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Abstract

The Government´s Security and Defence Policy Report 2012 is the latest in the series of Government Reports issued on the subject. The Report gives special attention to topics in which significant changes have occurred since the previous report issued in 2009.

It lays the foundation for guiding Finland's policy to advance Finland's interests and goals. The focus of the Report extends into the 2020s. The Report analyses the changes and trends in the global security environment and discusses Finland's security policy, defence development and action to secure the vital functions of society.

Finland's security policy encompasses both actively creating security and anticipating and responding to security threats. The most important goals of Finland's security and defence policy are safeguarding the country's independence and territorial sovereignty, guaranteeing the basic values, security and well-being of the population and maintaining a functioning society.

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FOREWORD

The Government Security and Defence Policy Report, built on the comprehensive concept of security, is presented to Parliament in accordance with the Government Programme. The Report lays the foundation for guiding Finland's policy and strengthening its action in promoting Finland's interests and goals in the changing international situation.

The Report analyses the changes, trends and the global security environment, as well as the conclusions based on these, Finland's security policy, the development of defence and actions to secure the vital functions of society. Accordingly, the Report reviews a wide range of instruments.

The Government Security and Defence Policy Report is the latest in a series of Government Reports issued on the subject. Special attention is given to topics in which significant changes have either occurred since the 2009 Report, or are foreseen.

The Report does not repeat the content or topics of specific policy documents that supplement the Security and Defence Policy Report.

The focus of the Report extends into the 2020s. Due to the long-term nature of defence procurement, planning cycles and mid-life updates, defence development in particular requires analysis and guidelines that extend into the next decade.

The practice of issuing Reports aims to gain broad political consensus and the support of the citizens on Finland's security and defence policy.

SUMMARY

The summary describes the fundamental aspects of Finnish security and defence policy and focuses on the factors which are particularly important in Finland's security environment, and which impact Finland's key policy choices. The most important goals of Finland's foreign, security and defence policy are safeguarding the country's independence and territorial sovereignty, guaranteeing the basic values, security and well-being of the population and maintaining a functioning society.

Finland's security policy encompasses both actively creating security and anticipating and responding to security threats. Defence policy supports the goals of the security policy. Ensuring Finland's security calls for the use of a wide range of foreign, security and defence policy instruments.

Finland's security is built on good bilateral relations, exerting maximum influence in the European Union (EU) and broad-based cooperation with other states and international actors. Finland participates in international burden-sharing, the creation of viable global governance and solving international problems.

Finland's security and defence policy guidelines are characterised by continuity, transparency and a strong commitment to European and international cooperation. These are epitomised by active participation in the development of the EU's common security and defence policy, NATO partnership, Nordic cooperation and international crisis management.

The security environment and the impact of the changes in it

Globalisation has intensified the interdependence between states which is a fundamentally positive factor. The states that have experienced economic success have increased their international influence. Technological development has revolutionised the possibilities for global communications and dialogue. The increasing significance of non-state actors in shaping the security environment has been a central phenomenon. However, non-state actors can also create instability. Population growth and climate change, the principal trends at the global level, are continuing and increasingly impact the security of states and citizens in many ways.

Changes in the security environment also impact global governance and the efforts to change the structures of the international system. The significance

of commonly accepted rules and procedures is growing, and the importance of the United Nations (UN) as the sole world organisation is accentuated. The UN Security Council has a central role in legitimising universally binding international decisions.

Finland can best guarantee its security and well-being by actively participating in strengthening both global and European security structures as well as the security structures in the neighbourhood and by participating in international cooperation. Finland needs to ensure preparedness for external security challenges which are difficult to foresee. Finland's objective is that international cooperation be built on transparency and the promotion of human rights, democracy and the rule of law as well as compliance with international law.

The changes in global power structures that have taken place in recent years have primarily been the result of differences in countries' economic development. While the western economies have suffered from anaemic growth, China, especially, has been overwhelmingly successful. This has not, however, altered the status of the United States as the most influential country in the world.

Finland highlights the importance of the cohesion of the European Union and comprehensive EU policies vis-à-vis its strategic partners, such as China, the United States and Russia. Simultaneously, Finland continues to foster its bilateral relations with countries central to global policy and the world economy.

The United States is shifting the focus of its international politics to Asia, but it will remain a strong actor in Europe. Finland strives for broad-based bilateral cooperation with the United States.

Russia is Finland's biggest trading partner, but the significance of the two being neighbouring countries greatly transcends that of their economic relations. The wide-ranging relations encompass active political dialogue, cooperation between the authorities and increasing interaction at the level of the citizen. Russia's foreign and security policy guidelines, its societal development and the state and development prospects of the major military power are, naturally, issues that interest Finland. It is in Finland's interest that Russia increasingly commits to European development, international collaboration and integrates into the structures of the global economy. The development of EU-Russian cooperation in the field of foreign and security policy is also an important goal which Finland supports.

Membership of the European Union is a fundamental value-based choice for Finland. It also includes a strong security policy dimension. It is important for Finland that the Union retain its role in preserving stability in Europe and its significance as a security community. The development of the Common Foreign and Security Policy (CFSP) and the Common Security and Defence Policy (CSDP), to which Finland is committed, supports the aforementioned goal. Furthermore, the solidarity clause and the mutual assistance clause included in the Treaty of Lisbon bolster the character of the Union as a security community. EU enlargement, an effective and comprehensive European Neighbourhood Policy and the efforts to strengthen common values through the Organization for Security and Co-operation in Europe (OSCE) promote the development of a value-based community in Europe. The development of EU crisis management capabilities strengthens the Union's credibility as a global actor. Simultaneously, membership of the Union provides a central channel for advancing international and global goals that are nationally important.

The Union is a major actor in many key areas related to societal development and comprehensive security. The common foreign and security policy, climate and energy policy, action combating terrorism and organised crime, border management, immigration policy, promotion of rules-based free trade and sustainable development are but examples of the EU's efforts intended to impact global development and threat scenarios, and to strengthen the international leverage of the Union. Exerting influence actively and coherently in the EU serves Finland's interests.

As a result of the Eurozone crisis the European Union is in a difficult situation. The weakening of the Union's internal unity, it experiencing more discord or losing its capacity would impact the EU's global role and also Finland's international standing. Finland aims to strengthen the EU's cohesion and its capacity to act internationally in all relevant areas.

The Nordic countries are an important and natural reference group for Finland. Within the Nordic community there is broad consensus on societal goals and the countries are committed to the promotion of the Nordic model. The Nordic countries have similar views regarding the advancement of the rule of law, human rights, gender equality and sustainable development. A tradition of active and practical cooperation exists between the civilian authorities.

Finland promotes the development of Nordic cooperation in foreign, security and defence policy as well. This bolsters the role of the Nordic countries as an international actor, and promotes stability in Northern Europe and the northern regions. Nordic Defence Cooperation (NORDEFCO) is a flexible way

to improve interoperability, compatibility and cost-effectiveness. The idea of Nordic cooperation in the air surveillance of Iceland is seen as a concrete opportunity for closer cooperation in the near future.

The transatlantic connection between North America and Europe materialises, first and foremost, in their interlinked economies. The cornerstone of transatlantic security policy is NATO, which advances security and stability in Europe. For Finland, partnership cooperation with NATO is important and Finland actively participates in the wide-ranging development of NATO's partnership policy.

Comprehensive participation in international crisis management (UN, EU, NATO and OSCE) is an integral element of Finland's foreign, security and defence policy. Decisions taken on crisis management participation will be made from the foreign and security policy perspective, taking into account the needs of the conflict area and the operation in question, available capabilities and financial resources. Finnish participation in military crisis management corresponds to the level of Finland's long-term commitment to the preservation and development of international peace and stability. This bolsters Finland's standing and demonstrates a clear willingness to participate in international burden-sharing.

Finland's civilian crisis management participation continues to emphasise expertise of a high standard in police, rule of law, border management, human rights and gender equality issues. Finland is also striving to improve its impact in civilian crisis management. The goal is to second approximately 150 Finnish experts to civilian crisis management missions.

Finland develops its crisis management capabilities by participating in multinational training and exercises organised by the European Union, United Nations and NATO as well as its Member States and partner countries. Yet another goal is to continue and improve Nordic cooperation in international crisis management operations.

Advancing all sectors of the Treaty on the Non-Proliferation of Nuclear Weapons, including the non-proliferation of weapons of mass destruction, requires a strong commitment from the international community and robust collaborative regimes. Finland is committed to the strengthening and intensification of these regimes.

Growing interdependence and the increasingly technological operating environment also bring a new kind of vulnerability of society to the forefront.

Modern, network-based societal structures are increasingly dependent on critical infrastructure, which includes, among other things, transport, communications and energy supply. Since nearly all critical functions and services of society depend on technical systems that use electricity and telecommunications, the risk of serious disruptions in society becomes all the more serious. This kind of challenge to the comprehensive security of society can be met by developing comprehensive security thinking and cooperation. It is a necessary requirement in securing the vital functions of society in all conditions. The near-term focus will be on securing the cyber domain, critical to the information society.

In addition to the traditional military threat scenario the comprehensive concept of security covers a number of different topics, phenomena and challenges such as climate change, scarcity of energy and water resources, population growth and migrations, terrorism, infectious diseases, organised crime in its different forms, such as drug and human trafficking, cyber attacks and the increasing vulnerability of society. These issues progressively impact international cooperation and also Finland's security environment.

Economically, socially and ecologically sound development is the precondition of comprehensive global security. Operating under the pressure of changes Finland must foster international cooperation, participate in strengthening security in its neighbourhood and elsewhere in Europe, and prepare to respond to various security challenges at many levels.

When it comes to Finland's neighbouring areas, on the one hand the changes visible in the Arctic neighbourhood add to the economic appeal of the region and, on the other hand, highlight the need for sustainable action. Changes in the appeal of the region also translate into a rise of security policy interest in the area.

Defence development

Finland's present security environment is stable. Factors affecting security such as the unpredictability of the operating environment and uncertainty may also cause negative security impacts on Finland. A wider European conflict or a regional crisis may result in using political pressure or military force against Finland. While the threat of large-scale armed aggression is low, it cannot categorically be ruled out. Military force can also be used in a limited fashion as part of political or economic pressure. Finland must continue to ensure its own defence capability. Developments in the operating environment require that the defence doctrine and the operating principles of the forces be continually improved.

The primary purpose of the defence capability is to establish deterrence against the use of military force and the threat thereof. As a militarily non-aligned country Finland prepares to repel military threats without outside assistance. Consequently, it maintains all of the capability areas in the defence system. Nevertheless, the defence capability and its development increasingly depend on national and international cooperation.

Military defence is an integral part of society's comprehensive security. Preparedness for wide-ranging security threats demands networking between the defence establishment, society and the business community as well as close international cooperation. The Defence Forces' resources will also be used in support of the other authorities.

Multinational defence cooperation and participation in military crisis management strengthen Finland's defence capability. Cooperation can be carried out between several entities while avoiding duplication. Active defence cooperation bolsters deterrence and defence, and ensures the development of military capabilities. Cooperation facilitates the reception of political support and host nation support, should Finland's resources prove insufficient. Reciprocally, Finland must be prepared and able to provide military and other assistance to others when required. Cooperation is carried out under the auspices of the EU and NATO partnership, in regional groups and bilaterally. The EU and NATO play supportive roles in multinational projects. Concrete cooperation between willing countries occurs in groupings, of which the most important from Finland's perspective is the Nordic defence cooperation arrangement NORDEFCO. Other collaborative countries important to Finland include the countries in Northern Europe and the United States. Finland cooperates with the United States especially in the field of defence materiel.

In 2015 the wartime strength of the Defence Forces will be approximately 230 000 troops. The aim is to have more capable units and weapon systems in order to compensate for the reduction in troop strengths. The formation of the new regional units alongside operational and territorial units will bolster the local defence capability.

Military defence is built on long-term and consistent planning, extending beyond several Government terms. The Defence Forces Reform will be implemented by 2015. The reform is a necessary precondition for the capacity and further development of the Defence Forces while the defence for the 2020s is being built. The political guidelines related to maintenance and development of the defence capability must take into account the capabilities' entire life cycle. It is important to prepare for the key challenges to the defence capability already

during the ongoing decade, and capability planning must extend all the way to the 2020s.

Finland will continue to see to its own defence. The defence solution is built on a territorial defence system covering the entire area of the country and general conscription will remain one of its cornerstones. The key objectives of Finland's defence policy are the maintenance of a defence capability tailored to the security environment and resources, and the development of the defence as part of comprehensive security, and intensifying multinational defence cooperation.

THE SECURITY ENVIRONMENT

1 Security in the global transition

1.1 Interdependence and indivisible security

Global trends

The development of Finland, like that of other countries, is increasingly connected to globalisation and changes in the international environment. Simultaneously, security-related challenges and cross-border threats are more frequently multidimensional and interconnected, and require the utilisation of a wide range of instruments. It is justified to analyse the security environment and make policy decisions on the basis of a comprehensive concept of security.

Greater interdependence affects the everyday life of people and societies in countless ways. Each state is dependent upon others as it takes decisions regarding its economy, societal development and security. Therefore, it is necessary to find common solutions to bring the challenges related to sustainable development and security under shared governance.

Population growth and climate change are the most important factors affecting long-term global security. Since the end of the Second World War the world's population has tripled. Population growth heavily stresses the environment and natural resources as well as economic and societal structures. At the same time the world is rapidly urbanising.

The advancing climate change impacts security both locally and globally. Natural disasters and widespread damage to the environment weaken human security and cause conflicts. The effects of climate change are felt more and more widely geographically. The melting Arctic ice cap is a striking phenomenon in Finland's neighbouring areas, which also has global consequences.

