

ANALYSIS

# THROUGH THE LOOKING GLASS

THE NORDIC-BALTIC REGION AND THE CHANGING ROLE OF THE UNITED STATES

| PIRET KUUSIK |

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Cover page photo: U.S. President Donald Trump walks off the stage after delivering a speech at the Ronald Reagan Building December 18, 2017 in Washington, DC (AFP/Mark Wilson/Scanpix)

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*“But I don’t want to go among mad people,”  
Alice remarked.  
“Oh, you can’t help that,” said the Cat: “we’re  
all mad here. I’m mad. You’re mad.”  
“How do you know I’m mad?” said Alice.  
“You must be,” said the Cat, “or you wouldn’t  
have come here.”  
“‘What a strange world we live in...’ said Alice  
to the Queen of Hearts”*

Lewis Carroll

*Alice’s Adventures in Wonderland, 1865*

## INTRODUCTION

This analysis focuses on the countries in the Nordic-Baltic region—Denmark, Estonia, Finland, Latvia, Lithuania and Sweden—and assesses how they are adapting to changing US foreign policy and transatlantic relations.<sup>1</sup> It builds on the previously published EFPI/ICDS report “The Nordic-Baltic region in the EU 27: Time for new strategic cooperation” and thus adapts the geographical scope based on EU membership as the EU is an important factor in shaping the Nordic-Baltic countries’ adjusting to global changes and creates a framework for possible common responses. Norway and Iceland are therefore beyond the scope of this analysis.

The analysis is an attempt to look at a long-term development in global affairs. While relations between the US and the region have not changed much since the Trump administration took power, the context has. For the first time in 70 years, US foreign policy does not strongly support European integration and,

<sup>1</sup> I would like to thank the interviewees for their time and insight as think-tank research would be almost impossible without their kindness. I would also like to thank Kristi Raik for her endless endurance in guiding me and my work. My special thanks go to Tony Lawrence, whose witty sarcasm both consoles me and keeps me on my toes every day.

while the transatlantic alliance has gone through ups and downs, never before have the common values or the shared objectives of the relationship been challenged in the way they are now. At the centre of this is the US, whose strategic outlook is changing in the light of China’s rise and which, due to domestic pressures and shortcomings, is stepping back from the global stage. In the middle of the Covid-19 crisis, the absence of US global leadership is felt more acutely than before alongside China’s more aggressive diplomacy.

The Nordic-Baltic region is a beneficiary of the US security umbrella through NATO and bilateral cooperation, making the American presence vital for the region’s security and stability. Washington’s current belligerent attitude towards the EU coupled with its focus on China has introduced a new kind of uncertainty into the north-eastern corner of Europe.

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The Nordic and Baltic countries are reacting differently to this uncertainty, with the region lacking a common approach to changes on the global stage. This analysis looks at how these countries are adjusting and argues for a collective regional approach and assessment in facing a more uncertain world.

The analysis will start by looking at how the Nordic-Baltic region has responded to the changing US and transatlantic relationship. It then turns its sights on the future and attempts to provide thinking on how better to manage the turbulent times ahead.<sup>2</sup>

<sup>2</sup> This analysis is based on interviews conducted with regional and European policymakers and thinkers in Brussels in July 2019 and in Riga and Vilnius in February 2020.

## 1. THE US IN THE NORDIC-BALTIC REGION

US engagement with the Nordic-Baltic region is vital for its security and stability as the US is the only country able to defend its allies in the event of a serious military conflict.

The US is primarily engaged in the region via NATO as the region is the pinnacle of the Alliance's deterrence policy. Thanks to effective deterrence, the possibility of an armed conflict is considered low.<sup>3</sup> Since 2014, the region has seen a welcome change in US policy.<sup>4</sup> The military conflict in Ukraine brought political and practical attention to the region; presidents Obama and Trump and their vice-presidents have all visited. The European Deterrence Initiative is funding active cooperation in the military sphere through military infrastructure development, exercises and training. Funding for the initiative has almost doubled since 2016.<sup>5</sup> The military exercise *Defender 2020* is an example of the practical and extensive nature of today's cooperation. Finland and Sweden, as non-members of NATO, are pursuing a trilateral cooperation format with the US and have developed a very close relationship with NATO.

Furthermore, US engagement may further diversify with potentially increasing economic involvement. The impetus of the Three Seas Initiative has been growing, with Estonia taking an increasingly active role and hosting the summit in 2020. The project was started in 2016 at the initiative of the presidents of Poland and Croatia, and has attracted support

from both the Obama and Trump administrations. The initiative aims to attract private investment to develop infrastructure links in an area stretching from Estonia to Bulgaria (see the inset below).<sup>6</sup>

### 17+1 VS THE THREE SEAS INITIATIVE

*Both the Three Seas Initiative, promoted by the US, and the 17+1 format, promoted by China, are directed at countries in Eastern and Central Europe, most of them members of the EU. Support for Three Seas can be seen as a strategic attempt by the US to contain China's influence in the region. From China's perspective, the 17+1 format is a diplomatic and normative success story as it serves as an example of China-led regional multilateralism.\**

