

Finland in 2014: Between a Rock and a Hard Place

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2014 witnessed a sharp deterioration in relations between Russia and the West. The annexation of Crimea to Russia in March was a sweepingly bold action by President Vladimir Putin, and it was also a move strongly supported by a huge majority of ordinary Russians. In the following months, the role of Russian forces in Ukraine became more direct and overt, as the separatist forces were unable to cope on their own. Economic sanctions by the European Union and the United States were followed by Russian counter-sanctions. A new Cold War was at hand.

All this caused great unease in Helsinki where, for historical reasons, it had become an axiom to try and avoid taking sides in what could be seen as great-power conflicts. The definition of such a conflict had come to be one in which the Soviet Union, or now Russia, was involved. Over recent decades, some had come to see Finnish behavior as timid and evasive. Now, in some quarters, what was seen as a lukewarm Finnish reaction to Russian moves in Ukraine was interpreted as a case of “neo-Finlandization”.¹

Being placed between a rock and a hard place – Russian deliberate aggression in Ukraine on one hand, and the West’s desire to show support to Ukraine on the other – Helsinki chose to react with caution but to stick closely with the main EU line of action.

In 2014, three different approaches to the new situation were adopted by the Finnish political leadership.

First, there was a strong grassroots reaction in the country to what was happening in Ukraine. The Finnish public reaction to Russian moves into Crimea was that they were wrong, unacceptable and against the basic norms of international law.² Supported by public opinion, the Finnish government came out unusually strongly against Russian actions in the early stages of the conflict. For example, on 2 March, the Cabinet Committee on Foreign and Security Policy, chaired by President Sauli Niinistö, stated in a press release that “in Crimea, the use of force and threat thereof are to be condemned. They are in breach of the UN Charter and international law. The Russian military measures in Crimea are a violation of Ukraine’s territorial integrity and sovereignty. Russia’s move to gain control over the Crimean peninsula cannot be accepted.”³

¹ To most Finnish observers, this reminder of Finland’s Cold War behavior, then carried out under enormous political pressure, was not a welcome one. However, there were some seasoned statesmen and political analysts, such as Henry Kissinger and Zbigniew Brzezinski, who saw Finland as a model for Ukraine to follow. See, for example, Henry Kissinger, “To Settle the Ukraine Crisis, Start at the End”, *The Washington Post*, 5 March 2014. Referring to Ukraine’s leaders, he wrote: “Internationally, they should pursue a posture comparable to that of Finland. That nation leaves no doubt about its fierce independence and cooperates with the West in most fields but carefully avoids institutional hostility toward Russia.”

² In a reliable opinion poll taken in late 2014, two-thirds of the Finns said that the Russian actions had caused and worsened the Ukraine crisis (up from one-third in the beginning of 2014). Maanpuolustustiedotuksen suunnittelukunta, “Suomalaisten mielipiteitä ulko- ja turvallisuuspolitiikasta, maanpuolustuksesta ja turvallisuudesta”, Puolustusministeriö, Helsinki, 3.12.2014.

³ President of the Republic and Cabinet Committee on Foreign and Security Policy, Press Release 81/2014, 2 March 2014

These words of condemnation for Russian actions were unusually strong for Helsinki. At the same time, however, lines of communication were kept open between Helsinki and Moscow. During the year, President Niinistö had several phone conversations with President Putin, and on 15 August was the first EU head of state to travel to Sochi to meet President Putin with hopes of maintaining the political dialogue and encouraging a ceasefire between the parties in eastern Ukraine. To balance things out, on his trip back to Helsinki he stopped off at Kiev to meet with Ukrainian President Petro Poroshenko.⁴

One obvious background factor for this burst of activity was that the economic sanctions established by the EU against Russia and the counter-sanctions imposed by Russia against EU countries hit the Finnish economy particularly hard. Before the sanctions were imposed, the Russian share of Finland's total trade volume was about 14 %, and it was estimated that sanctions would lead to a drop in exports and imports of about 20%. Most of the Russian trade with Finland is in energy products (oil, gas and electricity), which were not affected, but the Russian import ban hit Finnish businesses particularly hard in areas from dairy products and other food export items to transit revenues and tourism. According to Prime Minister Alexander Stubb, a 3 % shrinkage in the Russian economy, would cause a 0,5% fall in Finnish GNP. This, on top of an already ailing economy, meant that Finland would be one of the countries hardest hit by Western sanctions on Russia.⁵

Second, Russian military actions in Ukraine raised the issue of Finnish attitudes to NATO – indeed, what was happening in Ukraine served to restructure the debate. Several opinion polls testified that popular opinion was slowly turning in favor of Finnish membership, and the polls clearly indicated that Finns saw Russia as the main culprit, not by threatening Finland as such, but by creating a security problem in Europe.