Demand for raw materials and energy does not only continue to grow in step with the population growth and, especially, the economic growth of developing countries, but also with the increasing consumption in industrialised countries. There is growing concern over energy security. There will be progressively more competition, locally and globally, over vital commodities such as water and food. Guaranteeing the availability of natural resources requires the strengthening of rules-based cooperation based on openness.

Increasing inequalities within and between states and regions as well as continuing widespread poverty reduce security in many ways.The potential for conflict also arises from the state of affairs within societies. When intertwined, imbalanced economic and social development, internal conflicts, violations of democracy and human rights as well as a non-existent rule of law can diminish the viability and legitimacy of states.

The correlation between sustainable development and security is becoming increasingly apparent. More effective climate change mitigation and adaptation as well as the integration of ecological, social and economic development in a sustainable way are all critical to the future of humankind.

Regional and local conflicts continue to challenge global security. The consequences of conflict, such as refugee flows, have ever more often spillover effects beyond their immediate surroundings. Particularly the condition of fragile states may turn into wider conflicts, resulting in humanitarian crises. Conflict-prone and fragile states may provide a fertile environment for extremism and terrorism as well as organised crime.

Sudden negative shifts in the economy add to societal uncertainty and, when exacerbated, can cause unrest even in established democracies.

In an interdependent world it is more and more difficult to advance national interests by means of military power politics, nor would they achieve lasting results the way they did in the past. However, even though the viability of force as an instrument of policy has diminished, military capabilities still matter, especially as the dimension of regional influence.

Climate change and its impact on security

Climate change has far-reaching ecological impacts which manifest themselves in significant human security dimensions such as decreasing food security, water scarcity, depletion of arable land, shortage of energy and growing uncontrollable migrations both inside and between states. It is estimated that the world's population will exceed 9 billion in 2050, which highlights the need for more effective common governance mechanisms and rules for the exploitation and use of global public goods and natural resources. The effects of climate change can also increase the number of conflicts.

Security threats caused by climate change include economic impacts and dangers to critical infrastructure, particularly in coastal cities, land erosion and border disputes as sea areas expand, increasing mass migrations from areas that are the worst affected by climate change, as well as conflicts over resources. The tension and negative effects created by climate change are most visibly apparent in already fragile and crisis-prone areas as well as in politically and economically conflict volatile societies which do not have sufficient adaptation capability. Proper preparedness can significantly mitigate the human and economic losses caused by natural disasters, in particular.

For example, the underlying cause of the conflicts in Darfur, Sudan, is a dispute over pasture lands and arable land between nomadic tribes and those practicing traditional agriculture. Water depletion can easily increase the already hostile relations in the Middle East. Climate change will make it easier to exploit the natural resources of the Arctic region such as oil, natural gas and rare earth metals. This can trigger competition between industrialised countries as well. At the same time the significance of international treaty arrangements and the international law is highlighted.

Factbox: Global population growth from 1920–2011, forecast for 2012–2050, page 114
Factbox: The evolution of violent conflict, page 114

Need for global governance

Growing interdependence and globalisation – though extremely positive phenomena as such – pose entirely new challenges to the way communities, states and nations organise their mutual relationships and adapt to the requirements posed by sustainable development. The maintenance and development of security in a globalised, interdependent operating environment demands progressively more international cooperation, credible international institutions as well as an active foreign, security and defence policy.

The structures created in the aftermath of World War II, including the shared norms and institutions, will continue to serve as the base for international order. However, non-state actors such as non-governmental organisations (NGO), different networks, businesses and the social media are ever more important as agents of change and reformers of global cooperation. They can

increasingly challenge and supplement the operating modes of states and international organisations in conflicts and conflict resolution.

In a globalised world a properly functioning international system is in the shared interest of states. This improves the conditions for cooperation. The need to develop the structures and instruments of global governance is highlighted, because the existing institutions and their operating principles no longer fully correspond to the changes in the operating environment and power relations. This has been seen, for example, in multilateral climate change talks. Globalisation and interdependence also increase vulnerability when the consequences of problems rapidly spread far and wide.

International power relations

Changes in the economic power relations are reflected in international power relations. The emerging economies, particularly China, are increasing their political clout by means of their strong economic growth. While the United States will continue to be the most influential country in global politics, it has lost some of its stature. Also the influence of the other established western powers, especially the EU, which is in the throes of an economic and debt crisis, has weakened in relation to the countries experiencing rapid economic growth. The western countries are in debt and facing a period of meagre growth. Despite the fact that the growth rates of the emerging economies will slow down in the coming years and that they need to institute social reforms, the transformation in the balance of power will continue.

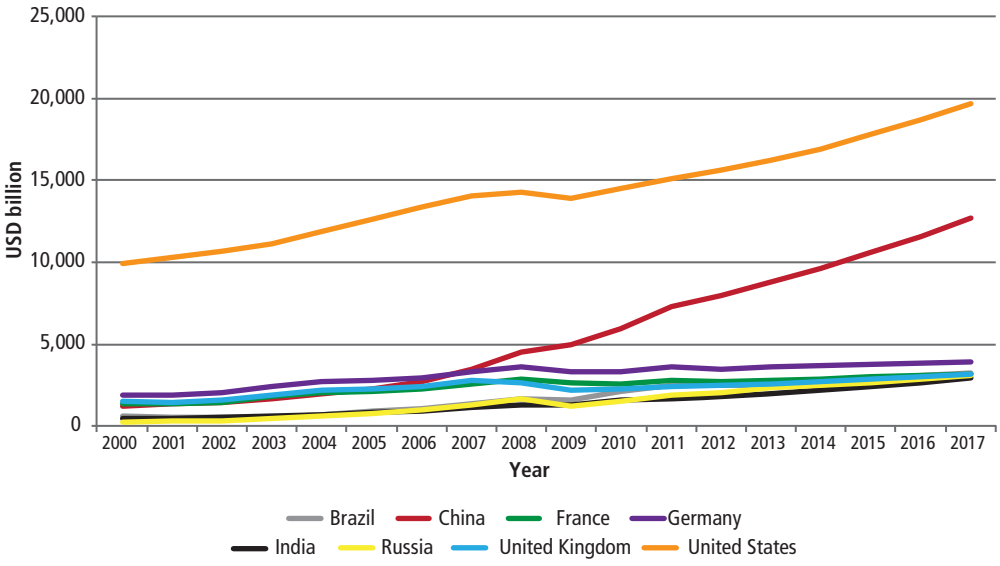
In addition to the increasing influence of the large emerging economies many other states such as Indonesia and Turkey have raised their political and economic clout, both regionally and globally. Furthermore, several regional groupings and organisations such as the African Union (AU) and the Economic Community of West African States (ECOWAS) have strengthened their role.

Globalisation has brought nearly every country into the sphere of the global marketplace. The integration of large developing countries like China, India and Brazil into the global economy has entailed a major upheaval. Globalisation has facilitated sustained and rapid economic growth, which is gradually moving the hub of production away from Europe and the United States. In recent years the emerging economies in Asia have borne the brunt of the global economic growth. In addition, the economic relations between the southern hemisphere economies have become more intense, and global economic interaction and the total volume of investments have significantly grown.

The role of the economy in power relations has grown along with interdependence and prolonged economic imbalances. The underlying causes of the weakening growth potential include internal factors such as slowing population growth rates and ageing. Painful decisions in society have to be taken to stop the growing indebtedness of states. At the same time, ensuring the recovery capability of the economy and society and preserving equality between the generations are key challenges. It is important to develop versatile indicators alongside the Gross National Product (GNP) which also measure well-being. Chronic financing shortages and indebtedness have increased the vulnerability of countries. A constant flow of new technological breakthroughs is required to sustain economic growth.

Economic and monetary policy plays an important role in power relations, such as in the Sino-US relationship. China is one of the major creditors of the USA and China's dollar-based assets are primarily invested in US treasury bonds. Whereas the United States demands that China revalue its currency and correct its trade imbalance with the USA, China, for its part, criticises the United States over its monetary and financial policy, hoping to see stability-building solutions.

GDP development from 2000–2011, forecast for 2012–2017



Source: IMF, World Economic Outlook Database. April 2012

Burden-sharing in global questions

Irrespective of the changes in the balance of power the West still projects the most power, and bears the brunt of the international response to global and cross-border problems, security challenges and hurdles to progress. Over the long term, the key questions are whether the emerging countries will assume more responsibility for solving global problems and how their respective interrelationships and their relations with established democracies will develop in the conditions of international structural transformation.

The shift in the balance of power has also become evident in international organisations such as the UN, the World Bank and the International Monetary Fund (IMF); it has also impacted their role in global governance. Be that as it may, the post-WWII structures, including their standards and institutions, will continue to serve as the basis of the international order. Due to the changing power relations, decision-making systems are facing increasing pressures to change. However, in the UN, for example, progress has not been sufficient.

The gloomy outlook for the global economy causes distrust on several levels, which can also emerge in increasing protectionism and nationalism. This simultaneously challenges the maintenance and development of a transparent and rules-based collaborative international order. The emerging countries, as well, have relied on the present, rules-based international system, which has facilitated their economic growth, nor are they offering any alternatives to this structure.

The rules-based and collaborative international order relies on the respect of international law, the consolidation of democracy and the safeguarding of the rule of law and human rights, which are the key values of the EU and states committed to democracy. As the so-called Arab Spring recently demonstrated, they epitomise the overall appeal of western democracies. These values, sometimes referred to as western values, are universal values adopted by the UN and legal standards based on international agreements.

It is apparent that the emerging countries also diverge regarding their views on the values and principles on which international cooperation should be built. Questions related to self-determination as well as views on international interventions and the use of sanctions have taken centre stage. The basic premises of Brazil, India, South Africa and other democratic states may be different than those of many other emerging powers. Differing values may result in pressure to change the international system as well as in paralysis during conflicts.

Significance of comprehensive security questions

Due to growing global interdependence the external and internal security of states are more closely intertwined than before. The prevention of threats as well as preparedness requires civilian and military resources from society. Cross-border threats such as organised crime, terrorism, trafficking in narcotics and humans, infectious diseases, environmental threats, disruptions in energy supply and cyber attacks continue to grow in importance. International contingency planning cooperation between states is increasing.

Uncertainty in economic growth continues. At the same time the business sector and the civil society are assuming more important roles as regards securing the vital functions of society. This transformation accelerates as the public sector is being adapted to balancing the economy. Long, even global, value chains along with the globalisation of businesses reduce the options of the national authorities in regulating, steering or monitoring business operations.

Modern, network-based societal structures are increasingly dependent on critical infrastructure, which includes, among other things, transport, communications and energy supply. Simultaneously, the vulnerability of this infrastructure only increases. Practically all critical functions and services of society depend on technical systems that use electricity and telecommunications. As wireless communications and system networking become ubiquitous the risk of serious disruptions in society becomes all the more serious.

Along with technological advances it becomes increasingly easier for non-state actors to cause harm. Asymmetric and highly destructive means are developed to counter an adversary's technological and material supremacy. Asymmetric means can also be used against society in general, rather than the armed forces alone. Chemical, biological, radiological and nuclear (CBRN) threats, terrorism and cyber attacks can cause severe, rapidly escalating crises. Preventing and repelling them requires comprehensive preparedness.

Securing the global commons (freedom of the seas, the atmosphere and man-made cyberspace) and protecting the free and reliable use of cyberspace are questions of growing importance. The phenomenon highlights the importance of international regulations. The United Nations Convention on the Law of the Sea (UNCLOS) lays a comprehensive foundation for all use of the world's seas and all conservation measures relating to them. For example, its central role has been brought to the forefront in the Arctic region.

Disruptions in the cyber domain, especially, present a critical threat. The causes of cyber threats include vulnerabilities within networks as well as hackers

that deliberately cause damage or illegally search for information. Extensive networks are exposed to accidental disruptions as well. It will become more difficult to distinguish between state-sponsored and non-state sponsored cyber attacks or to determine the source of the threats.

Cyber security issues cause conflict and division within the international community. Their underlying causes include economic and security interests as well as diverging views on human rights and the role of the state vis-à-vis individual freedom. Cooperation is presently being developed in the EU, NATO, the OSCE and the UN as well as among different country groupings. Many states are developing their capability to defend themselves against cyber attacks and to project different forms of countermeasures on the adversary. Cyber questions are vital topics as regards military security and securing the vital functions of society.

A new era has dawned in the cyber domain: malware can now impact all vital functions of society through industrial automation and programmable logic controllers. Technological progress in cyberspace increases the risk of new threats. Finland, too, has already been the target of internal and external cyber operations.

Energy security is a growing challenge in many areas of the world, Europe included. The EU imports more than half of the energy it consumes and the relative share of imported energy keeps on growing. Energy imports are increasingly concentrated, since Russia has become the leading exporter of crude oil, coal and natural gas. At the same time the EU area has incorporated important policies on the increased use of renewables and energy saving measures. The intention is to respond to the energy security challenge by expanding the energy base, its suppliers and transit routes, and by promoting good governance and respect for the rule of law as well as through investments in the countries of origin. The EU actively pursues these goals.

The EU aims to strengthen the European Energy Policy. The policy takes into account the internal market as well as environmental questions. Within certain constraints, it is up to the Member States to choose their energy sources. The EU should further develop an energy policy that considers both internal and external dimensions, a more harmonised energy market as well as crisis mechanisms capable of handling temporary disruptions in energy supplies.

The safety of nuclear power plants is a key question both internationally and regionally. Whereas each country is responsible for its nuclear safety, international conventions, norms and standards are actively being developed,

especially within the framework of the International Atomic Energy Agency (IAEA). The EU is the first major regional actor in the field of nuclear energy that legislates nuclear safety.