*However, attitudes towards the 17+1 among its members have become lukewarm at best. The exact benefit and purpose of the format has become unclear. Member countries are assessing the strategic implications of China's increasing role in Europe and questioning whether they even wish to see more Chinese presence. Experience shows that the format does not provide greater political access or economic benefit. No country is talking publicly about leaving the format yet, but this may happen in the future.*

*The Three Seas Initiative, on the other hand, is seen by some countries as a way to strengthen relations with the US. Estonia has taken an especially active role and will be hosting the summit in 2020. Alongside Poland and Romania, Estonia has also promised to provide 20 billion euros for the Three Seas Initiative Investment Fund. Many practical questions are still up in the air in respect of the viability of the initiative and related projects. Moreover, the US commitment is uncertain in the light of the Trump administration's disdain for multilateral platforms. Nevertheless, some member countries see the primary value of the format in the political access it provides in Washington. Thus, for the initiative to succeed, active US participation is vital.*

*The Nordic countries are currently not part of the Three Seas Initiative and their interest in the format is very low. Although the Nordic-Baltic region and the Baltic countries would benefit from the Nordics' participation, it is difficult to see how it would relate to the initiative's primary geographical span and objectives.*

*\*Justyna Szczudlik, "Seven Years of the 16+1: An Assessment of China's 'Multilateral Bilateralism' in Central Europe," *Asie.Visions* 107, Institut français des relations internationales, April 2019, 4.*

<sup>3</sup> Estonian Foreign Intelligence Service, *International Security and Estonia 2020* (Tallinn: Estonian Foreign Intelligence Service, 2020), 6.

<sup>4</sup> For a more detailed analysis, see Charly Salonijs-Pasternak and Mika Aaltola, "The US and the security of the Baltic Sea region," in Mika Aaltola, Charly Salonijs-Pasternak, Juha Käpylä and Ville Sinkkonen (eds), *Between Change and Continuity: Making Sense of America's Evolving Global Engagement*, FIIA Report 54 (Helsinki: Finnish Institute for International Affairs, March 2018), 225–35.

<sup>5</sup> Michelle Shevin-Coetzee, *The European Deterrence Initiative* (Washington DC: Center for Strategic and Budgetary Assessments, 2019).

<sup>6</sup> This forum of 12 EU countries aims to create an intermarium-based regional dialogue on various questions affecting its members: Austria, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia.

## 1.1. THE NEW REALITY OF US FOREIGN POLICY

In the Nordic-Baltic region, as elsewhere, Donald Trump is considered an unusual US president. His populist policies, anti-globalist attitude, erratic nature and chaotic administration is at odds with the stability and reliability that the countries in the region expect from Washington. However, one must work with what one has, and thus adjusting to the Trump administration has exposed some serious dilemmas for the region.

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The main source of concern is president Trump's "transactionalist" approach to foreign-policy-making. This is a retreat from the liberal internationalist approach—the belief that the US contribution to different parts of the world is required to ensure global stability. Today the US expects an immediate return for its favours and does not have the patience to play long-term diplomacy, where a good deed today pays back tomorrow. US interests have become quite narrow, siloed, and mostly economic, and bilateral cooperation is preferred over multilateral and institutional. This is a change of direction, a turn away from global cooperation based on shared values and long-term community towards a more mercantilist world.

US diplomacy has been distinguishable from other major powers like Russia and China by its systematic pursuit of building alliances, multilateral action and developing institutions. As a result, the US gained structural power and built a cohort of partners and allies within and outside institutional frameworks. This provided

the US with the ability to shape and influence policies and developments in every policy field in almost every part of the world.

For the Nordic-Baltic countries, US willingness to be engaged in the region both bilaterally and through international organisations in the name of global stability has been beneficial. For one, US readiness to extend its security umbrella has created a credible deterrence against Russia. Second, countries in the Nordic-Baltic region are winners in the international rules-based order. Their relative size and lack of resources does not give these countries a good hand to play in the game of global power politics, so multilateral institutions and rules are vital in providing small states with formal equal access to global policy-making.

However, the transactional nature of the current US administration increasingly undermines these conditions, highlighting a paradox that the region ever more grapples with. On the one hand, bilateral cooperation with the US is more active than before. On the other, the Trump administration's general behaviour, towards Europe and other allies, and its rejection of the US internationalist agenda have created a context in which the former two conditions are losing their power and relevance.

The trade-offs are both painful and somewhat impossible. Opting for closer bilateral relations with the US at the expense of international law and multilateral organisations may result in undermining the effectiveness and relevance of these bodies. More specifically, following the current US administration means pressure to subscribe to its anti-globalist agenda that contributes to the overall demise of the international rules-based order. The consequences of this are dire. For one, the Nordic-Baltic region risks losing access to global policy-making on equal terms. Second, the declining credibility of multilateral

organisations such as NATO have direct consequences for deterrence efforts in the region.

