Nordic-Baltic Co-operation – Unity across borders

Mikk Rebane
Desk Officer for Finland and Nordic-Baltic Co-operation, MFA

Merle Pajula
Ambassador of Estonia to Finland

Although there is no doubt that the enlargement of the European Union in 2004 removed a key obstacle from regional integration, the Baltic Sea region remains an area with a multitude of institutions. The Council of the Baltic Sea States, Nordic Council, Northern Dimension, Baltic Council of Ministers and Arctic Council are only a few examples. In addition, every country in the region also belongs to some larger alliance such as the European Union, the European Economic Area, or NATO. In this institutional jungle, there is one informal co-operation format – Nordic-Baltic Co-operation – that has no specially created coordinating structure. In spite of the informal nature of this format, it seems that this group of eight countries actually has the biggest potential to become the core in Baltic Sea co-operation. In this respect, the model of pragmatic co-operation practiced between Estonia and Finland could serve as a useful example for developing further co-operation between Scandinavian and Baltic countries. However, before going into details, let’s take an overall look at the current state of NB8 co-operation.

NB8, i.e. the flexible co-operation network involving the three Baltic states and five Nordic countries, could be conditionally divided into two types of co-operation: political and practical. Political relations include annual meetings of the prime ministers, parliament speakers and foreign ministers of the eight countries, in addition to fairly regular contacts between other government ministers and ministerial officials. The importance of these meetings is in providing a channel for direct communication between politicians and civil servants about coordinating their political positions. Co-operation on the practical level is carried out mainly through joint projects and is coordinated by the Nordic Council of Ministers. Projects that were initially targeted at the Baltic states as part of the aid programme of the Nordic countries are now being
substituted with co-operation programs between equal partners. The first to be implemented was the grant program NORDPLUS 2008–2011 in the field of education; in 2009 three other programmes will be launched in the sphere of business and industry, public administration, and culture. A good example of practical co-operation is the fact that Estonia, Latvia and Lithuania became shareholders of the Nordic Investment Bank in 2005. Political and practical co-operation is kept as flexible as possible since all eight countries must have a common interest in specific projects.

What are the benefits of the unity of the NB8 countries? First of all, speaking globally with a louder voice and stimulating prosperity in the region. In a situation where the interests of large states still play an important role in the developments that are taking place in Europe and the rest of the world, the coordinated activities of small countries that are similar both geographically and in core values provides an opportunity to act as an equal partner. This does not require central institutions or common symbols, but simply joint values, shared concerns and interests. Instead of creating new institutions, there are existing structures that can be put to excellent use. During the next decade, the presidency of the European Union will be held by one of the NB8 member states on average once every two years (in the second half of 2009 it will be Sweden). Last year the president of the OSCE was Finland and in 2011 it will be Lithuania. There are also other outlets for global protection of common values: for instance, it is probably in the interest of all NB8 countries to involve the Baltic countries in the already well-functioning Nordic co-operation that is implemented when the countries apply for positions in UN bodies.

An excellent opportunity for increasing the global influence of NB8 countries is to share experiences and join resources in supporting the security and development of distant regions. A report prepared in co-operation with the Estonian International Centre for Defence Studies and the Swedish Defence Research Agency\(^1\) recommends that one flagship issue of the Nordic-Baltic co-operation should be to share experiences in security sector reform with third countries. The first steps in this direction were taken in 2006, when the Nordic-Baltic Initiative started to assist Ukraine in reforming its defence sector. The second important example of co-operation is the EU’s Nordic Battle Group (NBG), to which manpower was contributed by Estonia, Norway, Sweden, Finland and Ireland. The NBG was on standby in the first half of 2008 and will be ready for deployment again in 2011. In the area of security co-operation, the different security policy choices

\(^1\) http://www2.foi.se/rapp/foir2346.pdf

An excellent opportunity for increasing the global influence of NB8 countries is to share experiences and join resources in supporting the security and development of distant regions.
of the NB8 countries are not regarded as a problem. It is rather an example of successful co-operation over institutional boundaries based on common interests.

The co-operation of NB8 countries could also create added value in other areas. For instance, in March 2008 Estonia hosted a workshop in Tallinn for NB8 foreign ministries’ experts on African matters that gave representatives of the Baltic states valuable information on the long-term co-operation experience of Nordic countries in Africa. The workshop concluded that there were opportunities for joint activities in Africa, and that similar meetings should be arranged again in the future. In May, the Foreign Ministry and the Estonian Chamber of Commerce and Industry organised the Baltic-Nordic-Western Balkans Business Forum, the objective of which was to present the business climate of the Western Balkans and find ways to develop a co-operation network between the businessmen and enterprise organisations of the regions.

Nordic-Baltic co-operation also plays an important role within the framework of the European Union. The Nordic and Baltic EU member states’ foreign ministers (NB6) have monthly meetings in Brussels and the heads of government also meet frequently. The common part of the values promoted by Nordic and Baltic countries clearly complies with the co-operation directions agreed upon in the European Union. In spite of some national differences, all NB6 countries generally support abolishing protectionism and removing existing barriers from the four freedoms of the EU. Moreover, all six countries have been consistently supporting the EU enlargement process. Therefore, one of the guiding principles of Nordic-Baltic co-operation could well be to promote these EU co-operation spheres that have not yet been universally implemented by all 27 Member States, in particular, the
meeting of the targets of the Lisbon Strategy and safeguarding the functioning of the four freedoms in reality. There are also no obstacles to involving Norway and Iceland in this co-operation, since all four EU freedoms and a significant share of *acquis communautaire* already apply to them through the European Economic Area.

In their joint actions aimed at improving the competitiveness of the Baltic Sea Region, the NB8 group could learn a lesson or two from the mutually beneficial Estonian-Finnish bilateral co-operation that is focusing on the grass-roots level. Further possibilities for Estonian-Finnish co-operation were mapped in the report “Opportunities for Co-operation between Estonia and Finland, 2008”

2, which was commissioned by the prime ministers of Estonia and Finland. The report, which was unveiled in June 2008, was modelled on the objectives of the Lisbon Strategy and on the need to better stimulate the competitive ability of the Baltic Sea Region. Nordic-Baltic co-operation could also be employed to develop the Baltic Sea Region into an innovative and competitive area in the true spirit of the Lisbon Strategy by focusing on the free movement of people and knowledge, and the development of a harmonised, attractive and innovative business environment. Nordic countries that today top the world rankings in competitiveness risk to lose this position without innovation in productivity and integration of national markets. In addition, NB8 states can jointly contribute to the securing of the region’s wellbeing and security by converging energy markets and co-operation in the field of marine environment, transport and internal security.

A key issue in the development of the competitiveness of the Baltic Sea Region is the contribution of Germany and Poland and, indirectly, other EU Member States by implementing the EU’s Baltic Sea Strategy. It is equally important to engage Russia in regional co-operation efforts, an objective that is being specifically addressed by the Nordic Dimension. But it seems that only the Nordic and Baltic countries that are already closely co-operating in various spheres have the preconditions and interest to belong to the joint “core” of the region. They are working together on new channels to promote their values in the world and to combine their resources for safeguarding security and stability outside the region as well. Still, their key objective is to develop the Baltic Sea Region into an area that could serve as a model for the whole European Union. In doing so, the idea is not to turn NB8 into an organisation (like the Nordic Council of Ministers) nor the cultural or social harmonisation of the Nordic and Baltic countries, but rather a close supra-structural co-operation format based on joint values and interests both on the political and practical level.

---