Equal access to clean water is a growing ecological and political challenge. Water resources and their poor state cause tension between different forms of use and users both within and between countries and can even result in instability or conflict. On the other hand, joint management of shared water resources achieved by strengthening international agreements can help alleviate tensions. This applies to other key commodities and strategic raw materials as well. On these topics as well the EU will develop international cooperation and its influence as part of its external action.

While the threat of terrorism has already been commonplace for decades, during the past 10 years it has been in a state of continual transformation. International terrorism is organised and intricate. The problem is exacerbated, among other things, by the association of terrorism with religious and other extremist movements as well as by technological advances that provide increasingly effective tools for the purpose of causing harm. The influence of extremism is projected to be on the rise. As demonstrated by the tragic events in Norway in 2011, terrorism or violent extremism are not always associated with external networks or foreign actors.

Global counter-terrorist cooperation and, especially, the EU's counter-terrorist action is being further intensified. This comprehensively encompasses cooperation in judicial and internal affairs, combating radicalisation and terrorist recruitment, and preventing the underlying causes of terrorism such as social exclusion and inequality. Target protection, tracking down terrorists and dealing with the aftereffects of terrorist strikes are also important topics.

International organised crime such as the trafficking in narcotics and humans as well as the illicit arms trade and money laundering are growing international problems. Simultaneously, as the free movement of people increases more police and judicial cooperation are required.

Dangerous infectious diseases pose a serious international security threat. Combating natural or intentionally spread contagious diseases requires closer cooperation and preparedness among civilian and military authorities.

Significant questions are also associated with border management, immigration control and the functioning of international civil defence cooperation.

Conclusions

Finland is increasingly dependent on international well-being, stability and security and Finland's security challenges arise from a wider international setting. In this respect Finland faces no specific or immediate security threats. However, unforeseeable developments in the operating environment and uncertainty may also cause negative security impacts on Finland.

The changes in the global security environment offer, first and foremost, economic and political prospects for Finland. However, they also pose challenges such as cross-border security challenges. A strong commitment to wide-ranging international cooperation serves Finland's interests. Global interdependence also highlights the significance of multilateral cooperation.

The increase of the EU's influence serves Finland's interests. Finland has an established status as an active Member of the EU and as an international actor. Changes in the international power balance affect the relative position of the EU and, hence, that of Finland.

It is important for Finland that international cooperation continue to build on transparency and universal values and international law. Finland will endeavour to strengthen them as a Member State of the EU and in cooperation with other democracies. It would be of great importance that the emerging powers increase their participation in solving international questions, including burden-sharing.

When it comes to global public goods Finland has actively advanced the strengthening of cooperation and international arrangements related to transboundary water resource management. In Rio+20, UN conference on Sustainable Development Finland promoted adoption of a global goal on water, which would consist of universal access to water and sanitation, improved water efficiency and water quality.

The development of international cooperation is essential with regard to all cross-border threats. Above all, through the EU and bilaterally Finland responds to challenges to comprehensive security and by taking action on topics such as climate and energy policy, terrorism and organised crime, border management and immigration control.

As an economy reliant on exports, Finland depends on, among other things, the international media networks and trade and transport networks. This is becoming increasingly important owing to technological advances and other economic and societal development. Finland is one of the most developed information societies and its functions depend on various electronic networks and services therein.

The threat of international terrorism in Finland remains low. Because of the rising number of persons that may have terrorism-related

connections and the increasing threat of terrorism in its neighbouring areas, Finland, too, must actively monitor the threat of terrorism and institute preventive measures.

1.2 Role of the key actors in the global transition

Role of the European Union as a global actor

The idea of strengthening and utilising interdependence, including the need for common rules, is an important principle of the European Union. Hence, it is only natural that the EU is one of the leading actors in many international cooperative structures.

The EU plays an invaluable role in strengthening the international judicial system, promoting the freedom and transparency of the international economy, and setting up and defending its rules.

The EU has assumed, and is expected to assume, the role of responsible initiator in resolving global issues such as controlling climate change, guaranteeing sustainable development, eradicating poverty and developing global governance. The EU's clout as a global actor hinges on its ability to efficiently operate within international organisations. For this reason, the EU's coherence in international organisations should be strengthened.

The EU has fallen into a severe economic crisis from which there is no fast way out. It is imperative to solve the crisis, revive economic growth and competitiveness as well as strengthen the EU's internal cohesion and preserve its character as a value community. These are necessary for the Union to maintain its credibility and secure its role as a global actor and a strategic partner for other major actors. The Union's valuable input is not limited to the economy, and so a decline of the Union would more extensively erode the multinational system and international cooperation.

Other factors of uncertainty are also related to the Union's future development and they reflect on its global capacity. These include issues such as the growing pressure for differentiated integration, recent internal developments in certain Member States, challenges related to stabilising the European neighbourhood and the difficulties the EU's enlargement policy faces.

Notwithstanding its own crisis, the EU's international standing faces pressures caused by economic, political and value-related changes in the world. The EU's strong position as the world's largest economic area has been the crux of its

influence. In the conditions of global transition the EU will continue to be a leading trade policy actor and an important trading partner for the other major actors.

A functioning transatlantic partnership between the European Union and the United States is crucial to the EU's international influence. Economic cooperation between the EU and the United States lays the foundation for an open and collaborative international economy, which must be further strengthened.

The EU continues to cooperate multilaterally, among other things, in supporting democracy, human rights, basic rights and liberties and gender equality, and in promoting the rule of law and in crisis management. At the same time the EU establishes collaborative networks and partnerships, especially with the emerging powers and regional organisations.

The strengthening of the EU as a global actor demands a more efficient use of its wide range of policy instruments in its external relations. The external action policy includes the common commercial policy and development policy, the common foreign and security policy (CFSP) and its subset, the common security and defence policy (CSDP). In addition, the EU's internal policies and their external dimension are valuable instruments in the Union's global action, which includes environmental and climate issues and the prevention of international crime.

The structures created by the Lisbon Treaty increase the chances of strengthening the EU's role; they also improve the consistency, coherence and effectiveness of its external action. Nonetheless, the goal of the external action, i.e. coherence between the different policies of the Union's external action and between these and its other policies, has not materialised as planned. The phase of setting up the European External Action Service, including the evolution of its institutional culture, is still in progress. It is a challenge for the High Representative to combine the plethora of roles of the office.

EU Member States have lacked the political will to act more coherently and support the activities of the High Representative and the External Action Service. Predominantly the large Member States do not always act within the framework of the Union, which weakens the EU's capacity. The Member States' foreign and security policy priorities often result in EU foreign policy which is built on compromises based on the lowest common denominator. This weakens the Union's capacity and decreases its clout. Neither has the CFSP been at the core of political decision-making in recent years.

In order to improve the effectiveness of the CFSP the Member States should be able to establish a common strategic vision which defines the key foreign policy questions, common objectives and the order of importance of these. In the long run, provided that the EU wants to retain its capacity to respond to global security challenges, there is no alternative for a robust common foreign and security policy.

The United States shifts focus to Asia

Despite the global change the United States will retain its world leadership and it plays a key role in solving many global problems and in responding to challenges. From the standpoint of a well-functioning rules-based international system, it is important that the United States commit to the multilateral system as well as to international law and cooperation.

Taking into account the geopolitical shifts, the present state of the economy, the lessons learned from the protracted operations in Iraq and Afghanistan and counter-terrorist action, the United States has undertaken a review of its security strategy. Apart from the energy sector the United States, generally speaking, is becoming increasingly dependent on the international system. By the end of this decade North America will be nearly self-sufficient as regards fossil fuels. This may affect the manner in which the United States chooses to emphasise its strategic interests.

Different views exist in the United States concerning the future orientation of its foreign policy. The present administration believes in the promotion of partnerships and cooperation. There are also those who think the United States should attempt to preserve its primacy in different situations by resorting to power politics, if necessary. Then there are those who believe that the United States should discerningly curtail its international role, focusing resources on domestic issues instead.

In recent years the United States has exercised its international leadership in a flexible manner by creating partnerships, calling for dialogue and committing to multilateral cooperation. Meanwhile, the United States has retained its military supremacy, and continues to act unilaterally when it sees fit to do so.

The overall strategic interest of the Unites States as well as its economic and military focus is shifting towards the Asia-Pacific region. The USA prepares to maintain its geopolitical presence and security commitments with its allies in the region. The countries in the area hope that the United States will act as a

counterbalance to China's rising military power. In addition, the Greater Middle East has a prominent role in US defence planning.

The strategic shift does not imply that the United States is about to abandon its commitments to Europe or its role as the ultimate guarantor of European security. The close ties between the United States and Europe mean that the United States will also continue to participate in wider European security cooperation. From the US standpoint NATO is the key forum for security policy cooperation and dialogue. The commitment and capabilities of the United States associated with NATO's collective defence arrangements remain unchanged.

In the era of global challenges the EU and the United States, being close strategic partners, are expected to cooperate to achieve lasting solutions. The United States believes that a cohesive EU, capable of robust global action, serves its interests. From the standpoint of US interests it is also imperative that the European economic crisis be resolved. To intensify the transatlantic partnership the United States aims to persuade the European countries to assume a greater role in maintaining international security and in conflict-solution. The EU hopes that the United States would increasingly commit to comprehensive security measures such as climate change prevention. The economy is at the core of the transatlantic link. This is so because the economies of Europe and the United States are closely intertwined and the regions are each other's largest trading partners, representing up to one third of the volume of world trade.

The global military presence of the United States is built on rapidly deployable troops and units positioned abroad. Most western democracies (including the overwhelming majority of the EU Member States) are bilateral or multilateral politico-military allies of the United States. Other democracies, too, have signed various partnership arrangements with it. The United States considers that democratic countries, owing to the shared value base, establish the nucleus of an open and collaborative international order.

China's global authority is on the rise

Because of its opening economy and significant economic growth China has become the world's second largest economy. In a relatively short period of time it managed to lift hundreds of millions of people out of poverty. During this time China also became a major importer of raw materials and energy. Safeguarding the access to natural resources is a key goal of China's foreign policy.

Economic growth can be considered to be the central factor that maintains China's internal stability. The differences in standards of living in China are great and there are a considerable number of poor people. One of China's key goals relates to extending the higher standards of living beyond its wealthier coastal areas. Other significant challenges include the ageing population, social problems, issues related to human rights and freedom of speech, the progress of democracy as well as unsolved environmental problems.

The mere size of China and its dynamic economy have turned it into an important economic actor on the global scale. China benefits from the western-created, transparent and rules-based world economy.

China continues to focus on its internal problems and on raising its standard of living. This reflects on its foreign policy as well. However, other countries want China to play a constructive international role when it comes to burden-sharing in solving global economic and environmental problems, including climate change and regional crises. While it has continued to emphasise its development challenges, warily eyeing any new commitments, it has also undertaken noteworthy action in curbing its growing environmental problems.

China stresses state sovereignty as well as non-interference in states' internal affairs. China has preparedness to retaliate should foreign powers criticise its policies on human rights or Tibet. For China, its One-China Policy is integral part of its foreign policy, and it concerns especially Taiwan. One-China Policy is widely recognised within the international community, including the EU.

China, like the other countries in the area, shows growing interest in maritime regions and groups of islands off the Pacific coastline. Regarding security in Eastern Asia as well as global security it is important that regional and local disputes such as those in the South China Sea be solved through consultations. This should be done under international law, including the principles of international maritime law. The South China Sea possesses global strategic importance because approximately one half of the world trade passes through its maritime routes.

While China has no treaty-based network of allies, economic interaction increases its influence in its neighbourhood as well as in Africa and Latin America. The economic integration of the large economies in Eastern Asia increases their shared interests which, in time, may bring them closer together. The European Union is an important trading partner for China. Conversely, China is the biggest supplier of industrial products for the Union. Both parties are increasingly interested in mutual cooperation. This being the case, both

sides are committed to launching negotiations of an EU-China investment agreement as soon as possible.

Russia's wide-ranging interests

Russia aims to preserve its great-power status, which is built on its permanent membership of the UN Security Council, its nuclear arsenal and its abundant reserves of energy and raw materials. Russia is an important actor in the global arena and in Europe, even though its influence varies by region and topic. Russia's international standing is affected by its ability to tackle its internal challenges, such as an unbalanced economy, corruption which impedes economic and administrative reform, bleak demographic trends as well as shortcomings in the rule of law and the political system.

Russia keeps promoting a multilateral world order and it wants to be duly recognised as a key actor in global policy. Russia underscores the principles of state sovereignty and non-interference. In international conflicts Russia tries to constrain international interventions and will not accept political change as the goal of any intervention. Russia's input in global governance is uneven, for example in environmental and development questions.

The focus of Russia's foreign policy lies in the area of the former Soviet Union where it aims to preserve or increase its influence. A significant number of Russians live in countries belonging to the Commonwealth of Independent States (CIS).

Russian foreign and security policy is built on the premise that the United States and NATO might challenge its sphere of influence and great power-status. Russia's military-political estimates emphasise its relationship with the United States as well as the growing geostrategic importance of Asia, which does not eliminate the importance of Europe to Russia's wider security interests.

The 'reset' in the relationship between the United States and Russia was pronounced in 2009. The aim was to make progress in US-Russian relations on such matters in which consensus was considered achievable. The most important achievement is the new Strategic Arms Reduction Treaty (START), which entered into force in 2011. Furthermore, Russia opened its territory to NATO supply routes to Afghanistan, which will be of special importance in the drawdown phase of NATO's ISAF operation (International Security Assistance Force) and the implementation of the follow-on operation. Russia has also participated in P5+1-cooperation (USA, UK, China, France, Russia and Germany) in the diplomatic efforts with regard to Iran's nuclear program.