Long-term developments are more disquieting. Relying on the US as the sole security provider may become risky as its willingness, power to act and influence decreases. Decades-worth of overstretch in US foreign policy, a growing need to prioritise, Asia's increasing importance and, most importantly, the collapse of domestic support for liberal international foreign policy have made even liberal thinkers in Washington look for a more limited grand strategy than the one the world has witnessed during the past three decades.<sup>7</sup> While president Trump's administration is a shock to the system with its chaotic nature and anti-globalist ideology, long-term developments point towards a more globally restrained US in the future.<sup>8</sup>

attraction, its fraught domestic situation undermines its global standing.<sup>9</sup> The American public is growing indifferent towards Europe and sceptical of the US liberal internationalist role.<sup>10</sup> Demographic changes in the US—the growing number of Hispanics, Latin Americans

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*While the US still dominates in terms of power of attraction, its fraught domestic situation undermines its global standing*

The US security umbrella is built on its global power. However, with the US mentally stepping back from international organisations such as NATO and the UN, its structural power is failing, with a consequent decline of its global power. The reduction in American input into international organisations in recent years has decreased their effectiveness and credibility.

Strength and power come from within. While the US still dominates in terms of power of

and Asian-Americans—point to future US foreign policy being more concerned with Central and South America and Asia.<sup>11</sup> While the middle class in the US is shrinking, in China it is growing. High economic inequality, falling life expectancy, and the declining quality of education are affecting the overall competitiveness of the US on the world stage.<sup>12</sup> While the US military is the strongest, its current standing in the world is harmed by the weakness of the country's healthcare.<sup>13</sup> The scrambling US response to the Covid-19 pandemic, both domestically and externally, further draws attention to how weak are the legs on which the US is standing today.<sup>14</sup> The effect of the pandemic crisis has been to deepen and uncover the existing cracks and divisions in American society that spill over into its external engagements.

<sup>7</sup> See, for example, Emma Ashford, Hal Brands, Jasen J. Castillo, Kate Kizer, Rebecca Friedman Lissner, Jeremy Shapiro, and Joshua R. Itzkowitz Shiffrin, *New Voices in Grand Strategy* (Michael J. Zak Lecture Series) (Washington D.C.: Center for a New American Security, 2019).

<sup>8</sup> Heather Hurlburt, "More Diplomacy, Less Intervention, but for What? Making Sense of the Grand Strategy Debate," Lawfare Institute, 7 June 2019.

<sup>9</sup> Gideon Rachman, "Coronavirus and the threat to US supremacy," *Financial Times*, 13 April 2020.

<sup>10</sup> Mark Hannah, *Worlds Apart: U.S. Foreign Policy and American Public Opinion* (New York: Eurasia Group Foundation, February 2019).

<sup>11</sup> William H. Frey, "The US will become 'minority white' in 2045, Census projects," Brookings Institution, 14 March 2018.

<sup>12</sup> Katherine Schaeffer, "6 facts about economic inequality in the U.S.," Pew Research Center, 7 February 2020; Sean Fleming, "US life expectancy is falling – here's why," World Economic Forum, 2 January 2020; Dana Goldstein, "It Just Isn't Working: PISA Test Scores Cast Doubt on U.S. Education Efforts," *New York Times*, 3 December 2019.

<sup>13</sup> Rachman, "Coronavirus and the threat to US supremacy."

<sup>14</sup> Martin Wolf, "The tragedy of two failing superpowers," *Financial Times*, 31 March 2020.

President Trump's chaotic and unstable approach to foreign policy-making has raised fears in the region that the US will retreat from its security commitments with the "flick of a

policy. At the same time, they are more homogeneous in terms of the principles driving their security and defence policy than are the Nordic countries. For the latter, the US presence is important, but the lack of it does not present an existential threat per se. Contrasts among the Nordic countries are starker. Finland's defence policy is driven by self-reliance, while Sweden has a strong tradition of neutrality. Denmark is most like the Baltic states as it has a strong tradition of alliance-based security and defence

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switch" or hold the region's security to ransom for other economic or political aims. This is why the Nordic-Baltic countries—and especially the Baltic states—are so adamant that defence spending in Europe should be increased. The possibility that the Trump administration will reduce its engagement with NATO and the region until the Europeans increase their defence spending is real, as South Korea's experience shows. President Trump's demand that Seoul double its share of the costs of keeping US troops on the Korean peninsula is a painful reminder of an alliance turning into a business deal.<sup>15</sup>

policy and is concerned about Washington's lukewarm engagement with NATO. These differences divide the region to some extent, but not enough to hinder cooperation.

The Trump administration's policies and behaviour have amplified these differences. To some degree, the Baltic states have entered "survival mode", whereby the prospect of decreasing US security guarantees has brought the ghosts out of the closet. Today, all three Baltic states are ready to go a long way to strengthen relations with the US and the Trump administration. Finding new bilateral connections with the US has become an important foreign-policy objective for Estonia. This is why Estonia will host the Three Seas Initiative summit in October and why it was one of the first in the region to sign up to the International Religious Freedom Alliance. Latvia and Lithuania are likely to follow Estonia's steps to varying degrees.

## 1.2. THE NORDIC-BALTIC REGION FINDING ITS FEET

Since US engagement in the region is vital, discussions on Washington's changing priorities and strategies are a delicate matter, often avoided in public. There is a strong consensus on the importance of the US role in the region. However, the Nordic and the three Baltic countries differ over the details.

