

SMALL STATES AND NATO

Martti Setälä (ed.)

NO 6 — Occasional papers

ATLANTIC COUNCIL OF FINLAND

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SMALL STATES AND NATO

“Influence and Accommodation”

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A Thematic Summary of the Contributions to the Conference on

“Small States and NATO”

Organised by the Atlantic Council of Finland

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THE ATLANTIC COUNCIL OF FINLAND

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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 and other interested parties, in addition to publishing and other educational activities.

Over and above its domestic activities, the Atlantic Council of Finland participates in the international ATA framework and in the events organised by other Atlantic Councils. The Atlantic Council of Finland maintains especially close relations with the Nordic and the Baltic Atlantic Councils.

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PREFACE

This publication is sixth in the series of Atlantic Council of Finland (ACF) Occasional Papers. In this occasional paper, the speakers' contributions and related discussions are not presented verbatim, but – in order to facilitate the readability of this publication – as an edited summary of main themes and arguments. The editor's aim has been to keep true to the line of argument, the tone and nuance of the speakers, and to emphasize critical themes without unnecessary duplication or repetition.

With these considerations in mind, this publication begins with an executive summary, which gives a condensed resumé of the main arguments. The summary is followed by three sections in which the arguments are developed more in detail. The first section draws upon addresses by Ambassador Nicholas Burns and by Under-Secretary of State Jaakko Laajava. Their arguments frame the debate; they discuss the general state of our security environment and the on-going transformation of the NATO Alliance. Burns focuses on NATO's new tasks and on Finland's contribution as a partner – perceived from both a US and an Alliance perspective. Laajava reflects on the implications of the transformation and of the security challenges for smaller states and for Finland. The second section dwells on the military and political consequences of the Alliance transformation. Professor Rob de Wijk's contribution functions as the foundation of this section. In the final section, the perceptions on four small state members of NATO – Denmark, Norway, Hungary and Estonia – are presented. This section is compiled from remarks by Per Carlsen (Denmark), Sverre Diesen (Norway), Bánk L. Boros (Hungary), Harri Tiido (Estonia), and Risto E.J. Penttilä (Chairman of the panel and of the ACF). The seminar program and background information on the speakers can be found on the final pages of this paper.

To conclude, I would like to express my gratitude to Ms Kristiina Rinkineva, Ms Pia Heikkurinen, and the Board of the ACF (especially Ms Karoliina Honkanen and Mr Juha Pyykönen) for their guidance and comments on the drafts of this publication. I would also like to thank Mr Matthew Friar for his help with the English language. And, most of all, I wish to express my sincere thanks to my loved-one, Oona, for her loving support and understanding.

Turku, 21 February 2005

Martti Setälä

Editor, Member of the ACF

CONTENTS

EXECUTIVE SUMMARY	9
SECTION 1 – FRAMING THE DEBATE	12
Small States and NATO Facing the Contemporary Security Environment	12
Based on addresses by Jaakko Laajava and Nicholas Burns	
SECTION 2 – RESTRUCTURING THE ARMED FORCES	17
Security Implications of NATO Transformation for Smaller Members	17
Based on the contribution by Rob de Wijk	
SECTION 3 – SMALL STATES IN NATO	24
Influence and Accommodation	24
A thematic summary of the panel discussion	
Benefits of an Alliance Framework	24
Who Controls NATO?	25
The Daily Work – Opportunities for Influence and Need of Accommodation	26
Experiences of Military Restructuring	28
Some Aspects of Threat Perception: Terrorism and Russia	31
Observations on Public Opinion	32
The EU and NATO	32
SEMINAR PROGRAM	33
AUTHORS AND CONTRIBUTORS	35

EXECUTIVE SUMMARY

The Atlantic Council of Finland organised a seminar titled “Small States and NATO”, at the House of Estates in Helsinki on 29 November 2004. The core idea was to discuss the roles of smaller states within the Alliance, which is transforming to face the threats of the 21st century. The underlying question was framed in a dualistic manner: it asked whether small state participation is best characterised as “influence” or as “accommodation”. The answers given by the speakers were most revealing, and it seems very useful to record them for decision-makers and researchers to draw upon both in Finland and abroad.

Contemporary security challenges, NATO transformation and their implications for small states were addressed in Section 1. Today’s challenges are quite demanding for smaller states. New security threats – including terrorism, proliferation of weapons of mass destruction, and failed or failing states – have created a demand for new means and methods. This requires transformation and acquisition of new capabilities from NATO and its members. Also, geography has lost most of its meaning as threats, with direct or indirect effects for the homeland, can arise from any part of the world. One can no longer focus solely on stability in the near abroad. Consequently, there is an apparent need for strategic partnerships and cooperation. The question for smaller states remains how to contribute in a meaningful way.

NATO has changed considerably since the end of the Cold War. The contemporary Alliance is characterised by a new strategic mission and new operational area, an ongoing military transformation process, new members, and a growing emphasis on partnerships. NATO has become an outward-looking organisation with the goal of stabilising and securing troubled areas in South and Central Asia, the Caucasus, the Middle East, and North Africa. Achieving this goal entails transformation of capabilities: what is needed are mobile forces that can efficiently project force several thousand kilometres out-of-area. Due to the changes, small states now have increased opportunities for influence in NATO, especially through niche capabilities, i.e. special skills that increase the value of the alliance. The decision-making process has become more democratic and operations are no longer dominated by bigger allies. NATO would like to see the smaller allies contribute even more. The influence of a small state depends on its political will and on the level of its contribution to operations. As for the Partnership for Peace programme, it has changed since the last round of NATO

enlargement; the partner nations with substantial contributions to operations have been accorded better access to decision-making in operational planning in the operations in which they will participate, as well as some additional benefits. Finland is viewed as one of the most active and valued partners.