Russia's long-sought membership of the World Trade Organization (WTO) materialised in 2012 with the support of the European Union and the United States.

Strategic missile defence continues to be the major point of dispute in US-Russian and, consequently, NATO-Russia relations. No solution satisfying both parties has been found. Russia and NATO disagree in their estimates whether the implementation of NATO's missile defence programme in its current form could weaken Russia's strategic deterrence in the future, thus altering the balance of power. Russia's demands of legally binding guarantees have not been accepted by NATO or the United States.

Russia's major security challenges are along its southern borders as well as in regions bedevilled by instability, conflict and radicalisation related to the rise of Islamist extremism. Despite the abolition of martial law the Northern Caucasus, especially Dagestan, remains volatile. At times the violence spills over into other regions in Russia.

The rise of China is increasingly important to Russia's security policy considerations. Russia considers its relationship with China to be a strategic partnership which is implemented bilaterally as well as multilaterally under the auspices of the Shanghai Cooperation Organisation (SCO). At the global stage, especially in the UN Security Council, Russian and Chinese views often converge.

Russia and China are rivals. China is strengthening its economic clout in Central Asia. Due to the developments in Central Asia, Russia aims to strengthen the significance and standing of the Collective Security Treaty Organisation (CSTO), which it leads, as a true actor in the region's security architecture.

The Russian Far East is integrating into the China-led Asia-Pacific economic zone. Russia is concerned about the consequences of China's economic and demographic impact in the Russian Far East.

Russia promotes Eurasian economic integration which, in its first phase, has materialised in a customs union between Russia, Belarus and Kazakhstan. Russia also wants the other CIS countries to join the customs union. Russia's long-term vision is a more deeply integrated Eurasian Union modelled on the EU, in which the Member States pursue a common monetary and foreign exchange policy as well as economic policy.

Russia and the EU are strategic partners and their mutual relationship, especially in the area of the economy, is extensive. The EU is Russia's biggest trading partner and the most important market for its energy exports. Russia is also the most important energy supplier for many EU countries. The exploitation of shale gas in the United States and the increasing trade in liquefied natural gas impact Russia's standing in the energy market. Russia often prefers to operate bilaterally with the largest EU countries. Russia's WTO membership opens new vistas for intensified trade relations and the modernisation of Russia's economy. Should Russia continue to deepen its wide-ranging cooperation with the EU it might also better fare in its modernisation attempts. Furthermore, Russia's memberships of the G20 and the G8 provide influential frames of reference; they are also important to Russia for reasons of prestige.

Russia's development

Whereas Russia's economy survived the 2008–2009 crisis with the help of its previously accumulated cash reserves and the recovering price of energy, economic growth has been much more anaemic during this decade. Russia's economy continues to depend on the production and export of energy and raw materials. The volume of oil and gas production is not expected to significantly increase.

Characteristic to Russia's political system, the concentration of power on the president will continue. Thus far this has been seen, among other things, in the role of the parliament and the relatively minor role of political parties in decision-making. The next federal election is scheduled for December 2016. Changes in the political system are expected to occur at regional and local levels in the coming years. The reforms related to the registration of political parties and the direct election of governors, launched during the previous president's administration, raised the citizens' expectations of reforming the centralised system. Progress, however, has been sluggish. In addition to the democratisation process the citizens are concerned about the shortcomings in the rule of law as well as the widespread corruption. Many are also worried about the restrictions imposed on NGOs and the media, and the implementation of the new legislation.

Russia continues to struggle with its demographic situation even though the birth rate has risen to the average European level. During this decade the working-age population will diminish by approximately nine million people. While emigration is on the rise, fuelling Russia's interest in protecting its citizens abroad, immigration is also increasing in a situation in which Russia has already

received more immigrants than any other country in Europe. Immigration is one of the underlying causes for the growing nationalism in Russia.

Problems in the democratisation process, slower economic growth and the continuing violence in the Northern Caucasus motivate people to emigrate from Russia. Consequently, Russian citizens comprise one of the largest groups of asylum-seekers in the area of the European Union.

Spurred by the economic growth the proportion of the middle class is growing. Nevertheless, inequalities in income and disparities between regions remain large compared to those in Europe. The population and well-being are converging in Moscow, St Petersburg and other large cities. Peripheral areas, especially in the north and the east, are facing the risk of atrophy.

When it comes to Russia's opposition groups, the western media most often takes notice of the actors who support liberal western values. Still, nationalists and communists also have a strong voice in Russia's opposition. The opposition forces are not united under any conspicuous leader. The popularity of the different parties will be determined by the elections in the coming years. It will also be seen whether the opposition forces integrate into the conventional political party system if free political competition is considered to be unattainable. The goal of the most recent protest movement has been to achieve a society which is built on extensive participation and influencing, rather than on a top-down authoritarian system.

The United Nations and the new groupings

The central role of the United Nations in the international system is based on its unique status of encompassing practically all countries of the world as its members. In recent years the Security Council has also assumed a greater role in conflict prevention and resolution, and in legitimising the use of force under international law, even though its composition does not properly reflect the present power balance.

The United Nations will continue to remain the generally recognised forum for discussing and resolving global and international problems. No other organisation or alliance can replace the role of the UN. The Security Council has remarkably stepped up its performance since the end of the Cold War. Nonetheless, in recent years there have been some challenges regarding the functioning of the Council. UN Member States must demonstrate more determined common leadership and increasingly consistent commitment to strengthen the capacity of the organisation.

The purpose of the United Nations is to maintain international peace and security. Under international law, the key principles for the use of force are included in the UN Charter. The basic premise is that the use of force is prohibited except for the purpose of self-defence or under UN Security Council mandate. The European Union, NATO, the African Union and other regional actors are developing their cooperation with the UN. The UN is vitally important to the development of comprehensive security.

The Responsibility to Protect (R2P or RtoP) principle, adopted by the United Nations General Assembly in 2005, rose to the centre of the international agenda following the events in Libya and the Ivory Coast. The situation in Libya in 2011 was the first time the Security Council issued a mandate for the use of force in accordance with the RtoP principle. The operation in Libya also generated political discord with regard to the application of the Security Council Resolution's mandate. This may affect the way in which the RtoP principle will be applied in the future as well as the general manner by which demanding crisis management operations will be handled in the UN Security Council.

When it comes to groups outside the UN system the G7/8 has played an important role in questions related to economic and monetary policy. It has also shown initiative in various security-related themes such as the prevention of proliferation of WMDs and counter-terrorist action.

The significance of the G20, encompassing the major economic powers, has grown. This was particularly evident in controlling the economic crisis which began in 2008. The G20 has managed to coordinate economic policy and international financial supervision. Its activities have evolved from economic topics to other global issues such as climate policy. From the standpoint of multilateral cooperation the development of the relationship between the G20 and the UN, including its agencies, will be important. The decisions taken by the G20 will ultimately be implemented by states and established international organisations. Still, the UN can issue global authorisations to the G20's decisions. The EU participates in the activities of the G20 and the G7/8, represented by the President of the European Commission and the President of the European Council.

While the BRICS countries (Brazil, Russia, India, China and South Africa) are established as a concept, the group's approaches and goals have not become fully established. The BRICS countries have differing views regarding the focus of their activities, their role and ambitions. Russia is trying to strengthen the political role of the BRICS group as a part of the multilateral world order. The BRICS countries are not a cohesive group as regards values.

Regional organisations are important, especially in the field of trade and economic cooperation. Particularly the African integration organisations such as the African Union, the Economic Community of West African States (ECOWAS) and the Southern African Development Community (SADC) have made great progress in political and security questions. They bear considerable responsibility over the continent's security policy. In the Asia-Pacific region the Association of Southeast Asian Nations (ASEAN) and the Asian Regional Forum (ARF) have raised their status.

Conclusions

From the Finnish standpoint the future global role of the EU will be of special importance. It is in Finland's interests to advance the EU's global capacity and role, and its cohesion in every possible way.

It is important for Finland to closely monitor the great powers' political and economic development and shifts in their strategic orientation. It is equally important that Finland develop close bilateral relations with them.

It is also important that Finland develop its multilateral cooperation with the key international actors. The UN provides a unique forum for the management of international questions. Finland's influence in global groupings outside the UN structure, such as in the G20 and the G7/8, will materialise through its EU membership.

A robust and well-functioning multilateral system based on cooperation is important to Finland. It is imperative that the United States commit to strengthening it.

Closer economic ties between the EU and the USA, including the negotiations on a free trade agreement, would strengthen both economies and support the development of an international, rules-based trade regime.

It is particularly important for Finland to assess Russia's political development and the goals of its international action. Finland invests in its relationship with Russia both bilaterally and through its involvement in the EU, including support for a new EU-Russia Agreement.

The importance of EU cohesion is accentuated in the EU's external relations. From the Finnish standpoint cohesive action is particularly important in EU-Russian relations.

The Finnish-Russian arctic partnership creates the framework for charting mutual interest, establishing contacts for handling questions related to comprehensive security and achieving results. Russia is also the most important market for Finnish arctic know-how. Northeast

Passage cooperation has been discussed within the framework of the Partnership.

The Nordic countries are the natural reference group for Finland. On a global scale Finland, like the other Nordic countries, is one of the most successful and stable western democracies. The Nordic welfare state model, built on a competitive economy and a high rate of employment as well as equal services and care, has proved to be an attractive social system. It is essential that Finland preserve the strengths of this model.

The Responsibility to Protect principle

The Responsibility to Protect (RtoP) is a political commitment adopted by UN Member States in 2005. Its purpose is to protect civilians from genocide, crimes against humanity, war crimes and ethnic cleansing. The basic principles of the RtoP are: 1) The State carries the primary responsibility for protecting populations from the aforementioned crimes; 2) The international community has a responsibility to encourage and assist States in fulfilling this responsibility; and 3) If a State is manifestly failing to protect its populations, the international community must be prepared to take collective action to protect populations. While the primary means are intended to be peaceful, using the instruments available in Chapters VI-VIII of the Charter of the United Nations, should they prove insufficient the Security Council can also mandate the use of military force for this purpose. This may entail a temporary violation of a state's territorial sovereignty. Even though the RtoP principle is not a binding legal standard on states or individuals, it carries moral authority as a guiding principle in organisations' multilateral diplomacy and crisis management, especially when it comes to the UN.

In 2011 the UN Security Council mandated military interventions in Libya and the Ivory Coast with Resolutions 1973 and 1975, both of which referred to the RtoP principle.

In the autumn of 2011 Brazil made the initiative on Responsibility while Protecting. Its purpose is to create mechanisms that establish some ground rules for the implementation of RtoP and the use of military force.

In order to consolidate the RtoP concept it is important that the RtoP be actively and primarily implemented through peaceful means, in accordance with Chapter VI. Should these prove insufficient, the instruments available in Chapter VII could be invoked. In addition, in the future the role of regional organisations in implementing the RtoP and, to a larger extent, in advancing human security, will continue to grow.

1.3 Military power and arms control

The changing character of war

While the threat of large-scale armed aggression has diminished, it cannot categorically be ruled out over the long term. Military force can also be employed in a limited fashion in regional and internal conflicts, and as an instrument of power projection. Even an extensive use of force in the future

will not necessarily translate into seizing and occupying large land areas. The adversary may attempt to achieve his goals by using force unexpectedly, and by rapidly seizing limited key areas. The defender's early-warning window and the period available for raising readiness will shrink.

In addition to the military means, warfare will simultaneously incorporate different asymmetric means as well as political, economic and military pressure, various forms of information and cyber warfare, and combinations thereof. Chronologically speaking, hostilities can already begin in peacetime with psychological and information operations. This increasingly blurs the line between political pressure and warfare. New technologies will not necessarily replace most traditional means of warfare. Nevertheless, technology will create new possibilities for waging war. The western countries have widely adopted a network-centric defence concept built on ICT technology which enhances joint situation awareness, rapid decision-making, joint effect and interoperability. The aim is to compensate for the suddenness of crises and the fog of battle by improving prognostication, situation awareness and the situation picture as well as the intelligence and analysis capacity. Particularly the use of ICT systems also generates significant knock-on effects such as system vulnerability and incurred costs.

The options for non-state actors increase with the development of dual-use technology and society's growing vulnerability. It will be increasingly difficult to identify the sources of threats and perpetrators, especially in the information space and cyberspace. The entire society will be the target of the attack, rather than the armed forces alone.

The tempo of future military operations will be rapid and their progression will be difficult to predict. Troops will be increasingly mobile, possessing more firepower and improved range and accuracy of fire. Critical military capabilities will include intelligence and surveillance systems, the capabilities of the air force, the navy and special forces. Unmanned aerial vehicles will be developed for intelligence and surveillance and, to a growing extent, as platforms for precision-guided munitions.

As a result of the increasing proportion of regular military personnel in the armed forces the number of troops will decrease. However, the troops will be much more deployable in contrast to the units in conscript-based systems. Nevertheless, defence cuts will increase the importance of the reserves. In addition to achieving savings niche expertise, needed in complex crises, can be recruited from the reserves.

As the nature of conflict changes and technological options multiply the development of, and compliance with, international obligations and humanitarian law in armed conflicts require closer monitoring and attention. This also affects the international acceptability of weapon systems and their availability in the international market. The changing nature of conflict will make it increasingly challenging to protect the civilian population.

Development of armed forces

While the threat of a global great-power conflict remains low regional, local and internal conflicts pop up continually. They increasingly include non-state actors. Prolonged unresolved conflicts do not only cause casualties, they also result in civilian casualties and carry the risk of escalation.