In a poll in April, more than a half of Finnish military reservists wanted Finland to join NATO, and in one of the most reliable polls conducted on security and defense matters in Finland - the annual Board of Defense Information poll, released in early December - 30 % of those polled wanted Finland to join NATO (up from 19 % the previous year).⁶ In another poll, more than half of all military officers and 68% of those in the rank of colonel and above expressed the view that Finland should be a member of the Alliance.⁷ Finally, when asked if they would support the government's decision to seek membership of NATO if it chose to do so, a majority (53 %) of those polled said that

⁴ In 2014, President Niinistö talked five times to President Putin by phone and visited him once, in Sochi. Office of the President of the Republic Press Releases, 2014.

⁵ Prime Minister Alexander Stubb, "Finland hopes trade sanctions against Russia could be avoided", *Global Times Finland*, 13 March 2014.

⁶ The poll of reservists was conducted by YLE Uutiset, http://yle.fi/uutiset/poll_reservist_support_for_nato_membership_clearly_on_the_rise/7188088, 20 April 2014, and the poll measuring support for NATO was carried out by Maanpuolustuksen suunnittelukunta, "Suomalaisten mielipiteitä ulko- ja turvallisuuspolitiikasta, maanpuolustuksesta ja turvallisuudesta", Puolustusministeriö, Helsinki, 3.12.2014.

⁷ An opinion poll conducted by the Association of the Finnish Officers among their members.

YLE Uutiset, 14 January 2014, http://yle.fi/uutiset/ylimmat_upseerit_haluavat_suomen_natoon_-_onko_se_ainoa_mahdollisuus/7031590

they would support their government. This indicates that the Finnish people would be ready to follow if their leaders decided to take the lead on the NATO issue.⁸

Finally, the Russian actions in Crimea and Eastern Ukraine prompted a serious discussion in Finland on national defense. President Niinistö took an uncharacteristically strong stand on the issue in his November speech to an audience at the National Defense Course. Quoting an old Russian proverb he said: "A Cossack will take whatever is not fixed to the ground." In other words, Finland would have to be able to defend what was its own, and a credible national defense was and would remain one of the cornerstones of Finnish security. It was, once again quoting the President, "a question of our defense forming a strong deterrent, under any circumstances, to the possible use of military force or intimidation against us".⁹

In October, the Parliamentary Assessment Group produced its Final Report to the Minister of Defense, "Long-term Challenges of Defense". In its report, the group points out that the structural reforms carried out in the last few years in Finland's Defense Forces have been financed at the expense of materiel procurement. In the past, the three main functions - personnel costs, training the conscripts and including day-to-day operations, and procurement - have each taken up about one-third of the defense budget. Now, however, the share of materiel procurement has shrunk from an average of 32 % in 1980-2012 to only about 20 % in 2014. In the gloomy words of the Final Report, "without additional resources the troops' equipment cannot be modernized and the Defense Forces will only be able to carry out their present tasks for a few more years".¹⁰

As a solution, the group sketches three scenarios - one with a declining materiel budget, one with that budget staying at current levels, and one with an increase. Only the option with an increasing budget would guarantee the maintenance of defense capabilities at an adequate level. That solution would require additional expenditure on materiel of 20 million euros in 2016, with annual increases so that by 2020 the increase would be 150 million euros, in addition to adjustments for inflation. In total, the additional money available for materiel purchases in 2016-2020 would be 500 million euros, which would increase the share of materiel purchases in 2020 to about 26 % of the total defense budget.¹¹

It should be noted that the increase in the share of the budget devoted to materiel proposed by the Parliamentary Assessment Group would only take care of the pressing needs faced by the Finnish Army up to 2020, but would still fall well short of the resources needed to replace the Air Force's F-18 Hornets as well as the Navy's ageing warships in the 2020's and early 2030's.

In conclusion, one point must be made absolutely clear: there is no sympathy among current Finnish decision-makers for Russian actions in Ukraine. They have been condemned as brutal, illegal and outside the proper confines of international behavior. Finnish public opinion also leaves no doubt as to what the average Finn thinks of the

⁸ <http://www.verkkouutiset.fi/kotimaa/nato%20galluppi%20julki%20ti-17919>

⁹ Both quotes are from the Speech by the President of the Republic Mr. Sauli Niinistö at the opening of the 211th National Defense Course, 10 November 2014, Speeches, 11/10/2014.

¹⁰ Parlamentaarinen selvitysryhmä, "Puolustuksen pitkän aikavälin haasteet", Eduskunnan kanslian julkaisu 3/2014, p. 4.

¹¹ *op.cit.*, Annex

annexation of Crimea and continuing Russian political, economic and military meddling in the affairs of an independent European country.

That said, it is also true that, overall, the Finnish leadership has approached the situation in Ukraine with a great deal of caution, attempting to chart a political course among the mainstream of EU countries. It would be no great news, therefore, if Finnish decision-makers continue in 2015 to treat the situation with kid gloves: on one hand to be true to their commitment to the rights of nations under international law, while on the other keeping the door open for a dialogue with President Putin and his regime.

Whether or not the approach of parliamentary elections in mid-April will spark a debate on the required level of defense spending and, finally, a real debate on Finland's membership of NATO, remains to be seen.

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