Meaningful contribution to NATO's new tasks – needed as a response to the new threats – requires new capabilities. As outlined in Section 2, states need to have new expeditionary capability: the ability to use military force in distant places in a very efficient way with few friendly fire losses and with an acceptable level of collateral damage. Many European armed forces still lack this capability. Thus, they need to be restructured, which entails force reduction, transition, modernisation and transformation of the armed forces. This is very expensive, especially with regard to transformation, which includes adoption of a new way of thinking and fighting that embraces the principles of Network Centric Operations and the acquisition of very advanced information and communication technology (ICT). The restructuring process begins with a political debate to decide what kind of armed force is feasible and desirable. Consequently, a risk/benefit analysis must be done. Then, one has to choose which capabilities to procure and how to procure them most effectively, with emphasis on niche capabilities, role specialisation and other vital factors. After these steps have been taken successfully, a small state can meaningfully contribute to expeditionary operations in peacekeeping, stability operations and war-fighting. In NATO, nations are not ranked according to the size of population or territory, but in regards to the means one can contribute. Therefore, with a successful restructuring of the armed forces, a small state can gain a considerable influence within NATO.

The effects of NATO's power distribution, decision-making, and bureaucratic dynamics on small states were considered in Section 3. Also, the benefits of working within an alliance framework, experiences of the military transformation, aspects of threat perception, public opinion, and the relationship between NATO and EU were touched upon. The US has a special weight in the Alliance, especially at the political and strategic levels. However, on the tactical and operational levels the influence of the US wanes. In its daily work, NATO is a transatlantic organisation in which initiatives come from many different nations, big and small. In fact, small states can find many opportunities for influence due to many different aspects: First, most of the practical work is done in working groups and in committees. They are formed of an equal number of experts, who value substance of arguments

over the political weight of the speaker. In addition, every member state has the opportunity to comment on issues before they are forwarded to the next level in the NATO hierarchy and finally to the Council. Second, the larger powers do not agree on all issues, which means that coalitions are formed within the Alliance, thus increasing the opportunities for small state influence. These coalitions are rather stable because the strategic interests of countries are often of a permanent character. Third, the veto-power symbolises the ultimate core equality between all members, and guarantees that one can stop decisions from being made. Finally, active and constructive participation is highly regarded. In addition, the one who gets to lead an operation first gains most influence.

It is important to keep in mind that influence cannot be gained without sufficient will to accommodate the needs of others. Efficient decision-making in such a large Alliance entails flexibility from all of the members, and it is vital not to abuse the unanimity rule. One should not obstruct others who want to proceed, and one should use the veto power as sparingly as possible. The realities of world politics need to be kept in mind, and a small state has to be cautious in using its political capital. It must use it only in situations where its vital interests are at stake. The art of diplomacy should be used skilfully. Excessive flag-waving and displays of national agendas are disruptive. With these realities in mind, an active, competent and positive policy may bare the best results.

In conclusion, to gain influence in NATO, one should not be a fingerprint or a footnote nation. A member state will not gain influence without contribution. Or, in another words, small states can maintain an acceptable balance between accommodation and influence within NATO if they maintain the political will and skill required, and if they are able to meaningfully contribute to NATO's new tasks.

SECTION 1 — FRAMING THE DEBATE

Small States and NATO Facing the Contemporary Security Environment

Based on addresses by Jaakko Laajava and Nicholas Burns

This section paints a picture of the underlying security environment that the community of democratic nations faces today. It reveals how the most important transatlantic institution, NATO, has adapted to the changes since the end of the Cold War. Furthermore, some evaluations are made on how smaller members of the community and of the Alliance are affected by these developments. Finally, the role of NATO's Partnership for Peace (PfP) programme and Finland's participation in it are discussed.

According to Jaakko Laajava, there are three important characteristics of the contemporary security environment that need to be considered. To begin with, new security threats and challenges – terrorism, the proliferation of weapons of mass destruction (WMD), organised crime, failed or failing states, and contagious diseases – have created a need for completely new means and methods. This entails transformation and acquisition of new capabilities for the Alliance and its members. Smaller states in particular have problems in finding the necessary material and human and organisational resources to transform their capabilities. The solutions to these problems often increase dependence on other, often bigger, nations. Second, the meaning of geography has changed. New security threats are of global reach and are clearly no longer confined to the European theatre alone. The shift of focus from regional to global threats and operational area is difficult to achieve and rationalise for small states, which have characteristically been concerned chiefly with security in the near abroad. Third, there is a need for outreach and new partnerships. Contemporary partner activities include, among others: disaster preparedness, scientific and technological cooperation, reform of the military and enhancement of interoperability.

The main challenge for small states is to find meaningful ways to contribute to these demanding new objectives and tasks. As for NATO, which continues to be “the central forum for security dialogue and cooperation within the transatlantic community”, the challenge is “how

to generate the continuous ability to work together to address the challenges of today.”

Dealing with these challenges is not easy. In Laajava’s words: “The foregoing list [of the characteristics of today’s security environment and the challenges they impose] ... illustrates how much all democratic nations, big or small, allied or non-allied, have to work together in order to improve security and stability in the 21st century. Security must be seen as a wider concept than it was previously, the military dimension being only one, albeit very important, part of it.”

Ambassador Nicholas Burns focused on the characteristics of today’s NATO. The Alliance continues to have the Article V, mutual defence guarantees as its basis. However, it has to be acknowledged that the contemporary Alliance bears little resemblance to the Cold War NATO. It has changed, and is in a process of continuous transformation.

As Burns outlined, NATO today is characterised by its new strategic mission and new operational area, an ongoing military transformation process, new members, and a great emphasis placed on partnerships. First, NATO is no longer solely focused on Europe, nor does it have the Cold War mission of the containment of communism. On the contrary, it looks outward to current problem areas of the world in South and Central Asia, the Persian Gulf, and North Africa with the aim of contributing to stability and security. The shift of focus is rational because these areas often experience crises and civil strife. If left unattended to, these areas may well become the nexus of terrorism and WMD. Consequently, NATO has become the leader in the world of peacekeeping. The Alliance is engaged in the stability of the Balkans (in Kosovo and Bosnia) and in Afghanistan. In addition, the Alliance sustains a non-combat training operation in Iraq.