For the three Baltic countries, US interest and engagement in the region is an existential matter and thus they are more sensitive to developments in US foreign

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Second, a fundamental difference in the thinking of Nordic and Baltic policymakers is their grasp of foreign policy. The Nordics think globally, often dedicating a substantial slice of

<sup>15</sup> Clint Work, "Beyond North Korea: Fractures in the US-South Korea Alliance," *The Diplomat*, 11 February 2020.

their international affairs to development and humanitarian causes. On this issue, the three Baltic countries are different and their focus is on the immediate region. Issues of global reach come to the Baltic states through their membership of international organisations rather than active pursuit of policies. The role of the Nordics in helping the Baltics to navigate the corridors of international institutions and global matters has been unrivalled.

In the quest to remain attractive partners for Washington, the Nordic states have

*All six countries are grasping their own straws to ensure the continued attention of the US, be it through new initiatives or existing tools*

instrumentalised their global reach by strengthening their respective bilateral relations with the US using their already established foreign-policy expertise. Finland and Sweden are pursuing further bilateral cooperation with the US by both presenting themselves as a “third party” to US international engagements. The Finnish president, Sauli Niinistö, hosted the Russia-US summit in Helsinki in 2018, while Sweden, making use of its long-standing diplomatic engagement with North Korea, is an active facilitator of talks between Washington and Pyongyang.<sup>16</sup> Denmark’s unique selling point is its connection to the Arctic, which is becoming more relevant in US strategic calculations.<sup>17</sup>

For the Baltic countries, NATO is the primary platform for practical cooperation with the US. However, Sweden and Finland are not members, which adds another layer of institutional fragmentation. The two countries are actively working on bridging the gap by

<sup>16</sup> Christina Anderson, “[North Korea-Sweden Talks Focus on ‘Peaceful Solution’ to Nuclear Conflict](#),” *New York Times*, 17 March 2018.

<sup>17</sup> Carla Sands (US Ambassador to Denmark), “[The US View on the Arctic](#),” Speech at the Annual Security Policy Conference, Christiansborg, 15 November 2019.

intensifying their cooperation with NATO and with each other to pursue a trilateral format with the US.<sup>18</sup> There is interest in expanding the format to N5+US.<sup>19</sup>

All this is to say that instability emanating from the White House has reinforced the fragmented approach of Nordic-Baltic countries vis-à-vis the US rather than bringing the countries together and acting collectively. All six countries are grasping their own straws to ensure the continued attention of the US, be it through new initiatives or existing tools.

This fragmentation also dictates the US approach to the region. It is planned regionally, but practised bilaterally. Often the definition of “region” varies depending on the topic. In defence planning, the Nordic-Baltic is one; in economic cooperation they tend to be treated separately. Further fragmentation is added by institutional division vis-à-vis NATO and the EU or regional Nordic-Baltic Six or Eight formats.<sup>20</sup> The result is that the US engages with each country separately, increasing the coordination and organisational effort required and intensifying competition among the countries over US attention.

### 1.3. PULLED BETWEEN EUROPE AND THE US

Regional cooperation among the Nordic-Baltic countries is becoming more relevant and important as Europe and the US move further apart. The logic that a close relationship with

<sup>18</sup> Matti Pesu, “[What Non-Alignment? Finland’s Security and Defence Policy Stems from Partnerships](#),” FIIA Briefing Paper 227, Finnish Institute for International Affairs, November 2017.

<sup>19</sup> N5 = Denmark, Finland, Iceland, Norway and Sweden; Tuomas Iso-Markku, Eeva Innola and Teija Tiilikainen, “[A Stronger North? Nordic cooperation in foreign and security policy in a new security environment](#),” Government’s Analysis, Assessment and Research Activities 37/2018, Finnish Institute for International Affairs, 5 May 2018, 24.

<sup>20</sup> The Nordic-Baltic Six (NB6), comprising Denmark, Estonia, Finland, Latvia, Lithuania and Sweden, deals with regional cooperation within the EU. The Nordic-Baltic Eight (NB8) is a regional cooperation format including Norway and Iceland in addition to the NB6 countries and acts separately to other multilateral platforms.

the US and membership of the EU are complementary is still valid. However, the lines of the binary choice have become starker since Donald Trump entered the White House.

The anti-globalist, transactional nature of the Trump administration has soured the transatlantic relationship and increased anti-American attitudes in the EU and Europe.<sup>21</sup> The support of European right-wing populist leaders and political groups for president Trump further seeps into the toxicity of the relationship.

Trade and economic relations with the US are not central to regional understanding of transatlantic relations since trade relations are in the hands of the European Commission and trade with the US is limited anyway. Looking at EU policies towards the US, economic relations play an increasing role alongside security, setting the tone and attitudes in Brussels, Berlin and Paris. While trade disputes between the US

and the EU are worrying from the point of overall global trends, the sense of urgency in Brussels and some other capitals does not extend to Tallinn, Vilnius or Stockholm. Nor will the urgency in respect of security always carry over to Brussels. In the Nordic-Baltic region, EU-US trade disputes are viewed with concern for fear that disagreements over trade may spill over to security.

Furthermore, there has been deep mistrust in the Nordic-Baltic region over French president Emmanuel Macron's calls to discuss the state of security cooperation in Europe against the backdrop of an offensive and chaotic White House. The worry in the region is that president Trump may react to the talk of greater European autonomy by withdrawing from Europe entirely.

