like to emphasize the importance of EU-NATO cooperation. We simply cannot fail to achieve it. We should not waste our resources but use them wisely and seek synergies wherever possible. This will be especially important in view of being able to respond to new emerging challenges to our common security and stability. Working together to counter new threats is also one of the most important safeguards against the trend of Europe and the United States drifting apart in the post-Cold War environment.

Let me, on behalf of the Ministry for Foreign Affairs of Finland, congratulate the organisers of this seminar and wish you all an enjoyable day of fruitful discussions in Helsinki.

NATO AFTER PRAGUE

Edgar Buckley

Around the beginning of the year, the United States set out its agenda for the Prague Summit under three headings: “new members, new relationships, new capabilities”. In fact, I was never convinced that this was a sufficient description of what we were trying or needed to achieve, since we were also working hard on a package of longer-term measures against terrorism. So I would have added a fourth bullet: “new roles”.

Judged against these criteria, Prague was certainly a success – not a complete success as I shall explain in a moment, but certainly a considerable success.

By taking in seven new members, NATO reconfirmed its role as an exporter of security and promoter of democratic reform and shared values. We said at Washington that the “open door” would remain open. At Prague, we proved it, and in doing so we rewarded the efforts of those in the candidate countries who had worked so hard and risked so much in order to join for all time the group of countries committed to playing their part in supporting peace, freedom and economic progress on the Western model. And as President Havel put it, we gave a clear signal that the era when countries were divided by force into spheres of influence, or when the stronger would subjugate the weaker, had come to an end once and for all.

So far as new relationships are concerned, our major success (which was achieved before Prague) was the NATO-Russia Council, which has exceeded most people’s expectations in deepening and thickening our cooperation with Russia. Prague also saw the agreement of a new Action Plan to take forward our relationship with Ukraine, the introduction of new mechanisms within Partnership for Peace to better tailor and develop our cooperation with Partner countries who are not joining NATO, and the upgrading of our political and practical cooperation with the Mediterranean Dialogue countries.

As regards new capabilities, the Prague Summit noted considerable success in relation to the Prague Capabilities Commitment, new command arrangements, and the NATO Response Force. There was also a package of nuclear, biological and chemical weapons defence initiatives; and agreement to begin a new NATO Missile Defence feasibility study to examine options for protecting Alliance territory, forces and population centres against the full range of missile threats. Together, I believe that these elements mark a turning point in getting the non-US Allies to transform their defence capabilities to match new requirements.

Finally, as regards new roles, Prague took note of a package of measures on terrorism, including a new military concept, which provides a very wide definition of possible NATO actions against terrorism, following decisions by the Council. Without going into all the detail, NATO has agreed:

that it should be ready to help deter, defend, disrupt and protect against terrorist attacks directed from abroad, including by acting against terrorists and those who harbour them;

that it should be ready to do this as and where required, in other words with no pre-ordained geographical constraints;

that it should also be ready to act if requested or authorised in support of the International Community;

and that it might act, if requested, to assist national authorities in consequence management operations, especially following attacks with Chemical, Biological, Nuclear or Radiological weapons.

All in all, this is not a bad scorecard, but as I said at the beginning, Prague was not a complete success. The biggest disappointment was that we did not manage to agree the Berlin-plus arrangements for ready EU access to NATO assets and capabilities. This issue remains stuck for the time being over the issue of participation – both by the non-EU NATO Allies in EU processes and by the non-NATO EU Members (particularly new member states) on the NATO side. But, following the Brussels EU Summit, we are considerably closer to agreement on all this, so I remain optimistic. It was particularly heartening that, following President Sezer's intervention at Prague, we now have agreement to plan on a joint NATO/EU crisis management exercise in 2003.

Against this background, what then are the implications of Prague for NATO and for the future of European security? I believe that some points are fairly clear but some others remain to be clarified depending on events.

Let me start with what is fairly clear. First, NATO will take in the seven Invitees – probably at a Summit in 2004 – successfully integrate them and then continue its enlargement process. Albania, Croatia and the former Yugoslav Republic of Macedonia are already in the queue for the next enlargement round. Other countries are likely to join them.

At the same time, Partnership for Peace will probably grow, almost certainly to include the FRY and Bosnia and Herzegovina and eventually perhaps other countries also.

This dual enlargement process will inevitably also strengthen our relations with Russia, Ukraine and other countries in Eastern Europe. It seems clear that, for their part, most of these countries have made firm strategic choices to anchor their future development in close proximity to or integration with Euro-Atlantic structures.

Next, it seems fairly clear that NATO will remain heavily engaged with defence reform and defence modernisation, both with the Allies and with the Partners, particularly those with ambitions to join NATO.

Also, in the “fairly clear” category, I would say that NATO and the EU will cooperate closely in crisis management. Indeed we already do. How this will work in detail is less clear, perhaps, and I will come to that in a minute.

Finally, in this category, I would say that NATO will almost certainly look further afield in future. We have already agreed to support Germany and the Netherlands in their lead role for ISAF III in Afghanistan, and a number of Allies believe that NATO itself should take over the lead role in this operation at the next rotation. We shall see.

In the category of “less than clear” implications of Prague, I suppose the biggest question must remain over the extent to which NATO as an organisation will be used in operations by the Allies. This will depend on a number of factors, including geography and the sorts of crises which will emerge. It will also depend on the extent to which we are successful in transforming our capabilities – which in turn depends on the extent to which the non-US Allies invest in modernisation. This last element, I must admit, also remains less than fully clear, although we are immensely encouraged by the success of the Prague Capabilities Commitment.

An interesting first test case in relation to the issue of whether NATO will be used by the Allies may arise if there is a conflict in Iraq. At Prague, the Allies declared that they stood united in their commitment to take effective action to assist and support the efforts of the UN to ensure full and complete compliance by Iraq. We shall see whether this commitment translates itself into actions by NATO as an Alliance. I believe some such actions would be likely, along the lines of the similar such actions which took place during the 1991 Gulf War.

The next major “less than clear” implication concerns the way in which NATO and the EU will develop their cooperation.

I strongly believe that as strategic partners there is only one eventual outcome here. NATO must allow ready access by the EU to its assets and capabilities. With such arrangements in force, NATO and the EU can progress together in a mutually reinforcing way. Without them, the process will hiccough along to neither organisations’ advantage.

Finally, I suppose there remains a big question mark over the future relationships between NATO and the UN and the International Community, and the extent to which NATO will allow its facilities, including its political and military command and control machinery to be used by wider coalitions.

I believe the scope for NATO to be used more in this way is there: NATO is currently the only organisation capable of organising and sustaining large-scale multinational military operations over a long period, and there are continuous demands for such operations.

I would therefore favour offers by NATO to provide its services in such circumstances.

I would also favour the development of fuller consultation and participation arrangements for countries whose forces contribute to NATO-led operations. The EU approach to such participation arrangements for EU-led operations has, I believe, much to recommend it. But whether the Allies, or indeed the International Community, are willing to go in these directions, is not clear.

That perhaps is enough crystal ball gazing. I hope I have said enough to convince you that Prague was a very good outcome for Euro-Atlantic security.

NATO has taken the necessary steps to transform itself and respond to the new strategic circumstances. We now need to deliver and follow up on what we agreed.

TRANS-ATLANTIC RELATIONS: MAKING OUR US-EU PARTNERSHIP WORK

Rockwell A. Schnabel

Wherever you look these days, Europe is expanding – as a potential military partner with NATO, as a political and economic union, as a power on the world stage. And, in my view, the policymakers in Washington and Brussels and the member state capitals are taking notice.

The U.S.-EU global partnership is different from any in history, sharing 50% of the global economy and a \$1.4 trillion a year trade and investment relationship. Together, we have experienced a lot of positive growth and prosperity and we can accomplish much in the future!

Right now, our relationship is undergoing a tremendous period of change. We are experiencing visible strains and growing pains that must be addressed.

Many issues require our thoughtful attention as partners: Dealing with the threat of terrorism; the Middle East; Turkey's role in Europe; and – Iraq. We listen carefully to the substance and tone of the public debate on both sides of the Atlantic on these issues.