Second, the new missions create a demand for military transformation. Just to give a few examples: The military is required to operate several thousands of kilometres out-of-area, for which strategic lift and air-to-air refuelling are needed. Combat service support, special forces, and civil affairs officers are needed in peacekeeping operations. The transformation is difficult and ongoing process.

Third, the ten new members have strengthened the alliance. They have given unique new military capabilities to NATO. Their annexation has also shifted the focus of the Alliance more toward the Eastern part of Europe. In addition, the debate in the US Congress has changed from previous “who else should we guarantee to defend” to “how new

members can help NATO, express democratic values around the world and participate to peacekeeping missions”.

Fourth, NATO places a special emphasis on partnerships. Its goals cannot be achieved without partners playing a significant role in the political and security dynamics of the Alliance. The list of partners is extensive: from Finland and Sweden to Russia and Ukraine, the Caucasus states, countries in Central Asia, Israel, and even some states in the Persian Gulf and North Africa.

The role of the small states has also changed. Burns stated that the decision-making process of NATO has become more democratic, and that the operations are no longer dominated by the bigger allies. He noted that the Alliance would like to see its smaller members contribute even more extensively. The influence of a member state depends on its political will to influence and on its contribution to operations. Norway, for example, has a disproportionately large influence in the Alliance because of its successful military transformation. Also, Denmark has doubled the number of its troops capable of participating in international operations. The Baltic States have developed important niche capabilities. The Czech Republic is probably the best example of a member state that has contributed an essential capability to the Alliance (chemical and biological decontamination capability). There is increased participation by smaller nations to operations: nine out of ten new members are engaged in Iraq, and ten out of ten are contributing to operations in Afghanistan and the Balkans. Everything in operations is done in multinational formations.

What are the problems facing the Alliance in its everyday work? Laajava mentioned that it is hard to maintain the core idea of the Alliance: to generate a continuous ability to work together, to decide what the nature of the alliance is (a toolbox or a permanent alliance), and to decide what the balance between the rights and responsibilities between the allies, big and small, should be. Burns stressed two things: the challenges created by the huge military gap between the US and Europe, and, more importantly, the lack of unity. The Alliance had severe problems of political cohesion with regard to the war in Iraq in 2003.

The future predictions were positive: Laajava affirmed that there is “no doubt that NATO ... can generate the will, flexibility, and the means to undertake the constantly changing task of enhancing security in the increasingly complex and even dangerous environment we live in.” Burns predicted that the problems of unity with regard Iraq

and Afghanistan would be solved and that we would soon witness an era of more Euro-American unity. He also saw hopes of advancement in the Middle-East peace process. The US will most likely maintain NATO as its most valued alliance, which it will use in a multilateral – not in a toolbox – manner. Even the question of EU-China arms trade cannot cause a break in relations, for there are only some members of the EU who are in favour of the trade, not the EU as a whole. Burns concluded that “all allies want to be allies, they want to act together, and that there is more common to all than differences in between”.

What is the role of the PfP nations in NATO today? Burns outlined that since the latest enlargement, and for the first time in history, the number of members is larger than that of PfP nations. As a result, the content of PfP has been changing. Also, NATO decided in Istanbul to engage partners more into decision-making, as long as they contribute to operations. Partners are also given an opportunity to send officers to NATO military commands in the Allied Command of Operations in Mons, Belgium and the Allied Command for Transformation in Norfolk, Virginia. Nevertheless, there is still a difference between being a member and being a partner: Only members share the Article IV and V obligations – certainty of sovereignty, of territorial integrity, and of security by treaty.

Both Laajava and Burns discussed the role of Finland. As Laajava outlined, Finland remains militarily non-allied, and continues to harness a territorial defence concept based on conscription. In addition, it recognises the need for cooperation with other nations. Therefore, Finland aims at strengthening the EU and having close PfP cooperation with NATO in order to respond to new security challenges and threats. Finland, as a partner nation, wants to participate actively in the transatlantic dialogue on security. It is also participating in operations as a lead nation in NATO's KFOR in Kosovo and in EU's Task Force North of Althea in Bosnia. In addition, Finland has troops in NATO's ISAF in Afghanistan in Kabul and in the Northern territory.

Finland has contributed to many operations, and is certainly one of the most valued partners, as Burns gladly observed. This has given Finland influence, as it has been invited to participate in NATO's decision-making meetings on Afghanistan and Kosovo. Finland and Sweden have invested intellectually and conceptually to the renewal of the PfP programme in the last 3.5 years, and they have played a bigger role than their size would lead one to believe. There could be an even bigger role to play for Finland, if it were to apply for a full member-

ship. Burns assured that such an application would be welcomed, because Finland and NATO share the same values and there is an existing active cooperation. He also stressed that the decision to apply for membership could be done by Finland alone, and that there will not be any kind of pressure from NATO nations to make such a decision.

SECTION 2 – RESTRUCTURING THE ARMED FORCES

Security Implications of NATO Transformation for Smaller Members

Professor Rob de Wijk¹

As outlined in Section 1, NATO has a new focus with new missions, new roles and new tasks. To be successful in its new tasks, the Alliance needs transformed armed forces with the ability to project force effectively several thousand kilometres out-of-area. This has severe strategic implications for the smaller states. If they make the right strategic choices, they might be able to gain disproportionate influence in NATO, as “only the actual *combat* capabilities at a country’s disposal give some insight in its military performance and hence pertain to the label ‘big’ or ‘small’”

Today, armed forces in many European states remain geared towards Cold War Era missions and structures, and often consist of in-place forces designated for territorial defence. However, contemporary challenges require armed forces with new expeditionary capability, that is, the ability to use military force in distant places in a very efficient way with few friendly losses and with an acceptable level of collateral damage. In order to adapt the armed forces to these contemporary demands, military restructuring is needed. The restructuring entails force reduction of large standing reserve forces that cannot be deployed abroad; transition from conscription to professionalism; modernisation (i.e. replacement of obsolete assets with new ones); and transformation of the armed forces. While transformation of armed forces is often the least understood requirement, its undertaking entails the most unforeseen implications. At the very basic level this challenging task demands new training, cutting edge educational programs, and command and control systems – the ingredients necessary to allow operations in a ‘netted’ environment. Short-term investments are needed too, especially in software. As a result of transformation, the armed forces are able to use innovative doctrines for new flexible methods of

¹ This section has been adapted from professor de Wijk’s remarks in the seminar and his article “The Implications for Force Transformation: The Small Country Perspective”. In Hamilton, Daniel S. (ed.) *Transatlantic Transformations: Equipping NATO for the 21st Century*. Center for Transatlantic Relations, Johns Hopkins University, 2004.

warfare, new operational concepts and a doctrine driven by technology.