The end of the Cold War over two decades ago reduced defence spending globally. However, at the turn of the 21st Century defence appropriations began to climb again. Still, the current economic crisis causes outright cuts or lower growth in defence spending, especially in Western Europe. Contrary to this development, the defence budgets of Russia, Sweden, Norway and Estonia – Finland's neighbours – are on the rise.

In most European countries the development of armed forces is increasingly geared towards international crisis management. Western Europe has, by and large, abolished general conscription. Yet, on many other continents armed forces are still being developed with an emphasis on territorial defence and the capabilities for a large-scale use of force. The western countries will primarily carry out their territorial defence through alliance-based defence solutions. This means that their armed forces will have had to develop the capability of participating in multinational joint operations outside their own area, if necessary.

The US spending cuts aimed at reducing the increasing debt will also impact defence budgets during the next decade. Owing to the end of the operations in Iraq and Afghanistan the combined effect of the savings will probably translate to zero growth in defence spending. Nonetheless, the United States will retain its overwhelming global military supremacy. The reductions will focus, especially on the Army as the United States, in line with the 2012 strategic guidance for the Department of Defense, will no longer maintain the ability to fight two sustained large-scale wars at once, and will be cautious about future participation in large-scale and prolonged crisis management operations.

In conjunction with the cuts the US armed forces will be developed to be increasingly mobile, flexible and deployable. The strategic focus is shifting to the Asia-Pacific region. The significance of global commons will grow in US strategy, aiming at guaranteeing the freedom of transport routes critical to trade. Additional resources will be allocated, among other things, to cyber defence and space-based systems as well as intelligence and missile defence. The United States will continue to be the leading source of defence technology and R&D in the future as well.

The United States has increased its military predominance in relation to its European NATO Allies, especially in its ability to execute large-scale operations and develop and use expensive and advanced capabilities. Within the spheres of NATO burden-sharing also carries a political attribute in addition to the practical one. The United States pays particular attention to this. The European allies contribute less and less to the sum total and their defence GNP-shares have been diminishing. The operation in Libya clearly revealed the shortcomings in European capabilities. Even though the operation was carried out under European leadership, it could not be implemented without US strategic capabilities such as airlift, air-refuelling and C4I systems.

Even though the nuclear capability has dramatically lost its relative importance in US thinking in the post-Cold War era, the United States intends to modernise its strategic arsenal in the coming decade. The United States will also develop its conventional long-range weapons arsenal so as to enable precision-guided strikes.

The growth of defence spending in China and Russia, the countries with the next largest defence budgets after the United States, continuously exceeds the growth of their respective national economies. From the military standpoint China is a regional great power which also uses regional interests as well as a growing need to guarantee the maritime transports and availability of raw materials as a backdrop to its military programme. China develops its armed forces in many fields, concentrating specifically on state-of-the-art capabilities. These include missile technology and aircraft carriers, stealth fighters, space technology and the cyber domain. China also aims to modernise and increase the number of its strategic warheads.

Russia's strategic goal is to restore an internationally recognised military great-power status. It has launched a comprehensive weapons and equipment modernisation programme. According to the plans one third of state appropriations will be earmarked for the defence and internal security in the coming years. The plan is to allocate approximately EUR 500 billion alone to

weapons procurements by 2020. The focus will be on the nuclear arsenal as well as air and space-based defence systems.

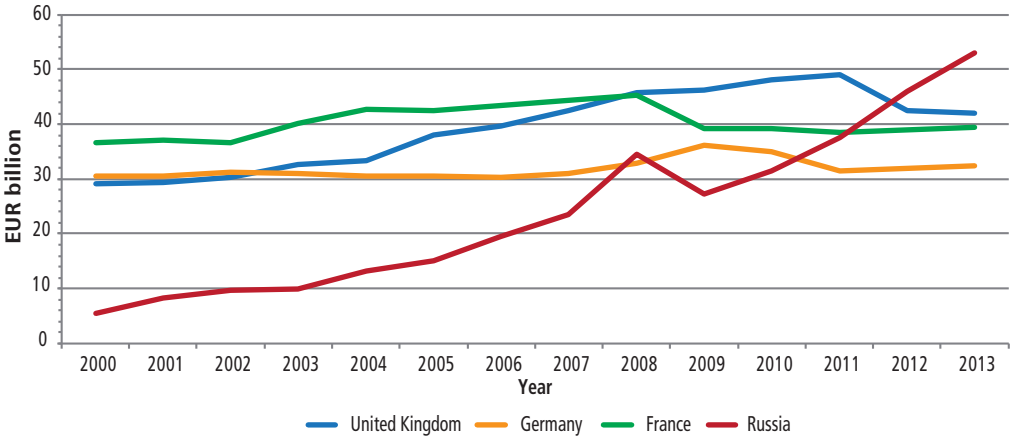
As per its military doctrine Russia also reserves the right to use pre-emptive force and defend its citizens outside its own territory. Russia will be developing numerically smaller, yet more deployable and modernised armed forces. The goal is to improve the speed, range and accuracy of capabilities and weapon systems. Russia, too, is developing its cyber warfare capacity.

The bulk of Russia's armed forces are positioned in the Northern Caucasus and in strategically vital areas such as Moscow and the Far East. When necessary, the troops are redeployed in accordance with the centre of gravity. Troop transfers are an integral element of strategic exercises in Russia.

Nuclear weapons in operational readiness are the essence of Russia's strategic deterrence in the 2010s. The pronounced role of the nuclear arsenal in Russia's military doctrine will continue well into the future. Nuclear weapon systems have also been systematically developed through various military programmes.

United Kingdom and France, the fourth and fifth largest defence spenders, as well as many other European countries have cut their defence appropriations since the onset of the economic crisis in 2008.

The defence budgets of Russia, the United Kingdom, Germany and France from 2000–2013



Sources: SIPRI and the respective Defence Ministries as regards the most recent years
Factbox: The 10 largest military spenders, 2011, page 115

Development of multinational defence cooperation

As the United States is shifting its foreign and security policy focus from Europe to Asia, European countries are forced to assume more responsibility over their own security. This is the latest step in the process which began as soon as the Cold War ended. Nevertheless, it is impossible to increase the responsibility and role of Europe without closer defence cooperation. As appropriations continue to diminish countries are less able to independently generate all of the required military capabilities. A completely independent national defence is no longer a viable concept. Collaborative capability development as well as pooling and sharing have become important political and military goals.

The challenges also impact the field of defence materiel. In addition to the common security and defence policy the European Union seeks solutions by developing the single market.

Participation in this cooperation is voluntary and countries make case-by-case decisions regarding the projects and their input. Actual projects are launched at the behest of willing partners in different country groupings. The European Union and NATO coordinate and facilitate said cooperation. Whereas the Union calls this approach 'Pooling & Sharing', NATO calls it 'Smart Defence'. As a Member State of the EU and a NATO partner Finland participates in both of them. Consequently, defence cooperation does not imply military alliance or any changes in Finland's fundamental security policy solutions. Nordic Defence Cooperation (NORDEFCO) is an example of a well-functioning regional collaborative arrangement.

In practice, cooperation can cover various functions, ranging from training, exercises and capability development to common operations. The interdependence arising from various joint projects advances the commitment of participants and promotes the access to capabilities when needed.

The advantages of cooperation should not only be evaluated from the standpoint of short-term results and cost-savings. To a large extent cooperative ventures are only at an early stage, and states have differing views and expectations regarding the terms and goals of cooperation. Moreover, divergent defence solutions, dissimilar legislation and practices as well as industrial policy factors impact the content and scheduling of cooperation.

Pooling and sharing projects have already created tangible results. An example of a well-functioning joint project involves the Strategic Airlift Capability cooperation, in which twelve countries, Finland and Sweden included, share acquisition and operating costs for three strategic C-17 transport aircraft. A

specific challenge in the future concerns the sharing of capabilities in which a country will rely on the capabilities of another country or other countries. Emphasis on national sovereignty and uncertainty over access to shared capabilities in the hour of need are challenges to such cooperation. This applies to allied and non-allied states alike. When it comes to, especially, non-allied countries, the abolishment of critical defence capabilities would require the creation of binding agreements.

Training and exercises of troops and units is an integral part of capability development. In recent years combined joint interoperability has been maintained and developed, especially in Operation ISAF in Afghanistan. It will be important to maintain the level of interoperability and guarantee the dissemination of the lessons-learned. The level of performance and interoperability needed in multinational operations, as per international standards and practices, can only be attained by regularly participating in demanding multinational training and exercises.

The significance of, in particular, multinational response forces, such as the EU Battle Groups (EUBG) and the NATO Response Force (NRF), will become increasingly important in the coming years as vehicles for the development of interoperability and armed forces transformation. Response forces pools represent the pinnacle of multinational capabilities, and their practices and training as well as evaluation and certification methods are constantly being updated in accordance with future challenges and the lessons-learned from operations. This also has real meaning regarding the composition of the units deployed to future crisis management operations.

The EU battle groups are relatively small units, comprising 1 500 - 2 000 troops. The EU has two battle groups on a standby period of 6 months, ready for deployment. The EUBG can be used independently or as a part of a larger crisis management operation. The battle groups facilitate a rapid EU military response to a crisis. They must be able to start implementing the operation on the ground within ten days of unanimous approval from the Council. Their tasks include conflict prevention, separation of parties by force , humanitarian and rescue tasks, post-conflict stabilisation, and military advice and assistance tasks. Even though the EU's battle groups are yet to be deployed, the implementation of the Battlegroup Concept has markedly intensified European cooperation at the practical level, and improved the interoperability of troops.

The NATO Response Force (NRF) comprises an operational command and control element, the Immediate Response Force (IRF) and the so-called Response Forces Pool (RFP). The command and control element and the IRF

must be able to deploy within 5-30 days of a decision. Troops in the RFP can supplement the IRF when necessary. Units in the RFP must be deployable within 10-60 days. Whilst they are not tied to any standby rosters they can participate in the standby troops' training and exercises. Should the NATO Response Force be deployed to an operation, the Response Forces Pool would mainly supplement any shortcomings in the Immediate Response Force's capabilities.

The participation of NATO partners in the activities of the NRF is always supplementary in nature. The partner country can independently determine its unit's readiness to deploy (10-60 days). Partner participation in NRF activities does not signify any commitment to potential operations. Rather, any possible deployment to an operation always requires a separate national decision.

EUBG cooperation and NATO's NRF activities are mutually reinforcing: they develop the very same troops and capabilities and utilise NATO standards, exercises, evaluation and certification processes. For their part they also support the goals of UN crisis management. After all, the UN wishes that regional organisations, especially the EU and NATO, develop rapid response capabilities.

The European Union, NATO, bilateral and regional collaborative arrangements (incl. NORDEFCO) are not rivals as regards capability development. Overlapping participation ensures the elimination of unnecessary duplication, and that said collaborative venues complement each other.

Multinational capability development cooperation:
EU's Pooling & Sharing and NATO's Smart Defence

European states, irrespective of their defence solutions, are increasingly dependent on multinational defence cooperation when it comes to maintaining, developing and using military capabilities. The EU and NATO set the framework for said cooperation. Practical cooperation on individual capabilities often occurs in smaller country groupings under the tutelage of EU or NATO, in country groupings (including regional groupings) or bilaterally. The collaborative fora do not compete with each other, rather, they are mutually reinforcing. More often than not it is easier to cooperate at the practical level in smaller country groupings.

The Member States of the EU and NATO have a long tradition of cooperation in the maintenance, development and use of capabilities. The economic crisis and the attempts of the Europeans to assume more responsibility over their own security have spurred the intensification of cooperation. For their part, these factors have lifted the cooperation from the technical level onto the political agenda as well. Whereas the EU calls this cooperation 'Pooling and Sharing' (P&S), in NATO it is known as 'Smart Defence'.

A German-Swedish initiative launched the EU's P&S cooperation in 2010. The goal at the political level is to advance Member States' commitment to cooperation and to set strategic targets for the activity. Actual cooperation occurs under the guidance of the European Defence Agency (EDA) within various capability projects. The EDA has fourteen priority projects (such as the joint maritime situation picture project and helicopter pilot training) in which willing Member States can participate. The EU Military Committee (EUMC) is focused on determining what kind of training and exercises the Member States could implement. As regards training and exercises, the EUMC has prioritised 12 cooperation areas (such as CBRN and special forces training). The development of Arctic expertise is one potential area of cooperation.

In practice, NATO focuses on multinational projects. In 2011 NATO's Allied Command Transformation (ACT) prepared a major report which identified over 200 potential areas of cooperation. Smart Defence projects are prioritised on three tiers, in accordance with their schedule for potential progress. The so-called Tier 1 projects are the ones that are ready for implementation, i.e. they have a lead nation and assigned participants. There are more than 20 Tier 1 projects that have been included in the Defence Package adopted by the Chicago Summit. As the work progresses, new proposals will be designated as Smart Defence Tier 1 projects.

Ongoing long-term key areas include Joint Intelligence, Surveillance & Reconnaissance (JISR), missile defence and Baltic air policing. As regards intelligence and surveillance, last spring 14 Allies decided to participate in a joint procurement project of unmanned aerial vehicles (UAVs), which significantly supports the creation of the Alliance Ground Surveillance (AGS) system. Examples of Smart Defence Tier 1 projects include the multilateralisation of Germany's Joint Force Headquarters in Ulm and the offering of its services to the EU and NATO, and a project to pool maritime patrol aircraft. As applicable, the multilateral projects are open to NATO partners on a case-by-case basis. In practice the partner countries can join in, pending an invitation from the lead nation.