As noted in a recent survey by The Chicago Council on Foreign Relations and the German Marshall Fund, there is actually much our publics share in common in key foreign policy goals. According to the survey:

- Europeans and Americans both favor a stronger role for the EU in international affairs.
- International terrorism followed by Iraq and its development of WMD are the most important threats.
- Americans and Europeans are equally enthusiastic in their support of global institutions – especially the United Nations.
- NATO is viewed as an essential element and the majority of both Americans and Europeans support NATO enlargement.

There is about an 80% overlap! Where opinions differ is in the approach to or actions in support of these goals.

As the EU is enlarging and reinventing itself, we have been strong supporters of enlargement and share your goal of a united, free and prosperous Europe. At the same time, closer relations with the EU should not subtract from the existing economic and political relationships that the candidate countries now enjoy with the U.S.

We recognize that we have unique histories, but as we move forward, our job is to encourage more frank communication between the EU and ourselves, and channel our energy into positive initiatives. With this in mind, this morning I will address:

- Positive achievements

- Getting beyond differences
- Looking at means to strengthen the relationship and channel our energy.

Positive Achievements

Fight against terrorism: Last December we signed the "Europol 1" agreement to share strategic data and to facilitate cooperation on joint threat assessments. We are now in the process of concluding a second Europol agreement to allow the exchange of personal data in criminal cases. We are also working hard on an unprecedented agreement on Mutual Legal Assistance and Extradition. With the help of the EU and other governments, we have blocked over \$121 million in terrorist assets and have deterred donors and supporters from providing financial aid to terrorist groups.

The President's Homeland Security Advisor, Tom Ridge, visited Brussels in November to discuss a variety of security-related issues, primarily container security. His visit resulted in the announcement of a decision to work toward a shared statement of principles, as a way for the U.S. and EU to include all major European ports in the U.S. Container Security Initiative.

We have come a long way since 9/11 in our joint ability to track down and bring terrorists and other cross-border criminals to justice.

Afghanistan: After waging a successful war in Afghanistan with European allies, our focus now is helping that nation to rebuild. We expect to be in Afghanistan for as long as is necessary. The U.S. government so far has spent over 588 million dollars on reconstruction projects and humanitarian aid in Afghanistan. The European Union's contribution of some 300 million euros to Afghanistan's recovery in 2002 also shows a real commitment to that country's future.

We welcome the recent European Union announcement of food purchases in Kazakhstan of 44,000 tons that will arrive in time for the Afghan winter. Food is the factor that will get Afghanistan through the winter; lack of food could cause a huge reversal in repatriation.

The Middle East: The Quartet mechanism – the regular coordination between the EU, Russia, the UN and ourselves – has focused the international community's efforts for peace in the Middle East. The Quartet's "roadmap" for the Israelis and Palestinians provides a way forward to achieve President Bush's vision of two states living together side-by-side in peace.

Israel does have a right to defend itself, but at the same time needs to take effective steps to prevent civilian casualties in its operations and to ease the humanitarian situation in the West Bank and Gaza. Ultimately, only an end to violence and terror, including real security reform and sustained, effective security performance from the Palestinians will enable us to progress. To build the institutions for Palestinian statehood, we will continue working with the EU and other donors to support Palestinian political, civil and economic reform via the Quartet's International Reform Task Force.

Doha Trade Round: The U.S. and EU are working together to look at ways to fight global poverty by opening up markets. This effort has a moral component while also being in our enlightened self-interest. On November 26, the U.S. announced a proposal to create a tariff-free world by the year 2015. Only through close collaboration between the U.S. and the EU can such an ambitious goal be achieved.

Financial markets dialogue: Regulation of capital markets is increasingly a global business. It is also a very fruitful area in our economic relationship with the EU that I have made a Mission priority. Many U.S. stakeholders are very interested to see the EU succeed in implementing the Lisbon process and its Financial Services Action Plan. If we want to reduce the cost of capital and fuel future growth, we need to work together now to prevent intrusions on sovereignty and the burden of double regulation.

And that's what we are doing. The SEC Chairman was in Brussels in October, and invited European policymakers and executives to comment on how our new corporate governance legislation affects European business. The U.S. accounting standards board and the European IASB – which are working to create a set of universally recognized global standards – have agreed to work toward convergence where possible.

At a meeting I chaired recently in Brussels between top Treasury and Commission Internal Market officials, we took stock of our discussions to date, especially where the EU is heading on supervision of financial conglomerates.

Getting beyond differences

It's not enough just to share common goals. We need to explain our different positions frankly and objectively and find ways to work together.

Iraq: Iraq is a serious point for our relationship. Disarmament of that regime is our goal; that is what we made clear in our proposal to the United Nations Security Council. By a unanimous 15-0 vote, the Security Council passed a strong, principled resolution that gives Iraq a final opportunity to disarm or face serious consequences. We listened to Europe and to other partners in taking our position to the UN.

Through his efforts to create weapons of mass destruction and his resistance to inspections, Saddam Hussein has repeatedly violated international law. Here law and force do not stand separately. Thus NATO's resolution of November 21 sends a strong message to Baghdad: "NATO allies stand united in their commitment to take effective action to assist and support the efforts of the U.N. to ensure full and immediate compliance by Iraq, without conditions or restrictions."

We expect a similar endorsement by the EU Council. We must not let Iraq undermine our shared goal of peace.

Turkey: Many prominent voices on both sides of the Atlantic have joined the debate over Turkey's membership in the EU. From our perspective – as a close ally and friend to the parties involved – we do have a strong opinion: we agree with the Helsinki decision that Turkey belongs in Europe. The sooner it becomes a member of the EU – embraced within those political, security and economic ties – the greater the benefits for Turkish citizens and for regional stability.

Biotech: We all are aware of the mounting famine crisis in Southern Africa. Did you know that Zambia recently rejected U.S. food aid, in the face of a starving population, because it contained GMO grain?

The Government of Zambia, we believe, disregarded the scientific evidence about the safety of this food for human consumption. It also ignored the advice of the European Commission: that this safe maize would help avert human catastrophe. The lack of EU progress on restarting biotech approvals and the Commission's GMO labeling proposals have failed to counter the scare-mongering on biotech that has gripped the developing world. We must find ways to deal with the humanitarian crisis in Southern Africa – together – in spite of our differences on biotechnology. It is no longer a matter of consumer preference; human lives are at stake.

We have stated that the Commission's labeling proposals are unworkable, costly and subject to fraud. We believe the proposals will seriously impair trade in agricultural biotech products and make it harder for developing countries to reap the benefits of a promising new technology to address hunger and malnutrition and reduce environmental stress on cropland.

Anti-Americanism: Then there is the issue of anti-Americanism as I have observed it here in the last year. I was born in the Netherlands and therefore have a connection to Europe, so it disturbs me to hear Europeans using the U.S. as a scapegoat for problems that have many complicated causes. This is very different from the thoughtful concerns we hear from European colleagues on issues of legitimate disagreement.

We respect deeply-held views on the European side. But it's only fair to expect the same understanding for our views in return. Let's both keep our eyes on the prize: making this global partnership work for our mutual benefit and, equally importantly, for the benefit of the developing world.

Means to Strengthen the Relationship

Finally, I would like to mention some initiatives our Mission is engaged in to strengthen the relationship – areas where we are focusing our energies to limit our differences.

TABD: I traveled to Chicago in early November to participate in the Trans-Atlantic Business Dialogue. Alongside Commerce Secretary Evans and Commissioners Lamy and Liikanen, I listened to real-life problems raised by business from both sides of the Atlantic.

One industry that is particularly concerned about the future is chemicals. New regulations being drafted by the European Commission will require retesting of some 30,000 chemicals and pose serious risks to a \$1.7 trillion a year industry - with possible massive job losses here in Europe. I am working with both U.S. and European CEOs to reduce the costs of this potentially burdensome regulation while maintaining our shared objective to safeguard the environment.

PSC: On the political and security front, we have kept pace with the growing responsibilities of the European Union as it develops a common foreign policy. At the invitation of the EU's Political Security Committee, high-level U.S. officials have briefed European policy-makers on issues and regions where we have joint concerns, such as terrorism and South Asia.