In theory, there is a widespread understanding that US strategic priorities are changing and Europe needs to do more and become more independent in its activities. However, there is a mismatch in Europe over how to address the issue. For the Nordic-Baltic region, practicalities matter. Until the region sees a commitment among European countries to improve Europe's defence capabilities, lofty strategic discussions are perceived as dangerous. After all, the region is the most exposed to immediate security risks.

At the other end is France, which is currently setting the tone of the European security debate. For the French, discussion has merit in

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its own right and by fostering debate France hopes to set a common direction for Europe's future security architecture. Bridging the gap between practical steps and discussion is the unresolved issue of the European security and defence debate today. The countries of the Nordic-Baltic region are digging their heels in and accusing president Macron of disrupting an already fragile situation, while Macron stands alone at the discussion table waiting to converse.

Further strain is placed on the European debate by Washington, as it is not clear what exactly it wants from Europe. The need to increase defence spending is the only clear message coming from Washington. The questions that need to be answered in Washington in order to ease the European debate are: What role does the US foresee for Europe in the future? What are the priorities for cooperation and what are the trade-offs that the US needs to be ready to make to see a stronger Europe?

<sup>21</sup> Mike Pompeo (US Secretary of State), "[Restoring the Role of the Nation-State in the Liberal International Order](#)," Remarks to the German Marshall Foundation, Brussels, 4 December 2018.

## 2. THE NORDIC-BALTIC REGION FACING THE NEW REALITY

As long as the US is an irreplaceable partner, the somewhat wishful thinking about the US can continue in the Nordic-Baltic region. However, America's global role—and the country itself—is changing, so a high level of alertness and foresight is essential from the countries in the region in managing these turbulent and changing times. After all, shocks and changes affect small states the most. Serious long-term thinking is needed about changing global power dynamics: How will the region, and especially the Baltic states, adapt? What role does the region foresee for Europe?

### 2.1. FIGURING OUT WASHINGTON DC

Washington is currently in search of a new foreign policy. Previously held long-term objectives are losing their relevance and it is yet to be determined what objectives are replacing them. The passing of Senator John McCain in

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2018 symbolised the fading pro-European sentiment that guided thinking in Washington. Political winds in the US are accelerating this change: the recent cohorts of legislators arriving on Capitol Hill are not staunch supporters of Europe as Senator McCain and his fellows were. Rather, the new intake is mostly focused on domestic issues or global challenges such as climate change.

From the Nordic-Baltic perspective, three changes come to the fore. First, Europe and Russia used to be the starting points for long-term strategic projections and bipartisan support in Congress. Today, China is replacing them, with the two sides of Congress becoming increasingly like-minded.

Second, supporting European integration has been at the top of the US foreign-policy agenda for over half a century. Today, fans of Europe are working hard to give new impetus to this strategic objective, and Europe's role in future US foreign policy is far from set.<sup>22</sup> If the current administration's ethno-nationalist tendency retreats in the aftermath of forthcoming elections, the bigger questions about the usefulness of Europe and the EU will persist. They have failed to step up as coherent partners with consistent aims.

Third, the current administration has stood out for its rejection of traditional policy-making channels. The number of vacant ambassadorships across the world and the exclusion of relevant departments from decision-making complicates working with the US.<sup>23</sup> Foreign-policy differences between Congress and the White House persist and it is difficult to pinpoint the key voices in foreign-policy decision-making.

This fragmentation is likely to take root in Washington. Case-by-case decision-making with ad hoc partners in the areas of military intervention, foreign aid and overall policy is likely to be the new normal for some time.<sup>24</sup>

<sup>22</sup> Walter Russell Mead, "[Europe's post-American future?](#)," Contribution to discussion "The trans-Atlantic agenda in 2021—is deeper cooperation possible?," Brookings Institution event, Washington, 13 June 2019.

<sup>23</sup> There has been no US ambassador to Estonia since the summer of 2018.

<sup>24</sup> Daniel W. Drezner, Ronald R. Krebs and Randall Schweller, "[The End of Grand Strategy: America Must Think Small](#)," *Foreign Affairs*, May/June 2020.

For the Nordic-Baltic region, this is a challenge and will increase uncertainty as it complicates the pursuit of relationships and support. The current fragmentation of the region will start to work against its ultimate goals—a strong alliance and close partnership with the US—as competition for Washington’s attention is fierce. The present situation leads to the assessment that US support for and attention to the Nordic-Baltic region will decrease. Europe is not a strategic priority for Washington; the US lacks a coherent policy towards Russia; its willingness to be the driver of international institutions (e.g. NATO) is waning; and it is looking for ways to scale down its global commitments.

Thus, to maintain the relevance of the Nordic-Baltic region’s agenda something needs to change. In a world where size increasingly matters, the primary aim of the countries in the region should be to find ways to scale up their effective size through cooperation. Maintaining constant alertness and responsiveness through broad networks in Washington is already

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difficult for small embassies. The countries of the region have different strengths; the Baltic states tend to be better connected in Washington than the Nordics. On the other hand, the Nordics possess extensive networks in Brussels from which the Baltics could also benefit. Thus, joint diplomatic efforts in Washington can serve an important purpose in unifying the region and shaping perceptions about it. The joint visit to the White House by the three Baltic state presidents in 2018 can serve as a template.