NATO countries are committed to developing their troops towards the goal of 'NATO Forces 2020'. Future troops must be smaller, more agile and more flexible, and technologically advanced. Capabilities alone do not suffice, rather, interoperability must be ensured. The Connected Forces Initiative (CFI) complements Smart Defence. It aims to improve interoperability, among other things, by intensifying training and exercises. NATO partners, too, can participate in the CFI initiative.

Weapons of mass destruction and arms control

While a Cold War-style confrontation between the nuclear powers has vanished, the proliferation of fissile material and nuclear weapons continues to be a serious global threat. The fact that the parties to certain regional conflicts possess nuclear weapons increases the tension. For the nuclear powers, their nuclear arsenals are the essence of their defence strategies and great-power status.

The United States, Russia, France, the United Kingdom and China are nuclear powers recognised by the Treaty on the Non-Proliferation of Nuclear Weapons

(NPT). India and Pakistan, choosing to remain outside the treaty as well as North Korea which withdrew from the NPT also possess nuclear weapons. In addition, Israel, a non-party to the treaty, is generally believed to hold a nuclear arsenal.

According to estimates Iran is further developing its capacity and facilities to the extent that it can acquire a nuclear weapons capability if it chooses to do so. In addition to intelligence estimates the reports of the International Atomic Energy Agency (IAEA) point towards this. For a long time already the international community has tried to resolve the situation through negotiations and by imposing sanctions on Iran. On top of the sanctions of the UN Security Council the EU and USA, among others, have imposed autonomous sanctions on it. The international community is particularly worried about the possibility of a unilateral strike as an attempted solution to the problem, and that several other countries in the region might want to follow Iran's example should it succeed in acquiring a nuclear capability. Iran must be able to address the international community's justified concerns over its ultimate intentions.

Despite continuing efforts North Korea has refused to abolish its nuclear weapons programme or limit any related research and development. The growth of internal instability in Pakistan increases concern over the control of its nuclear arsenal.

The goal of a nuclear weapon-free world has increasingly entered the international agenda in recent years. The new START treaty between the United States and Russia is a major achievement. Then again, no negotiations have been conducted over the reduction of Russia's and NATO's tactical nuclear weapons in Europe.

In 2003, the European Union adopted a strategy against the proliferation of weapons of mass destruction, which includes the commitment to a multilateralist approach to non-proliferation and disarmament.

The NPT regulates the non-proliferation of nuclear weapons and nuclear disarmament as well as the peaceful use of nuclear energy. Despite serious challenges to the treaty it is of central importance. The treaty has failed to prevent the emergence of new nuclear powers and the established nuclear powers have not been ready to effectively advance nuclear disarmament. Military R&D has been conducted under the guise of peaceful use of nuclear energy. The efforts on the universalisation of the NPT continue.

The decision to convene a conference on the establishment of a Middle East zone free of nuclear weapons and all other weapons of mass destruction was made at the 2010 Review Conference of the NPT. The international community authorised Finland to facilitate the conference.

Biological threats, including biological weapons, constitute one of the greatest global security threats. The dual-use nature of biological agents as well as rapid scientific and technological progress pose challenges to the non-proliferation of these threats. Many countries' civilian and military authorities have begun to invest in the prevention of bio-threats. Cooperation between national and international health and security authorities is imperative to prevent these threats.

Chemical weapons, perceived as a more traditional problem, will also remain a threat. The authorities must also prepare for new types of challenges and threats, such as incapacitating chemical agents, in addition to existing agents and weapons.

Further efforts to strengthen the Biological and Toxic Weapons Convention and the Chemical Weapons Convention (CWC) and to widen the base of their signatories will continue. The total ban of these weapons is based on widely ratified agreements and customary international law requires more robust treaty monitoring mechanisms as well as frank international dialogue and exchange of information so as to guarantee the timeliness and coverage of norms alongside technological progress.

A growing concern is nuclear weapons or dangerous materials related to WMDs ending up in the hands of new states or non-state actors. Helping fragile states comply with their international obligations and engaging in cooperation related to the control of transporting dangerous materials is useful when it comes to nuclear non-proliferation and preventing the spread of other WMDs.

As with the non-proliferation of WMDs, disarmament and arms control also continue with regard to conventional weapons so as to preserve existing achievements and to take on new obligations, both globally and regionally. The progress is slow and, in spite of the efforts, it is possible that some standards may weaken.

Comprehensive regulation of the international arms trade, the ambition of the Arms Trade Treaty (ATT) yet to be finalised, is an important new goal. The illicit spread of small arms and shortcomings in the regulation of arms trade are

significant problems. Whereas their effects are most apparent in developing countries, they also manifest themselves globally.

Arms control standards are becoming increasingly robust and the development echoes the strong influence of the NGOs. Examples of this include the implementation and regional expansion of the Ottawa Convention banning anti-personnel landmines as well as the Oslo Convention regarding the regulation of cluster munitions. The fact that many major military powers are not planning to accede to these treaties is a continuing problem.

International export control arrangements on conventional weapons and dual-use technology, nuclear technology as well as the transfer of technology and know-how related to biological and chemical weapons are elemental features of the arms control regime. The arrangements maintained by the producing and supplying states are based on a political understanding. An internationally controversial decision from the recent past involves the fact that the nuclear technology-producing countries consented to allowing cooperation with India, despite it being a non-party to the NPT.

Conclusions

> *Finland estimates that the prerequisites and usefulness of traditional power politics have decreased in the present environment of interdependence. However, power politics cannot be categorically ruled out, but rather must be prepared for. It is increasingly important to prevent and solve regional, local and internal conflicts through international cooperation.*
>
> *While the threat of large-scale armed aggression has diminished, military force can still be employed in a limited fashion in regional and internal conflicts, and as an instrument of power projection. Simultaneously, the options for non-state actors are multiplying due to advances in technology, and through the progressively more vulnerable societies.*
>
> *Future military operations will be increasingly mobile and unpredictable, and the range and accuracy of fire will improve. In addition to traditional military action, operations will incorporate different asymmetric means such as various forms of information and cyber warfare as well as political, economic and military pressure, and combinations thereof. This will be taken into consideration in the development and use of the defence capability.*
>
> *Finland considers the development of a multilateral international capability cooperation to be essential. Finland participates in capability cooperation on complementary fora, such as NORDEFCO, the EU and NATO partnership, and through bilateral arrangements. Comprehensive participation in multilateral cooperation ensures Finland's influence in*

decisions that are taken on new fields of cooperation, procedures and structures.

Since 2007 Finland has participated four times in the EU battle groups' standby periods, and continues to participate in EU battle group cooperation.

Since 2012 Finland has participated in activities supplementing the NATO Response Force, and in exercises. In addition, since 2012 Finland has regularly designated units in the Response Forces Pool (RFP) from its military crisis management troop register. In 2012 Finland assigned a Deployable CBRN Laboratory to the RFP. In 2013 the contribution to the pool will include an army Special Operations Task Group, followed by an air force F-18 fighter squadron in 2014, and a navy Amphibious Task Unit in 2015. The units will be assigned to the pool in accordance with the defence establishment's plan.

From the Finnish perspective the intensifying European defence materiel cooperation is useful. The development of the EU's single market defence materiel sector has been a natural development in the increasingly competitive international marketplace.

Advancing all sectors of the NPT and the non-proliferation of WMDs, requires a strong commitment and robust collaborative arrangements from the international community.

The nuclear arsenals of key nuclear powers (the numbers are estimates)*

Country	Active warheads	Other warheads	Total	Year of first nuclear test
United States	2 150	6 350	8 500	1945
Russia	4 650	7 350	12 000	1949
United Kingdom	225		225	1952
France	288		288	1960
China	240		240	1964
India	90		90	1974
Pakistan		100	100	1998
Total	**7 643**	**13 800**	**21 443**	

Sources: Bureau of Arms Control, Verification and Compliance, Department of State
Bulletin of the Atomic Scientists, Nuclear Notebook.
*The table does not include estimates on Israel or North Korea.

The EU arms trade rules and the United Nations' Arms Trade Treaty negotiations

The exports of military technology and equipment of the EU's Member States is governed by Council Common Position 2008/944/CFSP. The EU's new defence products related directive 2009/43/EC simplifies the transfers of defence-related products within the European Economic Area (EEA). However, exports to third countries remain the comprehensive foreign and security policy purview of each EEA Member State. Finland's new Act on the Export of Defence Materiel (282/2012) requires that the Council Common Position be taken into consideration when the decision is being made. According to these requirements, for example an export licence is to be denied if the target country's human rights situation does not support granting a licence or if there is a danger of the weapons ending up in the hands of the wrong end user, or in the illicit arms trade.

At present only a little over 25 per cent of the UN Member States have developed and implemented legal criteria for their international arms trade. Nor is the global arms trade sufficiently transparent. Moreover, the illicit proliferation of small arms and light weapons (SALW) causes enormous problems all over the world.

In order to rectify the situation the UN has attempted to negotiate an Arms Trade Treaty for the purpose of governing the international trade in conventional weapons. The Treaty aims to establish universal and legally binding criteria for the international arms trade. The process of the Treaty was launched in 2006 with a UN General Assembly Resolution. Finland was one of the seven co-authors of the proposal; the others were Australia, Argentina, Costa Rica, Japan, Kenya and the United Kingdom.

The United Nations Conference on the Arms Trade Treaty was organised in July 2012. However, the Conference could not reach agreement on the Treaty text. Nonetheless, the draft Treaty presented by the President of the Conference received broad support. The major exporting countries, such as the United States, Russia and India, requested more time to study the draft treaty. Finland was prepared to accept the draft Treaty as a compromise.

The Member States will convene another conference in March 2013, using the draft Treaty text of the July Conference as a basis for negotiations. It is envisaged that the next conference, too, will operate under the principle of consensus. The EU countries, Finland included, have actively supported the conclusion of an Arms Trade Treaty which is as comprehensive as possible and legally binding.

1.4 International crisis management

Crisis management actors

Crises are often complex with regard to their origin and appearance. Their comprehensive management requires a continuum of various measures, ranging from crisis prevention, mediation and conciliation to possible military stabilisation and the transfer of ownership to local actors, and to the creation

of prerequisites for continuous development by means of civilian crisis management and development policy.

The United Nations has a central role in mandating international crisis management operations. A UN mandate is also emphasised when decisions are taken on EU and NATO-led crisis management operations.

United Nations-led crisis management, known as peacekeeping in UN terminology, has increased and has been particularly focused in Africa. The significance of the African Union and other regional organisations on the continent has risen in the management of crises in Africa. The input of the Arab League was politically crucial in launching the UN-mandated operation in Libya. Also the emerging powers, India, South Africa, Indonesia, Brazil and China, have increased their participation in UN crisis management operations, albeit choosing to abstain from a leading political role.

UN-led crisis management is comprehensively being developed. It combines military and police activities with wide-ranging civilian action. The UN Security Council also increasingly deals with the position of women in conflicts and in conflict resolution, questions related to the protection of children, and civilians in general as well as issues related to the rule of law as part of the attempts to resolve armed conflicts. UN action also exhibits the determination to increase the responsibility of regional and other international organisations. This is accentuated in extremely demanding crisis management operations.

As part of its common security and defence policy the EU has demonstrated the capacity to independently carry out civilian and military crisis management operations, for example in the Western Balkans, the Horn of Africa and Afghanistan. The EU is a pioneer in civilian crisis management, especially, and focuses on police activities and on strengthening the rule of law and civilian governance. These days the EU's military crisis management also covers military training. The EU's comprehensive approach aims to utilise development and trade policies, humanitarian assistance, political dialogue and crisis management in the EU's action so that the policy areas are mutually reinforcing. The goal of this approach is to improve the effectiveness of EU action. Yet another goal of crisis management is to develop civil-military cooperation and the synergies therein.

The EU continues to develop crisis management cooperation with third countries. For example, the EU and the United States have signed a framework agreement under which American civilian personnel can participate in EU crisis management operations. Due to the lack of progress in the negotiations

for a framework agreement, Russian participation in EU crisis management cooperation has hitherto been based on ad hoc arrangements.

The expectations on European leadership and overall responsibility in military crisis management continue to mount. Simultaneously the importance of European capability cooperation grows. NATO standards, criteria and regulations are of central importance in military crisis management. Moreover, the EU and NATO have agreed in principle that the EU can make use of NATO's strategic capabilities in its military crisis management operations. However, the unresolved question regarding Cyprus hampers EU-NATO security and defence policy cooperation as well as practical collaboration.

UN-mandated international crisis management operations have become one of NATO's main tasks. As demonstrated by the operations in Afghanistan, the Western Balkans and Libya, NATO can broadly influence international politics through crisis management operations. Due to its resources and capacity NATO is the most important actor in implementing demanding crisis management operations. NATO is also developing a limited pool of civilian crisis management experts for the purpose of improving its cooperation capability with other actors in crisis management.

The Organization for Security and Co-operation in Europe (OSCE) plays a particular role in conflict prevention. Its field operations have added special value to the work of the organisation.

Crisis management environments

The new crisis management environments are often more demanding than those of the past. The use of asymmetric means such as terrorism, sabotage and information warfare is on the rise, which makes it more difficult for the international community to stabilise conflict areas. This has been demonstrated in Afghanistan and Somalia. The effectiveness of international action demands increasing coordination, consistency and perseverance, and a comprehensive approach.

Crisis management participation is a vehicle for international burden-sharing, raising international clout and improving competence. Participation in international burden-sharing strengthens the prospects of receiving assistance in a crisis.

Crisis management tasks are becoming all the more demanding and expensive. When decisions are taken with regard to participation, the fact that risks against personnel in crisis management tasks have risen must be taken into account.