Recently, our Assistant Secretary for Non-proliferation, John Wolf, met jointly with the Political and Security Committee and the North Atlantic Council at NATO to address the worldwide threat of nuclear proliferation. And we have briefed Commissioner Chris Patten on the nuclear program recently revealed in North Korea. Similarly, we are active in the efforts to bridge military planning and capacities between the EU and NATO.

Trans-Atlantic Legislative Dialogue: Working with the European Parliament, we are building a greater dialogue between our respective legislative bodies. To that end, we supported the Parliament's U.S. Delegation on its trip to Washington and San Diego this fall. And we have been exploring with several U.S. Representatives the possibility of creating an EU Caucus in our Congress.

In Conclusion

We have looked at some of the positive achievements in the U.S.-EU relationship, talked about points that allow us to discover and get beyond our differences, and mentioned issues that can pull us together to strengthen the relationship.

We know that when we work together we accomplish a great deal. We clearly see the economic and political potential of Europe. Moving forward, there are many areas of mutual concern, such as global poverty and elimination of terrorism, where the combined power of the U.S. and EU working together can change the world.

Let's get to work. Thank you.

THE PRAGUE SUMMIT AND NATO ENLARGEMENT – IMPACT ON THE EU-NATO RELATIONSHIP

Alyson Bailes

Those who were involved in policy-making on NATO's first enlargement to Central Europe may remember, as I do, the debate about "congruence" of NATO and EU membership. German thinkers in particular argued that the ideal policy would be to extend the boundaries of both institutions to the same states, in parallel phases and – if possible, though this seemed harder – over similar time-scales. One obvious reason why they thought this was that the candidate countries themselves had all decided (very soon after the end of the Cold War) to apply for full membership of both organizations. Elites in the new democratic Central Europe perceived NATO and the EU as two dimensions of a single process of democratization, integration and "Europeanization", although popular opinion on the matter showed some interesting variations – usually being more positive to NATO than to the Union.

But there were also at least two simple and connected arguments why the institutions themselves might see value in parallel membership. It would reduce the number of special cases of countries who were in one body and out of the other, thus creating at least procedural and possibly political problems; and it should make it easier for NATO and the EU as a whole to talk with and work with each other. Finally, there were two implications of having the same European membership in NATO and EU which excited some European thinkers and frightened others: (i) there would be a single EU caucus in NATO which would create a simple two-part balance between the Alliance's North American and European members; (ii) if all EU members were Allies, then by definition the EU itself would constitute a true collective defence community.

In my talk today, at a time when NATO and EU are preparing to carry out two major enlargements with much the same countries and remarkably similar deadlines, I thought it might be interesting to revisit this 7-year-old agenda. Does it still help us to identify the real issues regarding the impact of Prague on NATO/EU relations? If any of the implications look different today, is this because the world has changed, or our thinking has, or both?

First, let us look at membership patterns. At present eleven of the 15 EU countries are in NATO and the same 11 out of 19 NATO countries are in the EU. If enlargement is completed according to the present plans in 2004, two of the EU's 10 new members (Cyprus and Malta) will not be joining NATO and two of the new NATO members (Bulgaria and Romania) will not be joining the EU, at least not for a few years more. The EU will then have 25 members of whom 19 are in NATO and NATO will have 26 members of whom the same 19 are in the EU. The first point this brings out is that we shall still be far away from symmetry of European membership: indeed 4 new cases will be created of States who are in one organization but not both. On the other hand, the category of States who are in

both will be nearly doubled in size and will become more clearly the dominant lobby in both institutions. This effect will be even more marked in the EU if Bulgaria and Romania complete their accession later in the decade.

Whether this arithmetic in itself will create a dynamic for closer EU-NATO cooperation is difficult to say. There's one general reason why it should, namely that the great majority of Central European States are themselves in favour of such cooperation and indeed, quite seriously afraid of EU/NATO friction which would tear them in two directions. Poland, for example, can be expected actively to oppose as an EU member any ideas on Union policies which could risk damaging the Alliance. However, to speak frankly, it is not likely that the new members will form a powerful enough lobby to be able to defeat the existing political obstacles to EU/NATO cooperation by themselves. Up to now the biggest difficulties in this context have been made by Turkey and France, from the NATO and the EU sides respectively.

Regarding Turkey's role, everything depends on the decisions about its own EU membership and about Cyprus to be made by the end of this year. If that complex of issues turns out well, which would also consolidate the improvement in Greek-Turkish relations, Turkey's new pro-EU government ought logically to pose less of a problem for EU/NATO cooperation in future. If things go badly, even a pro-EU Turkish government may find itself obliged to go on using the leverage of its NATO membership, apropos of EU/NATO cooperation and perhaps other things as well, to draw attention to its national demands. Regarding France the omens are even more uncertain. French concern about losing relative influence within a larger EU, and the present above-average tension in France-American relations, might suggest that Paris will stick to a negative or at least defensive line on NATO issues for some time after enlargement: not least because it may anticipate and try to pre-empt the new EU members' supposed "Atlantic" orientation. Factors which might push France in a more constructive direction could include French satisfaction with the outcome of the European Convention, a closing of the currently widening gap between Paris and London over the way ahead for CESDP, and a continuing general improvement in the Franco-German relationship. For the benefit of a Finnish audience I should add that the attitude of the EU non-Allies, even if not decisive, could give things a significant push one way or the other. Personally I would hope they would continue to make clear that they do not intend to be exploited for any kind of anti-NATO manoeuvre designed to serve other people's interests.. I wonder if anyone has spoken to policy-makers in Cyprus and Malta about how they intend to behave on this point??

What I would like to stress is that the objective need for NATO-EU cooperation will be even greater after enlargement, and probably more so than anyone could have imagined in the mid-90's. Just to mention a few reasons special to this decade:

- the EU and NATO need to have a clear understanding over who does what in the new campaign against terrorism and the proliferation of WMD;
- during the next 5-10 years we can expect a continuation of the trend (already visible in Macedonia) to shift the burden of crisis

management tasks in the Balkans from NATO to the EU, and this creates even stronger reasons for the NATO and EU pol-mil authorities to work together for a smooth transition with no drop in operational standards;

- the need for Europe to have the option of leading its own crisis management operations, in its own way, if necessary in future seems to me even clearer as a result of current US/European tension: but somewhat paradoxically, since most of the Europeans have still not managed to improve their defence performance for this purpose, we still need NATO and the EU to apply parallel or at least complimentary pressures to them for meeting the relevant capability targets;
- since enlargement is being carried out with Russia not in the position of an opponent but as an increasingly close partner in European security, both the EU and NATO have their part to play in steering Russia's further integration in the right direction and it is desirable that they play those parts in a harmonious (if not overtly harmonized) way.

There is another, rather complicated set of considerations regarding the countries who will not take part in enlargement. For the last decade, one of the defining parts of the European architecture has been the larger framework of security cooperation created by NATO in PfP and EAPC, and the overlapping though more differentiated sets of external partnerships created by the EU. With the movement of such a large block of States into the EU and NATO, the middle – quite literally – will drop out of these arrangements. NATO's remaining external partners will be a strange mixture of 6 EU non-allies plus Switzerland, various ex-Yugoslavian States and the States of the former Soviet Union. Debate has already started over whether PfP can be re-invented in a way that is meaningful for this new constituency or rather set of constituencies. The EU has not to my knowledge addressed the corresponding issue so clearly, but it will have an even more messy set of "relic" relationships – with advanced States in the West who are part of CESDP's "15+6 framework but part of the EEA for all other purposes; with Bulgaria and Romania who will join the 15+6 but also need special pre-accession arrangements to help them meet the goal of EU entry some years after; with Turkey which is sui generis; with the ex-Yugoslavian States who have a very distant prospect of entry, and with the ex-Soviet States who (at the moment) do not. On top of all which, there are the EU's and NATO's parallel but not completely consistent Mediterranean dialogue groupings.