The US has successfully implemented military restructuring. Its focus has been on the guidelines of Effect Based Operations with Network Centric Warfare (NCW) as its critical enabler. As a consequence, US Forces have achieved the new expeditionary capability outlined above. In contrast, if transformation is not implemented, a nation will end up with a less effective force for expeditionary operations.

Because of enormous costs, the process of restructuring the armed forces is difficult to implement for smaller states. In the Netherlands, the armed forces are currently attempting to adopt the principles of Network Centric Operations and Effect Based Operations, and should restructure along these lines. The problem is that the necessary funds are hard to be found. In fact, the process is not only about the procurement of new assets or force modernisation: it is also about transformation, a new way of thinking, which requires large-scale investment on advanced information and communication technology (ICT), amounting to up to 10% of the defence budget.

Table 1 illustrates the contemporary status of armed forces in NATO member states with regard to ability to participate in expeditionary operations. Notice that the Netherlands' expeditionary capability is on par with much larger countries, in terms of geography and population. This is because it started the restructuring process of its armed forces relatively soon after the end of the Cold War. Decision-makers concluded that the security situation had changed and that expeditionary capabilities should be a main goal of development. Thus, the nation abandoned most of its in-place forces and conscription. Germany, on the other hand, ranks lower than its actual size would lead one to believe. A pacifist political culture and unwillingness to abandon conscription have made the country resistant to change.

Developing expeditionary capabilities in order to provide forces for NATO's new tasks entails capabilities based on voluntary or professional armed forces. It appears that nations pertaining to conscription rank lowest. This does not mean that their armed forces are useless, but that their focus is on homeland defence. Change should begin with a rethink, a reconsideration of what is truly desirable given the present security environment. At this point one should acknowledge that it is not useful to rank nations according to the size of population or territory. On the contrary, it is the capabilities they can contribute to NATO's new tasks that matter.

TABLE 1² Ranking of NATO Member States: A Qualitative Assessment

<p>Full Spectrum Force = Full array of assets and capabilities allowing a member state to deal with all contingencies. It allows sustained combat operations against an opponent's irregular or regular forces, and the ability to carry out stability and reconstruction operations in an effort to keep or bring peace to distant places. A country with a full spectrum force could provide the framework³ for coalition operations as well.</p>	USA
<p>Broad expeditionary capability = Ability to do the same as above but on a smaller scale. The country could act as a <i>lead nation</i>⁴ for less demanding operations.</p>	UK, France after restructuring** The Netherlands Spain** and Italy** after restructuring
<p>Focused expeditionary capability = Can contribute to a wide variety of military operations with a limited range of capabilities. Some countries may even be able to act as a lead nation for small stabilisation operations in a permissive environment.</p>	Belgium, Canada, Denmark**, Germany*, Norway*
<p>Selective expeditionary capability = Can contribute with some force elements to coalition operations. May have <i>niche capabilities</i>⁵.</p>	Poland*, Turkey*
<p>Stabilisation capabilities = Capabilities for stability or peacekeeping operations.</p>	Estonia*, Bulgaria*, Czech Republic*, Greece*, Hungary*, Latvia*, Lithuania*, Luxembourg, Portugal*, Romania*, Slovenia*, Slovakia*
<p>No capability (Could be useful in providing bases or other.)</p>	Iceland (some paramilitary and coastguard)

* = Conscripts.

** = Transition to professional armed forces or mix of conscripts and professionals.

² This table has been adapted from de Wijk's remarks in the seminar and de Wijk 2004, p. 119.

³ *A framework nation* provides the backbone of an operation. Other nations plug in. [According to *NATO terms and definitions*: A nation that provides the basic foundation of an organisation or unit. It normally provides the majority of personnel, staff, equipment and facilities.]

⁴ *A lead nation* is responsible for planning the campaign; it directs the strategic decision-making process and provides the key elements of C4I (command, control, communication, computers and intelligence). [According to *NATO terms and definitions*: A nation who through memorandum of understanding of agreement assumes the role of Chief planner, organiser, support and executor for operation and is responsible for carrying pre-agreed upon task(s).]

⁵ Scarce capabilities that complement and enhance the performance of the entire coalition and cannot usually be commonly owned.

Every restructuring process should be initiated with a political debate and an assessment on what is expected of the armed forces. Decisions need to be made on what kind of profiles and risk-levels are acceptable. When a suitable profile is found in a political debate, the process of restructuring can begin. Table 2 presents different levels of political ambition, and matches them with corresponding force requirements and capabilities.

Which profiles should nations aspire to? Only one country in today's world, the US, has matched a global ambition with a full spectrum force. Other bigger states should choose between a medium and a high profile. Most probably the UK, Germany, France, Poland, and Turkey desire to be in the first tier. The Netherlands is currently in the first tier, but might have to lower its ambition level because of lack of resources. The rest could focus on other capabilities. Several smaller nations might be attracted by a third tier medium profile, medium risk ambition. Its focused toolbox entails specific capabilities that contribute to defensive expeditionary operations (air defence or nuclear, biological and chemical (NBC) protection capabilities). Also states with low profile, medium risk capabilities can contribute to expeditionary operations with niche capabilities.

The EU as a whole is aiming at the first tier, high profile, high risk level. The Union can achieve this goal if it succeeds in creating the rapid reaction force and the battle groups. In addition, these capabilities have to be harmonised with NATO, and the European Capabilities Action Plan (ECAP) objectives must be achieved. For instance, one of the most vital issues involves establishing a backbone of command, control and communications, surveillance, target acquisition and reconnaissance.