Military crisis management operations call for versatile capabilities which are technologically advanced, flexible and interoperable. Rapid deployability is nowadays of the essence in crisis response, and its demands must increasingly be taken into account. Military budget cuts and structural changes require the proper allocation of resources and comprehensive planning in crisis management, as well.

Likewise, the development of capabilities and adequate resources are topical questions in civilian crisis management. It is a specific challenge to second professional civilian crisis management experts from various fields to a crisis area on short notice while taking into account the region's specific demands. As operating environments are becoming more and more demanding, the requirements for civilian crisis management capabilities are also growing with regard to training, recruitment, personal kit and logistics. The role of private security and defence contractors in the different phases of conflicts and post-conflict reconstruction is on the rise. This creates new types of problems. Finland, like many other states, is politically committed to the so-called Montreux Document, which deals with the responsibilities of states and good practices in ensuring compliance with humanitarian law and human rights law in the activities of private military and security companies.

Conclusions

Wide-ranging participation in international crisis management (UN, EU, NATO and the OSCE) is a central element of Finland's foreign, security and defence policy. A UN mandate, comprehensiveness and the mutual complementariness of civilian and military action have had a central position in Finland's crisis management activities.

The development of the European Union's crisis management strengthens its credibility as a global actor. Through its wide range of instruments the EU provides added value, and its potential synergies should be developed and fully exploited in crisis areas.

Finland develops its crisis management capabilities by participating in multinational training and exercises organised by the EU, NATO and its Member States and partners. The topics can also include emergency and disaster-related exercises or decision-making and consultation exercises.

FINLAND'S PARTICIPATION IN INTERNATIONAL CRISIS MANAGEMENT
December 2012
Military crisis management 378 (10 women)
Civilian crisis management 94 (38 women)
Numbers are subject to change from day to day due to rotations
EUROPE AND SOUTHERN CAUCASUS
Kosovo
NATO KFOR 23 (3 w)
EU EULEX 25 (13 w)
OSCE 1 (1 w)
Bosnia-Herzegovina
EU ALTHEA 8
OSCE 1 (1 w)
Georgia
EU EUMM 18 (13 w)
Moldova/Ukraine
EU EUBAM 3
International Organisations
Secretariats
(CoE, EU, OSCE, NATO)
5 (4 w)
AFRICA
Somalia's coast
EU NAVFOR Somalia (Atalanta) 6
Liberia
UN UNMIL 2
Uganda
EUTM Somalia 7
Democratic Republic of Congo
EU EUPOL RD 1
MIDDLE EAST
UN UNTSO 17
Lebanon
UN UNIFIL 172 (3 w)
Palestinian territories
EU EUPOL COPPS 4
ASIA
Afghanistan
NATO ISAF 137 (4 w)
EU EUPOL 35 (6 w)
NATO RC (N) 1
Kashmir
UN UNMOGIP 6

2 Europe's security development and the key actors

2.1 Overall development of Europe's security

Even though the security situation in Europe is generally stable, instability factors do exist in its neighbourhood, in Europe's different regions and inside the EU. The European Union has made a crucial difference in spreading the zone of democracy and the increasingly wealthy free market in Europe. The expanding commitment to the rule of law and the respect for democracy and human rights has increased European unity and bolstered its economic, societal and security development.

The prospect of EU enlargement has visibly spurred on economic, social and political reforms in countries seeking EU membership. EU enlargement has functioned as a peace project in the Western Balkans. Following Croatia's accession to the EU in 2013 the enlargement process will continue elsewhere in the Western Balkans as well as with Iceland and Turkey. The EU's appeal can justifiably be expected to positively impact its neighbourhood, irrespective of the membership prospects of the countries located in its neighbourhood. This entails the preservation of the political will to offer EU membership to countries meeting the required criteria, and to further deepen relations in the European neighbourhood.

The European Neighbourhood Policy (ENP) and the Eastern Partnership aim to increase stability in the neighbourhood of the Union. The ENP provides for versatile relationships and offers new possibilities for influencing the development of many regions.

As a result of developments in the security environment NATO is increasingly focused on functioning as a wide-ranging security organisation that engages in crisis management activities. NATO sustains and promotes security and stability in Europe. NATO continues to keep its doors open to new members and, in the coming years, the focus of the accession process will be focused in the Western Balkans. The accession process of Georgia is unlikely to proceed quickly, even though Georgia retains membership prospects. The present government of Ukraine is not seeking membership in NATO.

Russia's views affect the development of European security. Preserving its influence in its neighbourhood is an essential element of its great-power status, which is also echoed in EU-Russian and NATO-Russia relationships. Even though the OSCE continues to provide the opportunities for the creation of a pan-European security community, no significant steps have recently been taken.

Conclusions

It is in Finland's interests to support European and transatlantic security cooperation, especially within the framework of the EU and the OSCE, and in cooperation with NATO. US commitment to European security and stability advances the security of the entire continent.

The societal and political development and the well-being of the Union's neighbourhood are important for European security; the Union's wide and extensive collaborative networks bolster this development.

2.2 The present state of the European Union and its influence in its neighbourhood

The role of the European Union as the model of prosperity and societal stability as well as being the promoter of the continent's security and unification processes is central. However, the global financial crisis has turned into a protracted European recession. The economic crisis saps the Union's cohesion and weakens its credibility as a leading actor.

The politically painful austerity measures have also encountered resistance and influenced public opinion. The essence of the Union as a historical unification, peace and stability process in Europe has become blurred in the eyes of many citizens. The economic crisis has created unnecessary political division within the EU.

Economic growth, competitiveness, employment, a robust public economy and social well-being establish the foundation for the abovementioned issues. They are increasingly important security policy questions, defining the international capacity and the standing of the Member States and the Union.

Through the Lisbon Treaty progress has been made on the common security and defence policy. EU crisis management operations have a central role. In addition, political commitment to the development of capability cooperation has increased. Nevertheless, the Union is not developing any features leading towards a collective defence. The solidarity clause and the mutual assistance clause included in the Treaty of Lisbon strengthen the character of the Union as a security community. While there has been some discussion regarding the implementation of the solidarity clause, the Member States have not discussed the manner in which the mutual assistance obligation would be implemented. Regarding this, the international obligations on the non-fortification and neutralisation of the Åland Islands are also taken into account in Finland.

The eastern and southern neighbourhood is the focal area of the Union's external relations where the EU widely applies its political, economic and development policy instruments. The European Neighbourhood Policy also strengthens Europe's security. This involves regions possessing global strategic importance such as the Middle East and Northern Africa. The European Union and the countries on the southern rim of the Mediterranean as well as Eastern Europe and the Southern Caucasus have wide-ranging partnerships.

Even though the transition in the countries of the southern rim of the Mediterranean spawned from internal factors, rather than at the behest of the EU, the values represented by the Union have been at the heart of the evolution. The Union continues to play a central role in supporting the region's societies as they develop their economic, social and political structures.

The EU's southern neighbours are in a period of profound transition, which may entail long-lasting effects. The democracy movements in Northern Africa and the Middle East may cause a long period of uncertainty and instability. The democratisation processes vary from country to country and concurrently the power relations in the region are undergoing a massive transformation. The relative weakening of the influence of the United States in the area has already resulted in increasing rivalry between the states in the region.

The forms and results of the democratisation process spawned by the Arab Spring vary. The role of political Islam is on the rise, exposing its many facets. The rivalry between moderates and radicals may intensify and could result in a reversion of civil liberties and women's rights.

The stalled peace process between Israel and the Palestinians diminishes the prospects of implementing the two-state model, increasing the possibilities of renewed armed conflict. The recent changes in the Arab World introduce additional tension to Arab-Israeli relations. The conflict in Syria and the questions related to Iran's nuclear programme increase the volatility of the region. Active involvement is expected of the EU in preventing the escalation of the conflicts and in resolving them.

In addition to the onward march of democracy the EU's key strategic interests served by an effective southern neighbourhood policy include energy security, controlled immigration, the development of economic cooperation and the freedom of trade routes. The operations of the European border management agency FRONTEX on the external borders of the EU and in third countries do not only support the Union's border control, they also bolster third countries'

border management structures and national capacities, and the materialisation of human rights and the rule of law.

Permanent goals of the Eastern Partnership, implemented within the framework of the European Neighbourhood Policy, include the consolidation of democracy, human rights and the rule of law as well as economic growth and well-being.

The intensity of the EU's relations with the countries of Eastern Europe, the Southern Caucasus and Central Asia varies. Of the partner countries, Moldova, Georgia and Ukraine have made the most progress in coming closer to the European Union. The Union's strategic goal is to not only strengthen security and stability in wider Europe but beyond its immediate neighbourhood as well.

The EU-Russian relationship is important to both parties. Ukraine is presently seeking a course at the crossroads between the EU's and Russia's economic and political sphere of influence. Ukraine can play an important role in the entire domain of the OSCE, provided it manages to stabilise its political system on the foundation of democracy and the rule of law. Recently this progress has been somewhat erratic.

The EU strives for the democratisation of the political system of Belarus through the combination of dialogue, support for the civil society and sanctions. It is important to make Belarus conform to European standards, to which it has already committed in the OSCE.

Regional conflicts hold back political stability and democracy in the Southern Caucasus. This instability also has a spillover effect in Russia's Northern Caucasus.

Conclusion

> *Finland has consistently supported European integration and the establishment of an extensive security community in Europe. It is important for Finland that the Union retain its status in preserving stability in Europe and its significance as a security community. The development of the common security and defence policy supports the aforementioned goal. EU enlargement and the European Neighbourhood Policy are also key factors in this development.*

2.3 The North Atlantic Treaty Organisation (NATO)

NATO's internal development

NATO's Strategic Concept, reformed in 2010, defines the following three core tasks for the Alliance: collective defence, international crisis management and cooperative security through partnership with relevant countries and international organisations.

While the threat of a conventional attack against NATO is considered to be low and the strategic concept highlights that the Alliance does not consider any country to be its adversary, NATO prepares for its collective defence commitment set out in Article 5 of the Washington Treaty.

NATO defence planning is in constant flux. The post-Cold War reductions in heavy weaponry are continuing in Europe with the focus on developing rapidly deployable, multi-purpose capabilities.

The US tactical nuclear weapons situated in Europe will be preserved, even though they are not generally believed to have much military significance, and the Alliance is ready to negotiate reciprocal reductions with Russia. Progress on the matter has not been made because as a precondition to negotiations Russia demands that the USA withdraw to its national territory the tactical nuclear weapons. While the United States is reducing the footprint of its permanently stationed troops in Europe, it is increasing its contribution to joint training and exercises.

NATO adopted a Phased Adaptive Approach to defend its European allies against a potential ballistic missile attack by 2020. The mainstay of US presence in Europe will be the missile-defence architecture which will include missile defence-capable warships in nearby waters as well as ground-based radars and missile defence interceptor sites positioned in the territories of its allies (Turkey, Romania and Poland). The system, which is primarily intended to defend against (Iranian) medium-range missiles, is planned to be ready by 2020 as per the four-phase plan. It will implement the collective defence task pursuant to Article 5. Phase One reached interim capability in 2012.

In addition to international security development, the strategic refocusing of the United States to the Asia-Pacific raises expectations on the European NATO Members as regards the implementation of NATO's tasks. The goal of the United States is to increase the relative share of Europeans in NATO-led operations. Such development only increases the need to improve the

relationship between NATO and the EU in crisis management and capabilities. NATO's civil emergency preparedness activities bolster national preparedness and harmonise resources in view of potential crises.

In the prevailing security environment, alongside crisis management, NATO focuses on cyber security, the threat arising from the proliferation of weapons of mass destruction and ballistic missiles, and energy security and counter-terrorist action.

Reform of NATO's partnership policy

The importance of partner countries in NATO activities has grown. NATO allies and partners form a wide-ranging security cooperation network. The partner countries significantly contribute to crisis management and other security collaboration.

The reform of NATO Partnership policy, adopted in the Berlin 2011 meeting of ministers of foreign affairs, put all 40 partner countries on equal footing and ended the special status of the countries participating in NATO's PfP programme. NATO has improved the influence of its partner countries and is aiming to increase the options of engaging in political dialogue with them in different configurations. At the same time the fundamental distinction between membership and partnership will prevail, in other words, only NATO Member States will participate in collective defence and decision-making.

The United States hopes that NATO's partnership and cooperation develops in a manner through which it can accrue more benefits from burden-sharing. While NATO partnership arrangements are tailored to fit the capabilities and readiness of its partner countries, NATO expects ever-increasing initiative from its partner countries as regards their degree of collaboration. Finland and Sweden are respected as partner countries that have progressed the most in interoperability and have actively participated in operations.

NATO is increasingly shifting its attention beyond the Euro-Atlantic area, and is focusing on developing global partnerships. The United States has underscored the role of NATO as the nucleus of global security and stability. NATO partnership is one way to highlight interdependence and common responsibility with countries such as Australia, New Zealand, Japan and South Korea. NATO is also interested in future dialogue with increasingly influential states like China, India and Brazil. This entails that NATO is not only perceived as an enforcer of the specific interests of western industrialised countries.

NATO and Russia

NATO's 28 Member States and Russia extensively cooperate in the NATO-Russia Council which deals with military-to-military cooperation, the fight against terrorism and civil emergency planning. NATO Member States and Russia have declared at the level of heads of state that, rather than posing a threat to each other, they are partners to one another. The NATO-Russia relationship mirrors the changes in the US-Russian relationships.

In addition to NATO enlargement the key disagreement involves missile defence, which, on the other hand, could also offer the possibility for a new type of cooperation.