Now, it seems to me that if these various structures are to maintain a positive effect in promising conflict prevention, stability and reform in the security sector, then the people doing the "exporting" of security within them – the whole group of advanced EU and NATO States – need to act with a common will and uphold a shared set of standards. I do not literally suggest that the EU and NATO should try to set up a single external security partnership system. The institutional problems would be horrendous, but more to the point, the EU has to fulfill a outreach function to these constituencies in a wide range of dimensions other than security and defence and it is reasonable that its own structures should be primarily designed for these non-

military needs. However, the pitfalls that lie ahead if the EU and NATO were to ignore each others' interests and activities are equally clear. The EU's Balkan policy cannot ignore the fact that Bulgaria and Romania are now NATO Allies and that a cordon of NATO membership has been completed around the region. NATO's Mediterranean policy cannot ignore the new status of Malta and Cyprus. It would be crazy for the two institutions to preach different versions of democratization and reform in the security sector, or even in the field of counter-terrorism, to countries such as Albania and Macedonia, Moldova and Ukraine who will become the most prominent new targets for outreach. Conversely, NATO's and the EU's influence converging upon a single set of security goals might make a real difference even in States and regions as problematic as these.

I suggest some measures which would help in this situation without requiring radical change, though I realize none of them is without its own difficulties:

- the EU/NATO dialogue should be expanded to cover not just the management of "hot" conflicts (where cooperation actually does not work badly), but the prevention of new ones through an active stabilization policy in East and South-East Europe, the Balkans and the Mediterranean;
- non-NATO EU Allies should be given a chance to play a positive role in debating, as well as carrying out, NATO's security outreach policies, and vice versa for NATO's non-EU European Allies regarding the EU's programmes in the security field [only];
- both NATO and EU should more clearly and actively support the existing sub-regional organizations which are active along their new Eastern borders and which have the merit of bringing States together across the technical frontiers of membership, as well as having real potential for stabilization, confidence-building and tackling non-military threats;
- both NATO and EU should try in a coherent, and informally coordinated, way to maximize their new Central European members' contribution to arms control and export control policies, and to enroll them in efforts to spread the corresponding competences and values to neighbouring non-members;
- the EU needs to have a separate reflection on the fragmentation of its external relationships after Enlargement, and should at least ask itself the question whether it would be good to have a more all-embracing framework for this activity in the security and defence sector (even while pre-accession and non-military partnership relations have to remain individually tailored to the various partners).

It strikes me that all these areas would be good ones for further initiatives by Europe's small and medium States, especially if they could operate in coalitions between members, prospective members and their non-applicant neighbours.

Finally I would like to re-visit the issues of the EU caucus in NATO and EU collective defence. On the first, my guess is that for the first years after

enlargement the EU lobby in NATO might look less distinct and influential because of the new cases of non-overlapping membership: but that as time goes on, it must become a steadily more important feature of Alliance politics. This will happen because there will be more issues – though not, I hope, a disastrous number – on which the Europeans as a whole will take a different line from the US (ICC?); because the EU's own competence and activities in security-related dimensions will steadily grow and create new overlap and complementarity with the NATO agenda; because sooner or later the EU will carry out operations using NATO's support, and will have to negotiate as a bloc on the relevant arrangements; and perhaps paradoxically, because there will be a growing number of overt and formal EU/NATO meetings – making it harder for the EU members in NATO to ignore or depart from the positions stated by the EU after the Alliance turns back to discuss these internally.

Now, in the Cold War and the 1990's the prospect of a "two-headed" NATO consisting of the US on one side and the EU on the other used to frighten a lot of people – especially in the UK. In today's larger and more diverse NATO, and with US/European differences now so clearly out in the open, I cannot myself see why the mere fact of a clearer EU lobby has to be so dangerous: and can actually imagine some ways in which it might help. The US, itself is no longer putting such stress on the absolute unity and uniformity of NATO but is depicting the Alliance more as a kind of pool from which military and political coalitions could be put together for various tasks. There could be some such situations in which EU countries could offer a pre-coordinated contribution from the Headline Goal, or alternatively the EU group could agree to offer NATO various supporting services in non-military fields while giving its members a "free vote" on whether to join the military action. In the policy field, I know it feels inherently more divisive for the EU Allies to take a common position on something where they differ from the US. But sometimes, defining the Europeans position clearly is the first necessary step for bridging the gap; and in practical politics, I would suggest that an EU position balancing all its members' views will never be as extreme as an uncoordinated national view expressed by certain of its members. In any case, I do expect the EU's own direct security dialogue with the US to gain in scope and importance in the coming years, and it will be increasingly artificial to pretend within NATO that this other "two-headed" relationship does not exist.

The final point about the EU's own defence identity is one on which I have often spoken to Finnish audiences before, if usually from a different angle. I do think that a situation where as many as 19 EU members belong to NATO will raise new issues for those who do not. It will not be easy for such advanced Western States as the EU non-Allies to find themselves shut out from the discussions within NATO which will precede and follow up EU/NATO meetings. It will not be easy for them to accept that they must have second-best status in command structures for peace operations which use European assets developed cooperatively by the EU and NATO, but which happen to be set up under a NATO flag. It will not always be easy for them to live with the shifts in regional power dynamics and leadership which will follow from the double integration of their Central European neighbours. Last but not least, precisely because the non-Allied countries are likely to feel particularly strong reservations about certain possible uses of American power, it

may be increasingly frustrating for them not to be able to use the channel of European-US dialogue within NATO where some of the toughest issues will come to be managed; and increasingly difficult for them to achieve as much influence as they would wish by dealing with the US in defence and security matters through a purely bilateral channel.

I know there is another argument more often used in the Nordic debate, namely that the larger NATO will become somehow “softer” and more political and that this ought to reduce the obstacles to formerly neutral States’ joining it. I think it is, at the least, rather early to jump to this conclusion and it may be fundamentally misleading. If NATO really does become so weak, what would be the point of joining it anyway? In reality, I believe that the decisions taken at Prague last week notably on capability commitments and intervention forces will confront all Europeans in NATO with tougher demands concerning their own defence performance, and with a greater probability that they will be pressured into collective military actions outside Europe. Besides, NATO will remain a nuclear alliance and it will probably develop some quite tough joint policies on specific aspects of the terrorism challenge. So there will be a real price for any formerly independent State joining NATO, in terms of giving up national preferences and freedom of manoeuvre and in terms of accepting certain potential shared risks. The part of the argument which I think does make some sense is that perhaps, as the years go on, EU membership itself will have an increasingly heavy impact on the defence and security-related policies of its member States, so that the relative extra cost of joining NATO will appear to be reduced but for a different reason. I am not one of those who imagines that the EU could declare itself as a full defence community before or unless all its members are ready to take on the responsibilities of Alliance membership. Collective defence does not make sense without full mutual guarantees and since the Europeans still cannot defend their own collective territory without US support, it would make no sense for a new Ally to try to exchange guarantees with its European neighbours alone. But the development of CESDP, of counter-terrorism measures and of other more effective EU security and arms control policies towards other regions could significantly narrow down the particularities of national defence policies (both in principle and practice) which are holding certain Europeans back from full defence integration at present.

I suspect that in this talk I have not covered quite the same subjects that everyone expected. I have tried to limit myself to consequences flowing directly from enlargement, which I believe remains by far the most historic and important decisions taken at Prague. I have said rather little about the impact of other NATO decisions concerning military modernization, new reaction forces or other changes in the Alliance itself. Apart from the fact that they are being addressed elsewhere in this seminar, I see these other decisions as being driven primarily by the logic of NATO’s own survival rather than by any motives or calculations related to the EU and correspondingly, I think it important not to exaggerate their importance for the Union or for NATO/EU relations. At most, one might suggest that some of NATO’s new ideas – or defence planning and coalition building as well as rapid response forces – may have been indirectly inspired by new thinking and experience developed in the process of constructing CESDP. That is not in itself a bad thing

and, given the very large common membership that NATO and the EU will now have, it may be far from the last time that we shall see a certain plagiarism or, to put it more politely, parallelism reflected in the internal development of the two institutions. But to speculate further about that would take us into a realm of even greater uncertainty, where much depends on the outcome of the EU's own "reinvention" process through the Convention and IGC – and I would rather not risk shocking a Finnish audience any further by expressing my own views on that!