Europeans are well aware of the problems they face in attempts to restructure their militaries. Many countries have the required capabilities, but are unwilling to contribute troops to offensive expeditionary operations. If Europeans remain unwilling to change their thinking, the capability gap between the US (which has the will and the capability) and Europe will persist. The capabilities needed are well known: deployable and secure command and control systems, precision guided ammunitions, cruise missiles, attack helicopters, logistical support, tactical lift, and strategic lift capabilities. Europeans need to enhance their force survivability and protection by acquiring systems for suppression of enemy air defences and NBC protection. The combat search and rescue capability should be enhanced, and so forth.

TABLE 2⁶ Political Ambitions

Political ambition	Required force	Examples of required capabilities
Low profile, low risk (5 th tier).	No capabilities for expeditionary warfare; limited capabilities for stability operations.	Light infantry for stability operations, lift.
Low profile, medium risk (4 th tier).	Niche capabilities for expeditionary warfare.	The aforementioned assets, plus niche capabilities such as mountain troops, special operations forces, medical units, NBC protection.
Medium profile, medium risk (3 rd tier).	Focused toolbox for defensive expeditionary operations and (combat) support.	The aforementioned assets, plus niche capabilities such as air defences, ballistic missiles defences, RPV, UAV, mine hunters.
Medium profile, high risk (2 nd tier).	Focused toolbox for offensive expeditionary operations.	The aforementioned assets, plus frigates, fighters, submarines, initial entry forces such as air manoeuvrable brigades and marines and follow-on forces such as mechanised and infantry brigades and the capability to provide the backbone of a peace-keeping operation.
High profile, high risk (1 st tier).	Broad toolbox for expeditionary warfare.	The aforementioned assets, plus the capability to provide the backbone of a combat operation at division plus level.
Global responsibilities.	Full spectrum expeditionary capabilities.	The aforementioned assets, plus strategic assets such as satellites, strategic bombers and the means to provide the backbone for coalition operations at army corps level.

⁶ This table has been adapted from professor de Wijk's remarks in the seminar and de Wijk 2004, p. 127.

The political debate that is needed to initiate the military restructuring process has not yet taken place in many European countries. New equipment is not the only thing needed. The whole manner of thinking regarding the way armed forces fight has to change. If politicians could successfully implement the process, which entails new capabilities and new thinking with respect to doctrine and operational concepts, a real war-fighting capability based on Effect Based Operations and Network Centric Operations would evolve. This would convert the armed forces into an efficient political instrument. Without this restructuring, Europeans run the risk of encountering high friendly casualty and collateral damage in offensive expeditionary operations. This gives some insight in contemporary unwillingness to participate in high risk operations: They could easily become sullied by heavy casualties if the armed forces have not been successfully restructured.

Europeans have shown some advantages compared to the US. Americans are better at war-fighting as successful combat operations in Afghanistan and Iraq demonstrated. However, winning the peace has turned out to be a lot more difficult. Europeans have proven to be better in stabilisation operations. To give an example, utilisation of their different doctrine has proved successful for the UK and the Netherlands in their areas of responsibility in the Southern part of Iraq.

The question remains: How to change the European armed forces into effective political instruments with real war-fighting capability? For the small states, it is impossible to develop a full-scale armed force, and therefore, alternative options are needed. The key is spending their money efficiently and developing new and creative ideas. In the EU, about 165 billion euros are spent on defence, but it is spent ineffectively and without much cooperation or coordination. To be more efficient, there are many options to choose from: First, it is possible to specialise horizontally by aiming at low profile with medium risk, which entails creating niche capabilities and expeditionary capabilities. Second, one can specialise vertically; for example Belgium would provide the land force, UK the air force and the Netherlands the naval force. Nevertheless, this is far-fetched and would imply complete defence integration (i.e. European Defence). A third and more promising way for small states might be to focus on niche capabilities, which could bestow a considerable political influence. For example, the Czech Republic was very successful in finding a niche capability that was needed in the Alliance. Fourth, one can procure collective capabilities in the fields of command and control, combat search and rescue, air-to-air refuelling, and so forth. NATO's Awacs fleet is a good example of

this type of cooperation. Finally, there remains the option of co-financing national capabilities. The Netherlands has financed German procurement of airlift capabilities.

In conclusion, small states have limited budgets, limited bureaucracy and limited restructuring and transformation capability. If a small state wishes to contribute meaningfully to NATO's new tasks, it must first generate the political will necessary to inspire a genuine debate in regards to the nature of its desired armed force. Consequently, it has to predict what level of risk will be acceptable to the population and the bureaucracies involved. Then it has to choose what capabilities to procure and the methods necessary to procure them most effectively, with emphasis on niche capabilities, role specialisation and others. If these steps are taken successfully, a small state will consistently be regarded as source of significant contributions to expeditionary operations in peacekeeping, stability operations and war-fighting. These steps are absolutely necessary if one wants to gain more influence within the Alliance.

SECTION 3 — SMALL STATES IN NATO

Influence and Accommodation

A thematic summary of the panel discussion⁷

The topic of the panel debate, “Small States in NATO, Influence or Accommodation”, lead the participants to explore the role of small states within the Alliance in detail. General observations and more specific national experiences were blended together into an interesting exchange of ideas. The most prevalent assessments focused on how NATO’s decision making and bureaucratic dynamics affect the smaller allies, and how power is distributed within the Alliance (discussed under the subheadings “Who Controls NATO?” and “The Daily Work – Opportunities for Influence and Need of Accommodation”). Also, the benefits of working within an alliance framework, experiences in military transformation, some aspects of threat perception, public opinion, and the relationship between NATO and the EU were touched upon. The overall tone of the discussion was best reflected by the comments of a member of the panel: in order to maximise one’s influence, a NATO member should not be a “footnote” or a “fingerprint” nation. It takes skill and prudence to be effective.