Moreover, while a number of events dealing with the Baltic states and Nordic countries take place in the think-tank community, there are rarely any joint events at which the region is presented as one with shared challenges, objectives and messages. It is also common for politicians from the region to visit relevant Washington think-tanks, but not together on shared issues.

## 2.2. DEBATING EUROPEAN SECURITY AND DEFENCE

The current state of Nordic-Baltic cooperation shows strong signs of high socialisation, but little strategic cooperation. On paper, the Nordic-Baltic region is one of the most institutionalised and cooperative in the world, with different formats for different purposes overlapping and criss-crossing. Coordination, informality and “leaderlessness” are the terms that best describe Nordic-Baltic cooperation. However, its influence on policy and its real outcomes are minor.

The Swedish and Estonian governments have identified Nordic-Baltic cooperation as one of their strategic foreign-policy priorities.<sup>25</sup> Latvia sees added value in the Nordic-Baltic format, but more as a member than a driver. For Finland,

Nordic-Baltic cooperation is important, but Helsinki tends to be cautious and restrained in its engagement and prioritise the Nordic connection. Lithuania has become more active in reaching out to the region than in the previous five years. Denmark is the least enthusiastic, being geographically farthest from the Nordic-Baltic centre.

<sup>25</sup> Ann Linde (Swedish foreign minister), “[The Government’s Statement of Foreign Policy 2020](#),” Statement to the Riksdag, Stockholm, 12 February 2020; Ministry of Foreign Affairs of Estonia, [Eesti Välispoliitika Arenakava 2030](#) [Plans for Estonia’s Foreign Policy to 2020] (Tallinn: Välisministeerium [Ministry of Foreign Affairs], 2019), 17.

Regional cooperation can serve two objectives: it can be a catalyst for new policies and provide an added value to existing policies. A study on the implementation of the Stoltenberg Report shows that the Nordic countries tend to be more successful in completing objectives that add value, are practical in nature, build on pre-existing cooperative structures and have the political will and administrative capacity.<sup>26</sup>

Nordic-(Baltic) pragmatism is working against the region. Discussing somewhat abstract and long-term foreign- and security-policy challenges is not a strength that the region can rely on. Practical cooperation is important; however, setting shared interests and messaging is equally so.

Diplomacy today has moved out of the corridors of ministries and government offices. Although there is no definitive European public space, the sprouts of a shared debating space are emerging. Diplomacy and policy-making is happening on Twitter and live streams, and at events and conferences across world. The public argument must be won in these spaces as much as behind the negotiating table as the media, think-tanks and academia can either amplify or condense one's standpoint. As infuriating as president Macron's policy-making in the pages of newspapers may be, he is setting the tone and direction of the public and private debate in Europe.

Today, the Nordic-Baltic region is almost absent from the debate. The region's response is fragmented and underdeveloped. The Baltic states have resorted to their gut feeling of staying as close as possible to the US and maintaining a strong transatlanticist message without addressing the Trump administration's destructive style and the changing role of the

US. The result has been either an idealistic view of US foreign policy or being a "nay-sayer" without any substantive ideas to contribute. The Nordics' response is more fragmented, from Finland's strong support for European defence cooperation to Denmark holding on to its opt-outs from European defence discussions.

To participate, common and shared messages need to be found and developed. While the Stoltenberg Report received mixed reviews in the Nordic member states, it still served as a

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common reference point. Thus, the same type of mind exercise should be made by the Nordic-Baltic leaders and policymakers, by commissioning an update of the NB8 Wise Men report or as an extension to the new, under-updating Stoltenberg Report.<sup>27</sup> Adding the Baltic angle to the report or a complementary report would only help gather the countries in the region behind shared goals and interests.

The task ahead is to identify common areas of interest and a common denominator(s). Rather than immediately getting bogged down in old disagreements and reservations, discussing new challenges can serve as a healthy starting point. For example, the Three Seas Initiative, the Arctic and China are all new areas in which each country in the region has substantive interests. Most importantly, what role does the Nordic-Baltic region see for itself vis-à-vis the US? Does the region have ways to advance US interests in

<sup>26</sup> Kristin Haugevik and Ulf Sverdrup (eds), *Ten Years On: Reassessing the Stoltenberg Report on Nordic Cooperation* (Oslo: Norwegian Institute of International Affairs, 2019), 20.

<sup>27</sup> Ministry of Foreign Affairs of Latvia, Ministry of Foreign Affairs of Denmark, *NB 8: Wise Men Report* (Riga and Copenhagen: Ministry of Foreign Affairs of Latvia, Ministry of Foreign Affairs of Denmark, 2010); "Ministers for foreign affairs embark on new report on security policy", Nordic Co-operation, 30 October 2019.

other parts of the world? How does the US-China rivalry affect the region and the transatlantic relationship?

For this to happen, informal structures for discussion and consultations should be intensified. Leaders' meetings are important demonstrations of political togetherness; however, practice shows that operational work at the policy-making level fails to follow, resulting in poor outcomes. Nordic-Baltic cooperation will continue to be a mirage unless the countries in the region address the lack of strategic cooperation and political will to work together.