NATO ENLARGEMENT AND THE NORDIC REGION AND FINLAND

Antti Kalliomäki

I would like to begin with a definition: when referring in this talk to 'the North' I am referring to a security-political area that is larger than the traditional Nordic area, naturally also including the Baltic States.

At the recent Prague Summit, three countries from the Baltic Sea region accessed NATO membership. These were Estonia, Latvia and Lithuania, which for the past couple of generations have been known as the Baltic States.

This concept, which refers to the uniformity of these countries, has in fact a fairly short history. The concept of the three Baltic States emerged only during the Soviet occupation and afterwards, as these three countries were freed from the Soviet rule. It is, therefore, understandable that there are also separating factors behind this epithet.

With that I am not referring to religion, language or culture, rather, for example, the different tensions related to minority and nationality policies. In Estonia and Latvia, the minority populations who moved into these countries during Soviet rule are substantial in size and the ensuing discussion over this question has had a significant impact in these countries. In Lithuania, the situation has been different.

Public opinion is tied to history

The relationship between the North and the enlarging NATO is governed by history and restricted by the past.

The public mind in the Northern area countries still sees NATO mainly as a rather traditional military alliance, born in the polarised world of the Cold War.

In that world, there seemed to be a fairly unanimous public view about who presented the main threat to the North. Although it was seldom expressed aloud, eyes were turned towards the east.

Now, when the Cold War is a part of the past, it is difficult to see it ever return – we are far less likely to see the ghost of Ivan the Terrible hovering over the Russian steppes.

Yet, fear and caution are still present in the new constellation. From the Northern perspective, Russia, rising from the ruins of the Soviet Union is still a superpower, with the genetic inheritance of a superpower.

To the man in the street, the threat of Russia is a two-fold threat. On the one hand, Russia's newly begun recovery, and the potential restoration of the empire, makes shivers run down people's spines. On the other hand, there is fear of an adverse

development that leads to the disintegration of Russia, with the ripples of crises reaching the near-by areas.

NATO, and the views on its future format, divide the North more sharply, in fact, than the question of Russia. Whereas the Balts seek refuge from it, Finns and Swedes are calculating the price of having the duty to participate in crises outside the Northern area. To send our sons to foreign wars. To solve problems concerning even the distant members of the alliance.

Judging from the strong public opinion and the political analyses that, at least to some extent, reflect public opinion, it is easy to understand the existing attitudes and opinions on NATO.

In Finland and Sweden, the Russian threat to our economic, political and other resources has been deemed fairly small. In Estonia, Latvia and Lithuania, history and geography underline their vulnerability.

Assessments of the benefits of NATO membership, and the price that would be worth paying for this benefit, have kept Swedish and Finnish public opinion considerably critical towards NATO membership, while the Estonian, Latvian and Lithuanian people welcome the idea.

The historical image of NATO as a military alliance also explains Russia's continuous opposition towards NATO expansion. In its own view, Russia made a historic compromise in 1990, when it allowed the unification of Germany: the border of the Western alliance moved nearly 300 kilometres eastwards, and that it is where it, in all fairness, ought to have stayed.¹

This view, which is bound to the past, is logical, and even understandable, although the last few years have gradually come to show that recognising facts is the beginning of wisdom, not only for small countries, but also for big ones.

Russian development

The development in Russia does not particularly lend support to the traditional NATO view.

We can, of course, repeat the question that has already been asked many times: is Putin's Russia going to be the eternal Russia which will conquer all obstacles on her road towards development.

The most important thing for the moment is, however, to state that, based on the knowledge we have, Russia cannot for some considerable time be regarded as a threat to the stability and security of the North.

She has probably survived the most critical years in terms of economy and social transition. She is not about to collapse or disintegrate.

¹ This view was also quietly accepted by NATO, even to the point that it was thought inappropriate to bring any offensive equipment to the easternmost federal states of Germany.

Nor is the stabilisation of conditions in Russia about to increase the threat of imperialist aspirations. Even if against all expectations such aspirations did arise, Russia would have no resources to act upon them.

Russia's strategic intent is not turning her against the West or NATO. For Russia's purposes, well-developed market-economies are the only viable partners in its attempt to develop its national economy.

Naturally, Russia has a wealth of resources at its disposal, but the fastest way to affluence goes through exploiting its raw material resources and an inexpensive and competent labour force. In both cases, the markets with superior purchase power are in the West.

Russia's own current threats come from the Caucasus and Central Asia: in addition to the ongoing war in Chechnya, it needs to be appreciated that there are many Russian minorities unified by ethnicity, religion and history, whose territories expand on a north-south axis up to the east of Moscow.²

Furthermore, a long-range threat is the interest from the southern direction towards the Russian Far East and Siberian areas: the total population of the territories east of the Ural Mountains equals a medium-size Chinese province.³

In U.S. security thinking, Russia's future threats seem to be limited to arms control questions.⁴ Russia has become the largest exporter of arms.

Alongside conventional weapons, Russia has special competence in air defence, missile and space technologies, the spreading of which is a matter of concern to the Americans. Moreover, Russia still has a huge nuclear arsenal and raw materials suitable for manufacturing nuclear weapons.

It is clear that traditional military alliance policies have no place in preventing and eliminating the threats jeopardising arms control. Instead, the United States, or NATO if you like, must develop its relationship with Russia on the basis of partnership and co-operation.

The United States view – what is it?

The old strategic thinking has become obsolete, not least because the security political status of the post-Prague, enlarging NATO and the United States, perhaps even more so, has changed as much as Russia.

The European NATO members have for over a decade dismantled their preparedness for superpower conflict on the European continent. Many countries

² The capital of the Republic of Tatarstan, Kazan, lies on the same latitude with Moscow. Five centuries ago, it was Kazan that ruled Moscow, and not vice versa.

³ The new alien's legislation of Russia aims to control illegal immigration, and the Chinese border is seen as particularly critical in this respect. Furthermore, the right of the Chinese, in particular, to acquire land has been limited. It has not been forgotten that the Russian-Chinese border in the Far East was a cause for severe conflicts in the late 1960s.

⁴ See the latest *Quadrennial Defence Review* and *National Security Strategy of the U.S.A.*

have abolished military conscription and the process of decreasing the number of reserve troops has begun.

National defence budgets have been decreased – particularly in acquisitions. The decision by France to rebuild its military forces' operational abilities does not alter the overall picture: the new acquisitions are made clearly to serve the purpose of crisis management operations outside Europe.

The other half of NATO, the United States, has, as we know, moved into a league of its own as a global player. Her superior level of armament and technologies need not be reiterated. Suffice it to say that in the long perspective, her superiority only seems to be growing.

At the moment, the population of the United States is 290 million, which is three-quarters of the EU population and double that of Russia.

The demographics tell their undisputable story: in a couple of generations, the number of Americans will equal that of the expanded EU and may even be four-fold compared to the Russian population.

The United States has shown interest in the fringe areas of the former Soviet Union. This interest is focused on one area in particular: the Caucasus and Central Asia, thanks to their substantial energy resources, oil and gas routes, as well as their complex security political situation.

Europe is not a critical area from the American perspective: it is superseded by the Persian Gulf, the Middle East, South and South East Asia, and the Far East. Even Latin America may be higher on the American rating of security risks than Europe!

Within Europe the North is particularly peaceful and stable. From the point of view of NATO's biggest member, the United States, the traditional military alliance thinking cannot carry any significant weight here in the North. The United States is hardly seeking forward stations near St Petersburg and the Kola Peninsula.

The views of the new NATO members in the North

Most prominently, NATO enlargement has become a political process. This becomes clear by just looking at the countries that accessed NATO in the previous accession round, Poland, Hungary and the Czech Republic.

The actions of these countries to renew their military forces and meet the requirement of efficient military co-operation are in their early stages. A concrete example is the decision by the Czech Republic to freeze its air force fighter purchases for lack of money. The Prague Summit heard that the host country was about to take a more vigorous attitude on the question, but whether words become deeds will only be seen when the everyday needs of the Czech people are juxtaposed against the military budget.