Benefits of an Alliance Framework

Membership in an Alliance bestows clear advantages for small states in operational issues, in decision-making, and in international political visibility. One speaker observed that small nations can gain influence over great powers in military matters within an alliance framework. If interoperability has been rehearsed in an alliance structure, it considerably enhances the capability to participate in great power interventions. Consequently, if an intervention is done within the alliance structure, the influence of smaller nations is greatly increased compared to situations where such a structure did not exist. In addition, as another speaker emphasised, bigger nations do have more influence over international matters. However, there is much benefit for a smaller nation to be at the table where decisions are made. The situation would be gravely worse if bigger nations made their decisions without listen-

⁷ Because the Chatham House Rule was applied, references are not indicated in this part.

ing to the opinions of the smaller ones. Finally, there is a clear issue regarding the recognition of smaller nations: Membership can be used as a tool to consolidate a nation as a sovereign and legitimate entity in international politics, one visible on the maps of greater powers.

Who Controls NATO?

It is not easy to answer this question. The answer depends on the national and/or regional perspective of the respondent. All speakers agreed that the US is definitively NATO's biggest member with regard to defence spending and military power. This gives Americans a special weight, and they use it to dominate the political and strategic levels of the Alliance. However, on tactical and operational (working) levels this does not apply. One panellist observed that US influence was much less than he had presumed before beginning his work in NATO. On political level, the UK plays a big role. It has also increased influence on the operational level because of its expertise pertaining to the doctrines and concepts suitable for NATO's new tasks and missions. Many of them have characteristics that resemble imperial policing missions, in which the UK has a long history of experience. The French too have strengthened their participation recently. Moreover, many smaller members have shown that they can play bigger roles than their size would lead one to believe. To conclude, in daily work, NATO is a transatlantic organisation in which initiatives come from many different nations, big and small.

Two less definitive aspects can be considered: First, if one thinks of the time spent on the US and on Europe, the Alliance appears more European. Often the US makes an initiative, then the Europeans come in with their comments and disagreements. It takes a lot of time to sort out the European entries before a unanimous agreement can be reached at the North Atlantic Council (NAC) level. Second, the dominant role of the English language gives some advantages to native speakers, as it is often the British who master the rhetorical level.

As outlined above, the small states cannot dominate NATO, but neither are they dominated in the Alliance. The question of how to gain influence, and when to accommodate is essential. Diplomatic skill and understanding of the dynamics of NATO's decision-making are needed if one wants to play an active and influential role. The following section focuses on how a fair balance between influence and accommodation can be achieved.

The Daily Work – Opportunities for Influence and Need of Accommodation

When the media talks about NATO – or any intergovernmental organisation for that matter – it usually concentrates on summits, communiqués, crises and conflicts. As a result, the daily work and achievements of the Alliance are often overlooked. In fact, small states can find many opportunities for influence that spring from the dynamics of committee work, the forming of alliances within the Alliance, veto power, and active participation in defence planning and operations. Influence cannot be gained without sufficient will to accommodate the needs of others. Efficient decision-making in such a large Alliance entails flexibility from all of the members, and it is vital not to abuse the unanimity rule by incessantly wielding one's veto.

In NATO, daily work is done in over 200 committees and boards that consist of an equal number of specialists. This means that arguments are examined mainly on the basis of their substance and merit, and far less by the political weight or population of the state promoting the argument. The committee system also ensures that all members are able to comment before matters are forwarded to the NAC, a Ministerial meeting, or a summit meeting for final approval. In addition, it is important to be able to test one's views in corridor and coffee table talks before introducing them in the committee room. Consequently, the amended paper that results from committee discussion takes into account all necessary aspects of all interested member states and thus is "mature" enough to pass into higher level discussions for final approval.

Several panellists agreed that the smaller allies are not, by virtue of their limited capabilities, designated as mere 'followers' of the bigger states in the decision-making process. The major powers disagree on many points and this gives the smaller ones opportunities to find different alliances within the Alliance. There seems to be a certain degree of permanence in the coalitions that have formed as a result of larger power disagreements; certain nations tend to agree more often with certain same nations than with others. Two sets of reasons explain why these alliances within the Alliance gain their semi-permanent character. First, strategic interests are often of permanent nature because of geography, demography, national economy, characteristics of armed forces, and other realities. Second, common cultural and historical backgrounds influence the behaviour of member states. This semi-permanence of alliances increases the influence of the small states within the Alliance.

This does not mean that there exist two or three permanent coalitions for each issue area. When the Ukrainian question was handled in the Political Committee, coalitions formed differently from the ones that appeared in discussions on the war in Iraq. On the issue of defence planning, coalitions are often formed with neighbouring nations. This might be changing, however, as territorial defence is no longer NATO's main priority. Also, discussions regarding procurement involve unique coalition formations.

One of the Alliance's day-to-day affairs involves defence planning and operational planning. Considerable amounts of influence can be gained if one is able to participate in a planning process or in an operation from the very beginning. This influence is further increased if one gets a leading position from the beginning of the process or operation. Even if NATO has promised to let the contributing PfP nations to take part in the decision-making in operations, their opportunities for influence are, at the moment, less than those of the members.

NATO is a consensus-based organisation in which every member has veto power. This means that only one member is needed to block the whole decision making process over any issue. It is important to use the veto power as little as possible. If most members want to move ahead with an initiative, opposing states should allow discussion to develop further. One can abstain from initiatives in which one does not want to participate. A member should block the others only in issues that might affect one's nation negatively. Excessive egoism is obstructive and one has to try to understand and respect the viewpoints of the other members. It is also necessary to avoid making decisions against any other member. Occasionally, a third-party reconciler is required. This could be a suitable role for a smaller member, if it possesses a sufficient amount of diplomatic finesse.

Finally, as NATO has grown to an organisation of 26 members, the use of speaking time has to be economised. It is recommendable to make a statement only when one has something important to say. Some nations have wanted to leave their fingerprint on every initiative. If this is done in matters of minimal importance it can be regarded as a waste of time and as counterproductive to effective decision-making.