As mentioned, president Macron has opened the debate about transatlantic relations and the future of European security via the concept of "European strategic autonomy". By default, France is now leading the discussion. What is missing is a Nordic-Baltic response and the

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reaction from across the Atlantic. To wait and rely on Germany to deliver the transatlantic message would be like waiting for Godot, as Germany is no longer in a position to be the transatlantic voice in Europe. Thus, as a transatlantic link is vital to the Nordic-Baltic region, the region itself needs to enter the debate.

### 2.3. THE EUROPEAN TRANSATLANTICISTS

A strong partnership between Europe and the US has been the overall guiding principle of European countries' foreign and security policy. Naturally, the commitment of individual countries to the transatlantic relationship varies, with France being the least receptive to close alignment with the US and the Baltic countries, Germany, Poland and the UK staunch supporters.

Despite difficulties in the relationship during previous administrations, amicable relations and attention to long-term gains have outweighed policy differences. However, president Trump's behaviour and general attitude have increased anti-American attitudes in Europe, among both policymakers and the public. Favourable views of president Trump and the US have been falling in key European countries.<sup>28</sup> The decline has been steepest in Germany and smallest in Poland. The response of European policymakers and leaders has been mixed. After initial attempts to find a common language with president

Trump, some seem to have given up (e.g. Merkel and Macron), while others such as UK prime minister Boris Johnson are desperately trying to find connecting points.

It was common for Germany, together with the UK, to be one of the central proponents of transatlantic ties. However, the British have left the primary common European policy-making space—the EU—and Germany is becoming more and more negative and apathetic towards the US. As a consequence, the countries in the Nordic-Baltic region, together with Poland, find themselves gradually more alone in their

<sup>28</sup> Lowest ratings in Europe for the U.S. are in the Netherlands (46% favourable), Sweden (45%) and Germany (39%). "Confidence in Trump remains low internationally," Pew Research Center, 7 January 2020.

transatlantic sentiments. Upholding the transatlantic relationship is thus falling on the shoulders of smaller European countries.

While the US is the region's primary security guarantor, further efforts need to be made to get Europe more engaged with the region. Just as diversification is important in business development, the same applies to policy. This means overcoming the somewhat binary choice between the US and Europe that the Trump administration's policies amplify and which is held in the minds of the region's policymakers. It means

accepting that diversifying security cooperation does not mean moving away from the US; rather, it means adding other pillars of security. This can be done in the following ways.

First, the rift in the transatlantic relationship has laid bare how little understanding there still is in Europe regarding the region's dependence on the US. While it is reasonable that the French and German leaders face up to the declining US role and talk about European sovereignty, analysis of what this means for the countries on the eastern flank is shallow at best, or non-existent. Thus, communication at the regional level should grow.

Second, in academic debate the incompatibility of European strategic cultures has been thoroughly discussed. President Macron's European Intervention Initiative is therefore a welcome step towards fostering the development of a common strategic culture. That four members of the region—Denmark, Estonia, Finland and Sweden—are members of this initiative is only a good sign. The membership of the UK and Germany allows it to develop into a constructive working relationship among the most important security actors in Europe. Further efforts should be pursued to encourage Latvia and Lithuania to join.

Third, Germany's leadership is changing soon. German foreign policy, which has mostly been favourable towards the region, has for a very long time relied on the personal experience of Chancellor Angela Merkel. Her departure will leave a gap and incite change. The contempt in Germany for president Trump and his administration can influence Germany's

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transatlantic interests. It is important that there are coordinated and collective efforts by the region to influence the new German leadership. Finland can play an important role thanks to its close relations with Berlin.<sup>29</sup>

Fourth, France and president Macron are a paradox for the region. On the one hand, French relations with the region have been improving fast in recent years. France's willingness to engage is a welcome step and its presence in the region has grown visibly. On the other hand, France has become a liability for the region, as they have opposing positions in several policy areas, from security to economics. Moreover, president Macron's public policy-making is uncomfortable and at times infuriating for the region's leaders and policymakers. Finding common ground with France is going to be central in pursuing further European cooperation and better transatlantic relations.

Finally, the UK is a relevant and significant actor in the region. Within transatlantic relations, London's "special relationship" with Washington has served as a backbone, although these relations are changing today as well.

<sup>29</sup> See the survey results for Finland in Josif Janning, Almut Möller, Christoph Klavehn, Wiebke Ewering, [EU Coalition Explorer](#) (Berlin: European Council on Foreign Relations, 2018).

Under the Johnson government, the UK is likely to maintain its strong pro-US position, but it remains to be seen how much this will be reciprocated by the US. The UK's trade negotiations with the EU are not going as smoothly as expected, with the Covid-19 crisis adding further strain. Despite initial warm words in both London and Washington, the renewed fundamentals of UK-US relations are still to be determined.

The UK is the eFP lead nation in Estonia and shares the same commitment, attitude and outlook as the region towards the US, Russia, the Arctic and security and defence in general. The UK has identified the countries of the

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Nordic-Baltic region as its close partners in Europe and has participated in NB8 meetings. In the near future, France and Germany may attempt to pursue an E2+1 format (France, Germany and the UK), thus by default excluding the Nordic-Baltic region, which would lose a channel to an important partner. Moreover, another format for cooperation in Europe may become too burdensome and fragment decision-making. It is evident that larger member states will do what they want; however, here the Nordic-Baltic collective effort may succeed in avoiding such an outcome by maintaining close cooperation with an important ally like the UK.