NATO's political role has been emphasised in the ongoing enlargement process. The country to stir up the most questions and anxiety was Slovakia. These questions were not particularly targeted at the country's military significance or operational abilities.

The decisive question seemed to be, will the Slovaks give their votes to parties endorsing democracy and the rule of law, or to authoritarian and nationalistic forces?

Another case in point: according to published information⁵, the U.S. Department of Defence experts unanimously found Bulgaria and Latvia ineligible for NATO membership. Donald Rumsfeld, Secretary of Defence, however, said this view would have no consequence in terms of membership, a point proven correct in Prague.

NATO has come a long way. In bygone decades, joining NATO required that the country took an anti-Soviet Union and anti-Communist stance and prepared for military co-operation. Where the country stood in terms of democracy or human rights was secondary. Today, NATO is a guarantee of democracy, rule of law and Western integration to the new members.

The U.S. interest in furthering the membership of the Baltic States and Central European countries is related to the strengthening of political ties across the Atlantic.

Whether this change in the emphases for NATO membership criteria is due to short-term expedience or whether the shift is more permanent remains a big issue on the list of open questions concerning the future of the alliance.

Enlargement as a challenge

An expected counter movement to this development ensued as a result of the Prague Summit, aimed at steering NATO back towards its original military role. The U.S. administration in particular stresses the ideas of "political realism", which is at odds with NATO becoming an exclusively political co-operation organisation.

The most salient and concrete aim of the counter movement is related to improving member countries' military performance. Increasing defence budgets and directing them more clearly to equipment acquisitions is inevitable.

New acquisitions need to serve operational purposes outside the traditional NATO mandate. The global operational ability is linked with the decision reached in Prague to establish NATO rapid deployment forces.

The proposal for rapid deployment of 20,000 troops is unavoidably likened to the EU crisis management forces.

⁵ Financial Times 13 Nov 2002

It is self-evident and probably unanimously accepted that NATO will downsize its bureaucracy and develop decision-making as regards NATO countries' security and defence.

The biggest challenge, however, is to find a common thread to European and U.S. security policies.

The Prague Summit also dealt with NATO's approach to the potential use of military force against Iraq in case it is found to have a weapons of mass destruction programme. According to external commentators, the issued statement did not satisfy U.S. objectives and expectations for co-operation.

There were evident differences in opinions between the United States and France/Germany. The North in general, the new NATO members of the Baltic region included, has not seen great problems in the formulation of trans-Atlantic security policies. We have had no need to detach ourselves from the United States' objectives to fight terrorism nor have we interpreted the strengthening of the EU's security political status as an alternative to NATO.

Finland and NATO enlargement

The traditional threats associated with NATO, and membership in it, have, in other words, lost their credibility. That being the case, should Finland and maybe also Sweden draw the necessary conclusions and seek membership in NATO?

This issue can be approached from two angles: What would NATO gain from Finland's membership? And more important for us: what would Finland gain from it?

The first question is easy to answer: NATO does not necessarily need more members, but it does need better members. More unity, more coherence. In that respect, Finland and Sweden would surely enrich NATO. They would make good, capable members benefiting the military alliance.

Yet it is difficult to imagine NATO having the need to increase the number of countries in the next accession round.

Finland's interests in NATO are marked even more clearly by lack of urgency and a healthy confidence in her own foreign and security policies and strategies.

Previously, NATO presented a balancing factor in our security environment, now it has become a significant partner in promoting stability.

NATO enlargement, as carried out at the Prague Summit, brings clarity to the situation and by that token also new stability to the security structure of the Baltic region. This is, of course, a positive development for Finland and the North in general.

If the development of NATO should from now on be seen as setting a course that in a sustainable manner would enhance international co-operation at large, and the European integration in particular, it would be the most positive outcome with regard to our security environment.

Nevertheless, such a happy future is impossible to predict – at least with the level of accuracy and certainty that the matter would require.

To be able to count on such a development, we would need better information on the general development forecasts of the Euro-Atlantic relations, as well as the views of the United States and Russia on NATO's future.

With the existing knowledge and in the current world situation, the security policy adopted by Finland is the most reliable choice in guaranteeing the security of our country. That is why we hold on to it. Who could ask for more from a small country such as ours?

Non-alignment is not, however, a matter of principle for Finland. Choosing this line is a matter of realpolitik, which can only be based on our duty to secure the country and its people. Should our assessment of the development in our security environment one day lead us to believe that a change in course is necessary, so be it. There shall be no room for complacency even if the strategic choices made by our political administration are currently unanimous and unambiguous.

The integration of Finland's security and defence policies culminates in efficient co-operation within the European Union. Finland has taken an active role in this issue, when then Foreign Minister and now President Halonen took the initiative in adding crisis management to the tasks of the European Union.

During the EU Presidency, Finland pushed through decisions expediting the organisation of co-operation in crisis management and brought this work on a more concrete level than before.

Finland has gained a position in the security policy co-operation of the EU that is a direct consequence of her own activeness. We can fully participate in the formulation of the very basic structures of European security co-operation.

It is no exaggeration to say that the position that has thus opened to us within the EU is nothing short of unique. In comparison, boarding the NATO train and trying to find a seat among the other passengers is not in our best interest.

Finland or Sweden, traditionally part of the neutral North, being bound to NATO by this new common fate has been subject to much debate. And not without reason.

Swedish Prime Minister Göran Persson addressed this question only three weeks ago in Jyväskylä by stating that the co-operation between our countries in foreign and security policy issues is closer than ever in history.

In the same speech, Prime Minister Persson reminded us that the policy of non-alignment has served Sweden well for nearly 200 years. In this he agrees with Ambassador Heikki Talvitie, who has pointed out that the long-term Swedish security policy was created 190 years ago when Alexander I and Jean Baptiste Bernadotte signed the agreement in which Sweden recognised Russia's legitimate rights in the Baltic region.

Although we need not even go this far into the origins of Swedish neutrality policy, it is worth bearing in mind that history always affects the choices in security policy. I believe this has been, and still is, manifest in Sweden's EU policies, which, as we know, are quite different from those adopted by Finland.

What matters most, however, is here and now. At least we can say that Finland's non-alignment policy enforces Sweden's non-alignment and vice versa.

There is, in other words, a certain positive dependency, which both countries should be aware of in all developments concerning their policies.

This is important to bear in mind not least because the respective security positions are by no means identical. The success of the historical choices Sweden has made is based on a fortunate geographical position, which has allowed her a kind of latitude that Finland has never enjoyed.

This fact only emphasises the importance of communication and co-operation between the two countries. Although our respective security policies are not in all parts based on a mutual foundation, our need for security is mutual.

The biggest security threat for the North

I have not in this talk mentioned the concept of so-called 'wider security', although it would be topical enough to deserve a sermon of its own. To illustrate the significance of that theme, I would, however, like to conclude by reminding us all of the most concrete security threat concerning the North.

It is a threat that is difficult to categorise under the mandate of NATO's or any other security structures, but which is literally dead serious. The proportions of this threat are enormous. It is not a theoretical or distant threat; it is something already among us here in the North, affecting us all.

I am referring to the HIV/AIDS epidemic. To find the grimmest infection statistics in Europe we need look no further than our closest neighbour to the south, Estonia. In the area of Kaliningrad, the epidemic is probably even worse. In St Petersburg, with five million inhabitants, the number of people infected and the frequency of new infections are alarming.

In the worst case scenario, the HIV/AIDS epidemic in the Baltic region will exceed the threshold that so far has been exceeded only in Africa and certain parts of Asia: the epidemic will spread among the entire population, overshadow all other national health objectives, threatening to shake the stability of the whole society.

The former president of the United States, Bill Clinton, has pledged to keep HIV/AIDS on the agenda at all times, wherever he goes. The link to the security discussion is not far-fetched.

NATO, being a military alliance or a security structure, naturally has no definite role in combating HIV/AIDS. But openness and international co-operation are the keys to containing and solving this problem as well.

Finland is an outstanding example of a country which has won two battles against the epidemic – first when the disease was spreading almost exclusively through sexual contacts and now, in the past couple of years, when the epidemic has ravaged users of intravenous drugs.