Denmark serves as an illustrative example of the policies of passive abstinence and active involvement in practice. The country has had two distinct periods of influence and accommodation within NATO. During the 1980s – 'the footnote' period – Denmark became known for its many exemptions and opt-outs. The Danish Ministries were not

satisfied with the decisions, but they had to follow the lead of their politicians. During this period, the Danes opposed some parts of the Alliance's nuclear policy, Double Track Decision on Intermediate-range Nuclear Forces (INF), and the star wars concept. This led others to perceive Denmark as an unconstructive member, and consequently led to a great loss of Danish influence. During the 1990s, a different era began. Denmark introduced forward-thinking initiatives and pursued active policies of engagement with the Baltic States (the creation of BALTBAT and Baltic naval and air cooperation). At this time, many of the bigger members applied more passive policies, and it was especially the Nordic nations that motivated cooperation. When the PfP programme commenced, it was viewed as a hollowed out concept. Fortunately, Nordic-Baltic cooperation helped bring substance to it. Denmark's resurgence led to an impressive increase in its influence in Alliance matters. This positive and strengthened influence continues today.

Two other smaller states deserve mention in regards to their influence. Norway has exerted successful significant influence in NATO. Norway could get its own aims through in NATO during the Cold War with regard the Barents North area. This active profile endures, for Norway's contribution is still highly regarded in the contemporary context. Estonia has exerted influence and initiated proposals. When one considers a member state's track record, one has to recognise that a nation's role in NATO depends on the reasons why the country joined the Alliance, keeping in mind that the underlying rationale for membership might change throughout the course of time.

In conclusion, an acceptable balance can be maintained between accommodation and influence. The realities of world politics need to be kept in mind, and a small state has to be cautious in using its political capital – and use it only in the most vital issues. The art of diplomacy should be used skilfully. Excessive flag-waving and displays of national agenda have proved to be disruptive. With these realities in mind, an active, competent and positive policy will bare the best results.

Experiences of Military Restructuring

All nations within the transatlantic community have faced the challenges of defence transformation and the need to restructure the armed forces after the end of the Cold War. In this sub-chapter, the experiences of Norway and Hungary are presented.

During the Cold War, Norway prepared to defend itself against a threat of military occupation. This reflected the worst-case scenario of an all-out, European-centred world war between the two military blocks, and its consequences. If war had broken out, the Soviets would have attempted to occupy Norway in order to gain control of Atlantic sea line communications and disrupt shipments of supplies from the US to Europe. At the time, Norway's defence was based on conscription and on territorial defence.

Since the end of the Cold War, the security situation in Europe has changed dramatically and the threat of an all-out war is non-existent. No country has any need to occupy Norway. According to the contemporary threat scenario, a Northern area military conflict involving Norway would be a short and swift operation, conducted in a limited area, to achieve political aims (i.e. to force Norwegians into certain political concessions). In countering this type of a threat, the most critical objective for Norway would be to make sure that such a conflict would not remain bilateral, but would include the entire Alliance. In response to this contemporary threat scenario, the Norwegian defence forces have been restructured. The concept of territorial defence has been abandoned, and conscription is used mainly to recruit regular soldiers for contracts of a limited period. The old defence during the Cold War was in a major part provided by the US. Moreover, one faces a 3-5% increase in defence spending yearly. Therefore, Norway would not be able to afford to maintain an appropriately equipped and trained standing army for territorial defence. The focus today is in the generation of forces deployable for expeditionary operations. Also Denmark has made quite similar changes in the armed forces.

Several panellists acknowledged that the public tends to worry because they often see only the downscaling of forces and operations conducted abroad. What they do not realise is that the forces needed for contemporary homeland defence are the same ones that can be deployed in foreign operations. Correspondingly, NATO maintains the principle that one out of three or four troops can be deployed in expeditionary operations, while the rest remain at home for domestic use. This measure is necessary in order to sustain public support.

In Hungary, military restructuring was initiated in the 1990s. At first it was successful, but since the process has stagnated. The country played an active role as a PfP nation: It hosted three PfP exercises and participated in IFOR, SFOR and KFOR operations with troops, non-commissioned officer (NCO) battalions and even an airbase. Interopera-

bility with the Western standard was reached by a part of the forces. Unfortunately, many of Hungary's defence reforms were not successful. For example, even though Hungary promised to raise its defence budget up to 2% of GDP by 2005, it has in fact been in decline since 2000⁸. The implications are easily observable: approximately 25% of the defence forces are well equipped and interoperable with NATO and UN forces, while the rest of the forces are in a substandard condition; the military has been downsized; there has been no real budget for procurement; the NCO – officer ratio is close to 1:1, when it should be ideally closer to 2:1 or even 3:1; and the air force consists of 14 leased JAS-Gripen planes. Second, the defence portfolio has not attracted politicians, and remains weightless. Third, the defence planning process is conducted in a bottom-up, resource-based, manner. In fact, a successful process should begin with a threat assessment, followed by an assessment of the capabilities/missions needed, and conclude with locating the finances necessary to procure the capabilities needed. Fourth, it seems that domestic defence planning has become entrapped in party politics, pursued without a clear vision and without a defined national interest. Finally, the general perception of the political elite seems to be that after becoming a member of the Alliance, the Article V would take care of defence, and no more discussion on defence would be needed.

To elaborate further, Hungary has had diverging feelings about membership in NATO. The nation has benefited domestically from NATO's stabilising effect on the economy, the political sphere and neighbouring regions. For example, minority problems with Ukraine and Romania have been handled and controlled. Membership has also helped Hungary consolidate its position as a Western nation. Hungary has furthermore provided NATO with a peaceful environment for prosperity, additional special assets and niche capabilities, unique experiences connected with minority and foreign relations, a useful example for future members, political backing in the form of legitimacy for NATO actions, and mediation and reconciliation without imperial ambitions in crises around the world. On the other hand, membership has been suffering from the indifference on behalf of the political elite and the general public. In the words of one participant: "love at first sight has turned into separate bedrooms in marriage."