## 2.4. THE NEW TRANSATLANTIC ENVIRONMENT

The asymmetry in transatlantic relations continues.<sup>30</sup> While Europe faces a low risk of military conflict in its north-eastern corner, the need for territorial defence has not gone away. With military capabilities and cooperation within Europe in a poor state, dependence on the US security umbrella and leadership persists. Despite Washington's urging to increase military spending and improve capabilities, the unwillingness to take security and defence seriously across Europe continues. With new strategic challenges on the US radar, the strategic confusion and impatience with Europe in Washington is growing, exacerbating already existing sour feelings.<sup>31</sup>

In addition, today the EU and the US have different strategic priorities. Due to geographical proximity, developments in Africa

will directly affect Europe, while for the US geopolitical competition with China and Russia is the primary concern. For Europe, managing security and economic developments in Africa will be a long-term priority. However, Russia remains a shared concern for both the US and Europe, as the Kremlin has actively intervened in the domestic politics of the US and several European countries. The Middle East has been a shared concern and an area of practical cooperation between the US and Europe. However, the current US administration's policies make cooperation almost impossible as differences in the European and US approaches persist.

<sup>30</sup> Matti Pesu and Ville Sinkkonen, "[Managing transatlantic \(mis\)trust: The Trump era in perspective](#)," FIIA Working Paper 107, Finnish Institute of International Affairs, March 2019.

<sup>31</sup> Constanze Stelzenmüller, "[Transatlantic relations in the age of Trump](#)," Presentation to The Institute of International and European Affairs, Dublin, 10 April 2019.

Trust and shared values are a vital part of the transatlantic relationship, giving it a competitive advantage over other international cooperative formats. But what are the practical issues that bring the transatlantic relationship together? What is the transatlantic agenda for the 21st century? What are the topics on which the US and Europe should pursue cooperation and where do the two differ?

President Trump has been a shock to the transatlantic relationship, shaking core values and ways of cooperation. So the time may be ripe to start thinking about a new transatlantic agenda. The last all-encompassing bilateral strategy document on EU-US relations was “The New Transatlantic Agenda” of 1995.<sup>32</sup> With its lofty and wide-ranging promises, it is still applicable 25 years on. However, it lacks detail relevant to current times.

New and old areas of cooperation have come to the fore. Climate change, global trade, the sustainability of multilateral institutions, global cooperation and China—all need to be addressed and require a coherent vision from the euro-transatlantic community.<sup>33</sup> Today, these topics are scattered between various parts of the European Commission and member states. For example, trade and the reform of the World Trade Organisation (WTO) is dealt by the European Commission, while discussions on digital tax take place in the OECD format and bilaterally between France and the US.

It is not only the US that lacks political motivation and strategy, but also the EU. The aims and objectives of the EU vis-à-vis the US are issue-based, despite the US being an important partner and market. The time may

not be ripe to approach the US with the idea of a shared strategy right now. However, thinking about the issue can start today to ensure that the answers are there tomorrow. Whether or not one likes president Trump, at least there is

*Whether or not one likes president Trump, at least there is some understanding of what he and his supporters think about Europe. The same cannot be said about Europe vis-à-vis the US*

some understanding of what he and his supporters think about Europe. The same cannot be said about Europe vis-à-vis the US.

## CONCLUSION

President Lennart Meri’s father, Georg, studied and was an Estonian diplomat in Europe in the 1930s. He believed that diplomats should put aside an hour every day to think about and reflect on the goings-on of the world.

The Nordic-Baltic region also needs that hour to think and reflect. The world has been moving on, and previously held assumptions need to be adjusted. The US and its interests and role in the world are changing, raising frightening questions for the Nordic-Baltic region and the rest of Europe. Competition for US attention is becoming fiercer, to name just one issue. Hence, scaling up in size via regional cooperation is ever more a necessity and not a choice.

In Europe, the governments of the Nordic-Baltic region increasingly find themselves alone in their transatlantic sentiments. The changing priorities of president Trump and the US, and Europeans’ failure to adapt and provide coherent answers to these changes, have meant that the linkages that bring the transatlantic relations together are becoming more fragmented and hollower.

<sup>32</sup> “The New Transatlantic Agenda,” EU-US Summit, Madrid, 3 December 1995.

<sup>33</sup> Rachel Rizzo, “The Building Blocks of a Progressive Transatlantic Vision,” in *Multilateralism 2.0: In Search of New Partnerships for the German and European Foreign Policy* (E-Paper) (Berlin: Heinrich Böll Stiftung, March 2020), 17–20.

European integration has changed diplomacy and foreign-policy-making in Europe. Today, policy-making has moved out of the corridors into the public and political space, where the battle of ideas, narratives and perceptions is played out. The Nordic-Baltic region has failed to recognise this change and thus is currently failing to take part in the European discourse.

Serious thought is therefore needed about how to intertwine European and US interests and what is important to the Nordic-Baltic region's stability and prosperity. President Macron has opened the debate and is waiting for answers. What will be the political response of the Nordic-Baltic region?

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