I do not think anybody can afford to feel superior or smug in this matter but I do feel that we should be considering how to pass on our experiences and knowledge in HIV/AIDS prevention to other countries struggling with the problem.

For this, ladies and gentlemen, for this, too, we need an open and secure North where national borders do not get in the way of co-operation.

NATO ENLARGEMENT AND THE NORDIC REGION AND FINLAND

Antti Sierla

NATO's four fundamental tasks

NATO's original task will remain the defence of its own territories. This task has played a major role in the process leading NATO to its most recent expansion.

NATO has had a pivotal role in maintaining stability in Western Europe since World War II. NATO was, in practice, responsible for realising the European integration ideology from the military perspective. The United States decided, wiser from its experiences in the two world wars, to continue its presence in Europe and monitor the progress of European military co-operation. Gradually this area of stability has been joined by a large number of European countries, beginning with Germany.

This stabilising and integrating task is still as important as ever. NATO's European members have organised their defence under common structures and joint leadership. The alternative would have been to re-nationalise the defence organisations in Europe, but I do not think any of the countries really wants that. Expansion, in turn, brings new countries into the sphere of a democratically operated, modern defence.

NATO is best known for damming up the Soviet aspirations of power within Europe. This task seems to come to a close with the NATO Summit in Prague, when many of the former Warsaw Pact members are joining NATO, and NATO will be engaging in closer co-operation with Russia. The decision to enlarge was received in the future member states with a surge of national emotion. It is a general view in these countries that membership in NATO, as well as in the EU, reinforces their inclusion in the Western community, concretely and irrevocably.

NATO's third task is, as we all know, crisis management. In the Balkans, NATO has, in practice, created the technological and co-operational foundation on which the EU will base its activities when developing its own military crisis management competence. Using military power in certain situations is crucial in order to contain a crisis, as was the case in Kosovo, to support political negotiations, as in FYROM/Macedonia, or to stabilise a situation, as in Bosnia and Afghanistan. Reconstruction of societies is primarily a civilian task, but there are situations in which the civilian efforts need to be supported and backed-up by military power as well. Finland will continue to make a strong contribution to NATO-led, or NATO-supported, crisis management operations.

NATO's most recently adopted task is connected to globalisation. Alongside conflicts between and within countries, a new threat, more difficult to define, has emerged: terrorism. On closer observation, this question is an age-old phenomenon, at least as far as its breeding ground is concerned: authoritarian states which have somehow failed in their modernisation processes, lack of

democracy, poverty, marginalisation and despair. The methods may range from those using the latest web technologies to isolated suicide candidates' cold-blooded acts in pursuit of their own goals. 'Grey money' and connections with criminal groups are also issues linked to terrorism. Despite efforts that have continued for decades, the international community has been unable to control the illegal arms trade. Iraq is a recent example of how the threat of military force may serve to break a political stalemate that has persisted for years.

The Nordic Countries – the Island of the Blessed?

All Nordic countries have in common that they are only partly involved in European integration. Only Denmark, being a member of both the EU and NATO, has gone further in its integration, but has retained some restrictions to this co-operation by, for example, opting out of the military dimension of the EU.

Those Nordic countries which are members of only one of these organisations have achieved close co-operation with the other organisation. The obstacle hindering full integration seems not so much to be the lack of ability or even willingness to engage in co-operation. Rather the reasons include historical experience, national mentality, and most probably also a certain sense of security in the current situation. And there is no reason why such sense of security should not exist, as the Nordic countries have been extremely successful by almost any comparison. Obviously, they have done many things right.

The total population of the Nordic countries in relation to the expanding EU-NATO-Europe is approximately five percent. Thanks to their affluence and activeness, the Nordic countries are probably more influential players than their share of the population would allow, but the weight they could be carrying is halved by their choices with regard to integration, as explained above. Even with this diminished power, however, the Nordic countries are influential in the EU in particular as well as in NATO. The window of opportunity for a major Nordic role is, however, over, since having embraced the northern states, Europe is now moving on to digest its eastern dimension. At the same time, the new Member States are taking on an active role in order to gain visibility, space and power. How will the Nordic countries respond to this challenge?

The Austrians have of old called their country the 'Island of the Blessed', a kind of sanctuary, safe from the winds of the world. Are we, here in the far North, harbouring similar thoughts?

Finland as a partner of the enlarging NATO

For Finland, one of the central results of the Prague Summit was the Euro-Atlantic Partnership Council taking on the role of NATO's 'development co-operation section'. The wealthier democratic partners, such as Finland and Sweden, are at best active co-actors, which was proved in the preparation work for Prague Summit decisions. The significance of our own initiative is all the more crucial since the organisation itself works well on its own, without us.

NATO's Partnership for Peace Programme remains a central tool for the building of military interoperability in view of the crisis management operations, but its significance will also diminish, as the number of countries willing and capable of joining in the Partnership will drop to less than half. Many of the new candidate countries will engage directly in the Membership Action Plan.

It is, therefore, likely that within the framework of NATO relationships of such partners as Finland, the significance of bilateral relations become more salient. Although we have not exhausted every alternative form of co-operation, we have reached certain limits.

When realised, the EU-NATO co-operation would provide the non-allied EU Member States with an operative framework which would meet our needs better than before. The EU crisis management project has created some distance, however, between the two organisations. Some of the member states, on both sides, will be keeping close guard that no "free riders" are allowed.

The emerging security architecture of Europe will, in future, maintain the notion of military neutrality as one factor. Its relative weight will, nonetheless, be diminished, as the majority of countries participating in the European integration will be members of both the EU and NATO. The fewer exceptions there are to this, the more active initiative will these exceptions have to take in order to look after their interests. It is difficult to maintain your position, if the whole game field is moving, the game is changing and new players are joining in the game. To keep up, we might have to pick up the pace.

SUMMARY OF THE PANEL DISCUSSION

*Martti Setälä*⁶

After considering the broader implications of the Summit outcomes in the first half of the seminar, the second half focused more specifically on the Prague Summit's influence on Finland. The panel discussion concentrated on issues specific to Finland's national situation and to the ongoing NATO debate. Both the panelists and other participants took active part in the lively debate. The main themes and arguments that emerged in the discussion are presented here.

A large part of the discussion revolved around issues of public opinion, the necessity of a referendum on NATO-membership, and, the public security political debate in Finland. Opinion polls show clearly that Finnish public opinion is against joining NATO. Finns consider themselves to be living in a secure environment – why get mixed in others' affairs, that can only cause problems? Also, frequent news of civilian casualties in unsuccessful operations can have negative influence on public opinion. A third explanation offered was that sentimental arguments are very important among the public. During the Cold war, Finns were told a "saga" about being in between two equally bad blocks, a line of thinking that is hard to change, since it would mean changing one's self image. For this change to happen, strong arguments influencing public psyche would have to be presented. One should not forget either that Norwegians and Canadians see themselves as active nations promoting peace and settling international conflicts, being simultaneously NATO members. Whether NATO is referred to as a defence alliance or a military one, can also have an effect, since image counts when public opinion is formed.

Finland's public NATO-debate has now started. One commentator described the nature of political debate in Finland: The societal actors first tell what issues should be debated, and then close their mouths. Or else, it can be stated that there should be a thorough value-discussion – a discussion where one does not have to justify one's opinions. And especially, when it comes to the NATO-debate, political actors ask questions ("Would we be forced to send our boys abroad to fight another peoples wars?" etc.) without trying to answer them, even if the answers could be easily found. In conclusion, democracy should be about politicians clearly presenting their views, and people giving their votes to the one that they can most agree with. Another speaker said that it would be better to let national debate on NATO membership grow and deepen without hurry: The debate in Finland is still young, and the Parliamentary Review Committee on Finland's Security Environment, chaired by Antti Kalliomäki, is also open to all opinions. The need for a thorough and analytic debate was emphasized by many speakers, of whom some mentioned the importance of having open debate already before the elections of March 2003.