⁸ In 1996, Hungary's defence budget amounted to 1,2% of GDP, in 2000 it was up to 1,8%, and is estimated to drop down to 1,2% by 2005.

Some Aspects of Threat Perception: Terrorism and Russia

Russia generated more discussion than terrorism, and there was some variation in opinions between the panellists. In general, it was agreed that Russia remains a country apart in thinking and behaviour, and that it is a potential source of difficulty in its near abroad. Democratic reforms have been put on the backburner and, as one panellist stated, it is difficult to predict Russia's course, for there are no historical parallels of such a Russian administration dominated by the secret services. Nevertheless, it is likely that domestic turmoil in Russia would trigger harsh and decisive action that would surely be reflected in its foreign policy and, in fact, is already being felt to a limited extent. With regard to the Baltic States, they are the first ones to gain or lose from Russian developments – and are therefore the most pro-Russian and supportive of democratic reform and stability in the country without being too idealistic about their support and the prospects for change. The latest rounds of enlargement have affected the European Union and NATO, which have consequently become more realistic about Russia than they were before.

With regard to the potential military threat, one speaker stated that there was no military threat from Russia, because its forces were already fully occupied with the rebels in Chechnya. The national perspectives varied: Denmark does not see a military threat arising. Hungarian politicians and the public are largely indifferent to Russia. Norway no longer perceives the threat of an occupation, but acknowledges the possible use of military force to pursue more limited political goals. It was also pointed out that according to NATO's own assessment, within the next ten years there will be no direct military threat to the Alliance that it could not cope with.

The threat of terrorism and related spread and use of weapons of mass destruction were acknowledged. It was also agreed that the threat is hard to assess due to the flexibility of terrorists in their actions. One aim of terrorists is to put modern societies under siege, and therefore, a certain amount of military capability is required to deter the threat and prepare for consequence management. Norway has a home guard of 50,000 men that are able to guard the nation's key places, persons and critical infrastructure against asymmetric threats. In Hungary, the politicians and the public do not perceive an imminent threat of terrorism. This perception might be changed only if a large-scale terrorist attack would take place in Hungary.

Observations on Public Opinion

Estonians have divided attitudes on the war in Iraq. For the most part, public opinion reflected general European moods. However, some saw the operation as a liberation of Iraqis from tyranny, which bears resemblance to the downfall of an oppressive Stalinist regime. When it comes to public perception about the Atlantic Alliance, Estonian support for NATO is about 70% and was not affected by the war.

In Hungarian domestic debate on the war in Iraq, there is strong support for bringing the troops home. However, it is important to note that the protests are not carried out against NATO or the US, but against unilateral action and the war.

As for Norway, valuable contacts were facilitated in the Alliance context, when the nation cooperated with the US during the Cold War by co-locating air bases and by pre-positioning equipment into middle-Norway. These actions would have been put under heavy political claims and criticism if they would have been done bilaterally. In a NATO-context they were easier to implement.

The EU and NATO

According to one participant, NATO guarantees hard security and the EU takes care of the semi-soft/semi-hard security. The EU is not an alternative to NATO because it lacks the US presence, which is vital for European security. Accordingly, the development of the EU's military capabilities can be accepted, if developments are not in contradiction to the work of NATO. The set of forces assigned for EU operations is the same as assigned for NATO operations, and therefore a high degree of coordination between capabilities is needed. It would be easier if all EU members were also members of the Alliance. In fact, cross influence between different organisations may be very beneficial – a membership card in one organisation gives leeway in another.

Once in a while, opinions suggesting the demise of NATO emerge. The first book that predicted it was written in the beginning of 1960s. These suggestions appear to be false, because the organisation that adapts best will survive, and NATO has an impressive record of successful adaptation. Just to mention a few examples, the Alliance is still very valid for defence planning and harmonisation, debate on capabilities, doctrinal development, and especially as an embodiment of the US-European strategic partnership.

SEMINAR PROGRAM

A Conference Organised by the Atlantic Council of Finland (ACF)

SMALL STATES AND NATO

Monday, 29 November 2004

- 14.00 **Welcome address**
Mr Jaakko Laajava,
Under-Secretary of State for Political Affairs, Ministry
for Foreign Affairs
- 14.10 Keynote Address
The Role of Small States in NATO – A US view
Ambassador Nicholas Burns
US Permanent Representative to NATO

Discussion
- 14.50 **Security Implications of NATO Transformation for
Smaller Allies**
Professor Rob de Wijk,
Director, Clingendael Center for Strategic Studies

Discussion
- 15.30 Coffee
- 16.00 **Influence or Accommodation: Small States in
NATO**

Danish Experiences
Mr Per Carlsen,
Director, Danish Institute for International Studies

Norwegian Experiences
Mr Sverre Diesen, Lieutenant General,
Military Assistant Secretary General, Ministry of
Defence, Norway

Hungarian Experiences
Mr Bánk L. Boros,
Department of Political Sciences, University of Miskolc,
Hungary

Estonian Experiences

Mr Harri Tiido,
Estonian Ambassador to NATO

- 17.00 Discussion
- 17.30 Chairman's Envoy, Chairman of the ACF
- 17.45 Reception, hosted by Mr Jaakko Laajava, MFA

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The Atlantic Council of Finland was founded in 1999. Its purpose is to promote discussion, research and information on Euro-Atlantic security and defence policy issues in Finland, with a special focus on NATO and the EU. The Council is independent of all political parties.

This publication contains a thematic summary of contributions to the seminar “Small States and NATO” held in Helsinki on November 2004. Speakers included i.a. Under-secretary of State Jaakko Laajava and Ambassador Nicholas Burns. Laajava reflected on the implications of the transformation and of the security challenges for smaller states. Burns focused on NATO’s new tasks and on Finland’s contribution as a partner — perceived from both a US and an Alliance perspective.

The discussion focused on the role of small states in today’s NATO. The underlying goal was to gain an understanding of whether the role of small states is best understood as accommodation, influence or both. The report contains some insights into how a fair and desirable balance between the two can be attained, and what is required to meaningfully contribute to the Alliance.