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In the discussion, it was also emphasized that those opposing Finland's accession to NATO should soon present their arguments against – and alternatives for – the membership. They should explain what legitimates Finland to remain a free-rider – is it our history? And, if the nation was to take this path, it should be accepted that we are left outside tables where decisions are made. One speaker found it surprising, that after Prague the Finnish debate had taken so much pace. Public opinion is likely to evolve gradually and, in the end, will probably remain loyal to the political leadership. This argument maybe reflected an earlier statement that Finns would most probably change their negative views if the political leadership, all major parties and the major labour union would clearly take a pro-NATO stand. President Ahtisaari was thanked too, for launching the debate in Finland.

One aspect, that has been frequently mentioned in Finland's public debate, is **the question of a referendum on NATO-membership**. It was mentioned that Finland's security political debate has suffered from democratic deficit since the Second World War, and that there is need for public approval before membership negotiations could be initiated – a criterion also required by NATO. Still, it is impossible to arrange a referendum without a concrete result from accession negotiations that can be presented to the voters. Thus, referendum is not an option, even if it is important from the people's point of view that the NATO-decision reflects their will and not only that of the elite. Another speaker noted, that if the initiation of NATO-membership negotiations needed a clear approval from the people, it would lead to a situation where a referendum would not count, but opinion polls did. A state cannot run its foreign policy according to opinion polls. In addition, if there was a non-binding referendum it would be de facto binding, and, thereby, a "no" would lead to a second referendum after a couple of years (as happened f. ex. in Ireland concerning the Nice Treaty). It is to be noted also, that some of the information concerning security policy is classified secret, which means that the people can never have all the details to back up their decision-making.

Finland's foreign policy was also debated. One commentator stated that Finland has usually practised a "wait and see" -policy, which all of a sudden changed into a policy of active participation from the core of the EU in the 1990's. Today we seem to be back to the "wait and see" -policy again. There could be two explanations for the latest change: Either Finland has succeeded too well in its policy in the 1990's and this has resulted in a euphoric feeling, that we do not need to seek for new alternatives. Or, this can be a consequence of the shared foreign policy leadership model in the constitution, where the president and the prime minister have joint leadership. In this model advances are always made at the pace of the more hesitant. If there is no disagreement, all functions well, but if there is friction – one wants to be in the core while the other wants to be outside – problems arise. Should problem situations be solved by using a referendum, or, should the constitution be changed? The current statements of Finnish foreign policy leadership were also commented on, especially concerning the Prague Summit. The leadership had negative, or, at least, ambivalent views on the enlargement, and the applicant countries were underestimated their statements. A dissenting comment noted that Finland's political leadership regarded especially Baltic enlargement as a welcome development.

One ardent discussion emerged around Finland's relationship to Sweden.

When it comes to security politics, it has been said that Sweden and Finland are bound closer together than ever before. Some argued that following Sweden's opinions is only a burden. Swedes have been very reluctant in their relation to NATO and they did not even inform Finland before their decision to apply for EU membership. On top of that, they have had (and probably still have) NATO security guarantees, which Finland does not possess. Maybe also Finland could bend its concept of non-alliance a little? It should not be forgotten either that, according to the Swedish defence doctrine, it shall remain neutral in all crisis concerning its near abroad. After joining the EU, Finland has become more active than Sweden in its participation in international security cooperation, and it should not be left behind – a better non-allied reference for Finland could be Austria. In conclusion, it is not necessary for Finland and Sweden to apply (or not) for membership together. (Even if Sweden's application for NATO membership would mean that Finland has to follow right away – something that would not necessarily happen the other way round). Everyone agreed that Finland has to make its own choices according to its own best interest. Many speakers also argued that, if Finland was to apply for membership, it would be easier to do it together with Sweden – partly because Finns feel closest to the Nordic value community – but that Finland should not give its neighbour an eternity to make up her mind.

The NATO-Russia relationship was seen as very important for Finland's security considerations. One commentator stated that the biggest news from Prague was Russia's acceptance of enlargement to Baltic countries. Russia was seen as having a closer relation to NATO than Finland. The NATO-Russia council discusses issues crucial to Finland's security, and being out of these discussions is problematic for our country. Finnish membership would no longer be an issue to Russia, since NATO has already reached its borders. The Russian strategic focus has also moved to the Middle-East and Central Asia, thereby making NATO enlargement in Europe possible. It was guessed that understanding this new Russian posture would take some time in Finland. Another view was that we might not have seen the true Russian reaction yet, and that it has always been difficult to foresee future Russian developments.

When to make the decision whether to ally or to remain non-allied? No consensus was found. Some saw that Finland is not in a hurry, because we should first see how NATO's role evolves in the following years, and how the NATO-Russia relationship develops. NATO's door does not open up again for some time, because we were not in the Prague round of enlargement and that gives us time to consider our standing. Others were more eager to address the issue rapidly. They pointed out that NATO's roles are changing constantly, and an argument was put forward that the decision to ally should be made when the security environment is stable and peaceful. Such decisions made at more turbulent times could have a considerably more destabilising effect on an already disturbed security environment. The point was also made that, if Finland chose to apply for membership, its annexation process could be a lot easier than that of the applicants accepted in Prague.

What would be the consequences for and changes in Finland, if it became a member? There was agreement that, from today's perspective, membership would not pressure us to increase defence spending. We already do very well in international comparisons, especially when it comes to investment in procurement. In addition, if there was pressure on European states in general to increase defence spending, Finland would probably go along irrespective of whether it was allied or not. Secondly, Finland would not be forced to participate in operations against its will, since it is the willing and able countries that contribute to NATO operations. Thirdly, Finns could participate in decision-making and planning of operations, thereby increasing their international influence (at least to some extent). It was also pointed out that NATO-membership and an EU-constitution might lead to adjustments of Finland's constitution. One speaker wanted to determine NATO's role in the fight against terrorism and weapons of mass destruction – the relevance of these threats to Finland, as well as the positive/negative consequences of NATO-membership on them.

Another related question is **what would Finland's membership offer to the alliance?** One possibility is, that just the simple fact of getting in an advanced and wealthy western democracy would be a contribution enough. On the other hand, it was stated that Finland's contribution has already been participation in post conflict phases of NATO operations. It was also hoped that Finland, in the near future, could participate more in prevention as well. One remark was that participation and cooperation are one dimension of controlling the security environment, institutional arrangement of this cooperation is another. Finland could increase cooperation with NATO without changing its current status, and in order to be a good Partner for Peace, active participation is needed. One should not forget either that close cooperation with NATO has also been beneficial for Finland.

Some participants commented on **the roles of NATO and the EU and their relationship**. It is important for NATO to be seen mainly as a defence alliance based on Article V guarantees – not a future OSCE or UN. When it comes to the EU, its developing crisis management capability should not be forgotten when our relation to NATO is debated. Finland should keep up its capability to contribute to EU-led operations. Nevertheless, the EU cannot give security guarantees (a capability which could improve when the Berlin+ process with NATO advances). The US engagement in Europe is of profound importance in guaranteeing our continent's security. One speaker also noted that the actual situation, where the majority of EU member states are NATO members, will become problematic for Finland.

The importance of understanding history and the present security environment was emphasized by some speakers. When, during the Cold war, Finns wanted to keep a distance to both blocks, we often forgot that one defended and the other opposed democracy. Finland was not occupied physically, but mentally and politically for 50 years. Finland cannot look to Swedish history but its own, because Sweden was in the western sphere of influence and Finland was not. If the Baltic countries had not been accepted as NATO members in Prague, it only would have confirmed the old divisions from the Cold war era. The Baltic countries' accession to NATO has changed the prevailing circumstances for

Finland's security: today's realities are different from the past. It was pointed out that a credible defence capability is the basis of Finland's security, but that it does not solve the challenges of our security environment. We must solve our security dilemmas ourselves or others will do it for us.

SPEAKERS

BAILES, Alyson. Director, Stockholm International Peace Research Institute (SIPRI). Former British Ambassador to Helsinki.

BUCKLEY, Edgar. NATO Assistant Secretary General for Defence Planning and Operations.

KALLIOMÄKI, Antti. MP, Social Democratic Party. Chairman of the Finnish Parliamentary Review Committee on Finland's Security Environment.

LAAJAVA, Jaakko. Ambassador, Under-Secretary of State, Ministry for Foreign Affairs of Finland.

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