Conclusion

> *Finland has participated in NATO Partnership since its inception. From the Finnish standpoint the reform of NATO's partnership policy is a positive development. The consistent opening of activities to all partner countries has also presented some challenges to Finland. Finland aims to further develop NATO cooperation in a mutually beneficial way.*

NATO missile defence system

According to the decisions of the Lisbon Summit (2010) NATO would create a strategic Ballistic Missile Defence (BMD) capability to protect European populations, territory and forces. This capability supports the implementation of the collective defence task.

The strategic missile defence capability will be created by expanding the theatre-level tactical missile defence system (Active Layered Theatre Ballistic Missile Defence, ALTBMD), which protects troops in operations. The components of the US national missile defence system to be positioned in Europe (Poland, Romania, Turkey and Spain) represent the fulcrum of the strategic missile defence capability.

In the Chicago Summit (2012) it was declared that the NATO missile defence system has reached interim capability. This phase was considered to have been achieved when US national missile defence systems positioned in Europe had reached initial operational capability under NATO command and control. The goal is that the system will reach full operational capability by the end of this decade.

At the Lisbon Summit NATO agreed to pursue cooperation with Russia on strategic missile defence. However, progress in the fledgling NATO-Russian missile defence cooperation has been slow. Whereas Russia's point of departure entails a joint system and a 'sectoral' approach to the defence of Europe, NATO is aiming for cooperation between two separate systems, and has proposed the creation of a joint situation picture with Russia. Through tangible cooperation NATO is trying to demonstrate that the system is not intended to be used against Russia.

The Lisbon Summit also raised the possibility of cooperation with partners.

2.4 The Organization for Security and Co-operation in Europe and the Council of Europe

The vision for a free, democratic, united and indivisible Europe advanced in the post-Cold War era. However, the progress then slowed to a halt in the 21st Century. The concept of wide, cooperative, equal and indivisible security is increasingly topical in strengthening stability and security in Europe.

At the OSCE's Astana Summit Meeting in 2010 the participating countries recommitted themselves to the vision of a Euro-Atlantic and Eurasian security community stretching from Vancouver to Vladivostok. In recent years the OSCE has particularly focused on election observation missions, democracy and conflict prevention.

In order to proceed with the unification process in the wider Euro-Atlantic and Eurasian area, which includes the Caucasus and Central Asia, it is imperative to resolve protracted political conflicts, reform arms control regimes and strengthen the commitment to common norms in practice. Russia plays a pivotal role with regard to any progress in these questions.

Mistrust between the Member States resonates in the debate on reforming the OSCE. Russia believes that the OSCE's practical activities one-sidedly focus on achieving political change in countries that relate to its security interests. Election monitoring is a persistent point of contention. The impasse in the Conventional Armed Forces in Europe (CFE) Treaty negotiations creates distrust. Even though the military equilibrium, as a whole, is not threatened in the area of the OSCE, military transparency as well as confidence and security-building measures are needed in regional and local conflicts. The significance of the OSCE must also be evaluated against the backdrop of Russia having begun to push for Eurasian integration, in which it has a leading role.

The geopolitical standing of Central Asian countries hinges on their location and natural resources. It is important to keep them within the sphere of OSCE commitments and assistance. In November 2012 Mongolia was accepted as a new Member State of the OSCE. This opens up entirely new vistas for OSCE activities in Asia.

The impact of the Middle East and Afghanistan on the security of wider Europe arises from geographical proximity as well as their strategic importance as zones of conflict. The spillover effects into the area of the OSCE can include Islamist extremism, the narcotics trafficking and the proliferation of WMDs. The stabilisation of Afghanistan, following the end of ISAF operation in 2014,

will specifically impact the security of Central Asia and Russia. It will continue to be an important target for international security cooperation.

In addition to the OSCE the Council of Europe strengthens the shared value base. The Council of Europe plays a central role in consolidating democracy, human rights and the rule of law in Europe. The Council plays an important role in developing treaty regimes and it also continues to focus on promoting tolerance and advancing the rights of minorities.

Despite the states' commitments and the long-standing efforts of the OSCE, the Council of Europe, other organisations and increasingly stronger civil societies, the zone of stable democracies has not expanded in recent years.

Conclusion

> *The goal of reinforcing common values through the OSCE and the Council of Europe advances the creation of a security community in Europe.*

3 Security development in Finland's neighbourhood

3.1 Cooperation in strengthening comprehensive security

Neighbouring areas

The security situation is good in Finland's neighbourhood. The consolidation of cooperation in the Baltic Sea area and in the north, based on mutual interests, strengthens stability and promotes comprehensive security in Finland's neighbourhood. Regional cooperation in Northern Europe is an important addition to the development in Europe and beyond.

Long-standing cooperation in Finland's neighbourhood covers common problems such as environmental threats, nuclear safety, major accidents and disasters, cross-border organised crime, illicit immigration, cyber threats and issues related to public health.

Established cooperation in the Baltic Sea region, especially within the framework of the Council of the Baltic Sea States (CBSS), benefits the environment, the economy, transport, research and other fields of society. States around the Baltic Rim share the benefits of keeping the transit route open and accident-free as well as clean and viable. This supports stability in the region. The Nord Stream Pipeline increases the significance of the Baltic Sea in economic

interaction in which Russia and the European Union depend on each other. The volume of oil transports in the Baltic Sea will grow sharply, which also increases the risks of accidents and environmental disasters in shipping.

The Northern Dimension and the EU Strategy for the Baltic Sea Region fuse the Union's collective prestige and resources into cooperation which has achieved good results, especially in the field of the environment. The Northern Dimension is a policy shared by the EU, Russia, Norway and Iceland. Concrete cooperation takes place within the framework of the Dimension to alleviate problems in areas such as wastewater management, nuclear safety, transport and infectious diseases. Russia's participation in institutionalised regional cooperation is important, and new venues of cooperation are presently being sought. The EU Strategy for the Baltic Sea Region aims to improve cooperation between the actors in the area, and to better utilise the EU-funded programmes intended to improve the maritime environment, economic development, appeal and security of the Baltic Sea area.

Factbox: The civilian authorities' multilateral cooperative arrangements in Finland's neighbourhood, page 116

The Arctic region

The consequences of climate change to the Arctic environment are profound. It is estimated that temperatures will increase at about twice the global rate in the Arctic region. As a result of this the vegetation zones in the Arctic will shift, the diversity and distribution of fauna will change, the polar ice cap as a whole will continue to shrink and the permafrost will melt in places. Climate change will increase the commercial utilisation of the northern sea routes (Northeast Passage, Northwest Passage) in the coming decades.

There is great interest in exploiting the abundant natural resources of the Arctic region. The management of environmental issues requires improved technologies, better infrastructure and maritime safety as well as more sophisticated navigation systems. It also requires a balanced approach in the tolerance of the environment to Arctic business activities and tapping into international cooperation.

The development of transport routes as well as communications and logistics networks in the Northern Arctic Ocean is paramount to the economy of the northern regions. The oil and gas reserves are almost exclusively located on the continental shelves or in the economic zones of Arctic Ocean rim states and so they control the manner by which the resources will be brought online.

There are several unresolved questions pertaining to the rights of the coastal states of the region and these have to be resolved in accordance with international law. The present international treaty regime, in particular the United Nations Convention on the Law of the Sea (UNCLOS), provides a basis for the handling of Arctic questions.

In 2010, after 40 years of negotiations Norway and Russia signed a historically important treaty on maritime delimitation and cooperation in the Barents Sea and the Arctic Ocean. There are still unresolved maritime delimitation issues between Denmark/Greenland, Canada and the United States. In the coming years Russia, Canada and Denmark will make their submissions to the Commission on the Limits of the Continental Shelf regarding the extension of their continental shelves. As regards the northern sea areas, thus far the Commission has only adopted the final recommendations on the outer limits of Norway's continental shelf. The United States has yet to ratify the Convention.

The Arctic Ocean rim states have agreed that they will attempt to resolve delimitation questions on the basis of international law and scientific data. The ongoing assessments and their results will echo on the states' views on Arctic cooperation.

In their national Arctic strategies Russia and Canada emphasise their sovereignty in their Arctic regions. The rim states are modernising their maritime surveillance and military equipment suited to the Polar regions, and the number of exercises in the vicinity of the region is on the rise. Russia does not want NATO or China to increase their presence in the Arctic region.

When it comes to security policy the Arctic region is stable, and a military conflict in the area is considered to be unlikely. Nonetheless, security developments in the region must be monitored. A goal shared by all Arctic Ocean rim states and the other Member States of the Arctic Council is to preserve and promote peaceful cooperation in the Arctic region.

Conclusions

> *Finland maintains close and wide-ranging relationships in its neighbourhood, and actively participates in establishing and developing cooperative structures in the area. Comprehensive cooperation in these structures promotes stability in Finland's neighbourhood.*
>
> *When it comes to Arctic questions Finland supports the efforts of international and regional organisations. The Arctic Council, the Barents Euro-Arctic Council and the International Maritime Organisation (IMO) play important roles in Arctic questions. The United Nations Convention*

on the Law of the Sea lays a comprehensive foundation for the terms of using and protecting the world's seas. The Arctic Council implements collaborative programmes in the field of sustainable development.

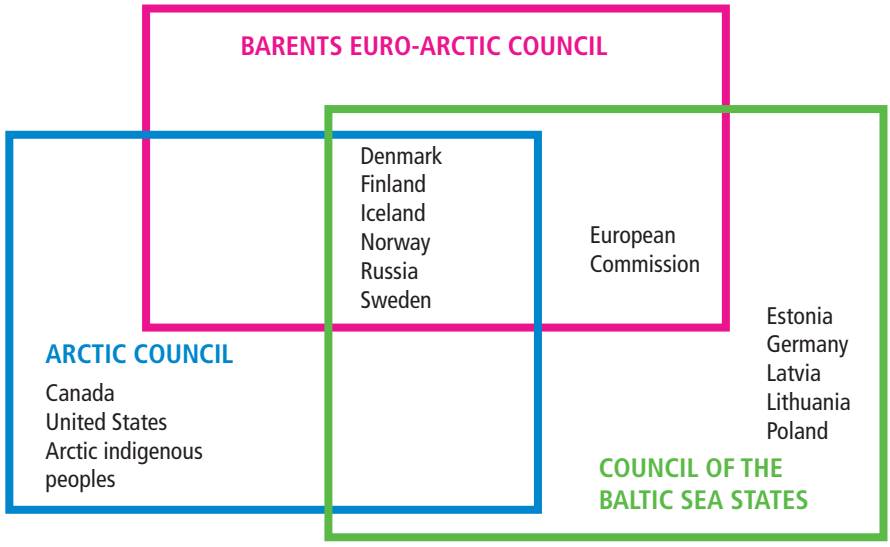
Finland has actively developed the cooperative structures in the area of the Baltic Sea, such as the Council of the Baltic Sea States (CBSS) and by utilising the EU Strategy for the Baltic Sea Region.

The Arctic Council, the Barents Euro-Arctic Council and the Council of the Baltic Sea States

All three councils are intergovernmental cooperative fora which operate in their respective geographic areas. The Arctic Council was founded in 1996 and its Member States include the eight Arctic states and representatives of indigenous peoples. It comprehensively covers issues related to the region such as the environment, navigation, research and treaty regimes. The Netherlands, Spain, the United Kingdom, Poland, France and Germany have observer status in the Council.

The purpose of the Barents Euro-Arctic Council is to promote stability, sustainable development and security in the Barents area, the most populated area in the Arctic region. The Council was founded in 1993 and, in addition to its seven permanent members, observer states include the Netherlands, the United Kingdom, Italy, Canada, Poland, France, Germany and the United States.

The Council of the Baltic Sea States was established in 1992 to promote democracy and economic development in the Baltic Sea Region. In addition to the Members of the Council there are observer states (the Netherlands, Spain, the United Kingdom, Italy, Slovakia, France, Romania, Ukraine, Belarus and the United States).



3.2 The security and defence policy of Nordic countries, and security cooperation

The Nordic countries are forerunners in the provision of security. In addition, there is broad support for Nordic cooperation among Finns. The Nordic countries make up a strong value community and an area of close interaction. There is a long tradition of active, practical cooperation between the civilian authorities. The field of defence is the newest addition to this cooperation and is viewed favourably by the citizens. The development of Nordic defence cooperation (NORDEFCO) was launched in 2008 by the joint initiative of the chiefs of defence of Finland, Norway and Sweden. In 2009 the report of Thorvald Stoltenberg, the former foreign minister of Norway, gave it significant impetus as regards cooperation in Nordic foreign and security policy.

The proposals of the Stoltenberg report (2009) to increase Nordic cooperation

1. **Nordic stabilisation Task Force.** A Nordic stabilisation task force should be established that can be deployed to states affected by major internal unrest or other critical situations where international assistance is desirable.
2. **Nordic cooperation on surveillance of Icelandic airspace.** The Nordic countries should take on part of the responsibility for air surveillance and air patrolling over Iceland. The Nordic cooperation could be developed in three phases.
3. **Nordic maritime monitoring system.** A Nordic system should be established for monitoring and early warning in the Nordic sea areas. The system should in principle be civilian and be designed for tasks such as monitoring the marine environment and pollution and monitoring of civilian traffic.
4. **Maritime response force.** Once a Nordic maritime monitoring system is in place, a Nordic maritime response force should be established. One of its main responsibilities should be search and rescue.
5. **Satellite system for surveillance and communications.** By 2020, a Nordic polar orbit satellite system should be established in connection with the development of a Nordic maritime monitoring system.
6. **Nordic cooperation on Arctic issues.** The Nordic countries, which are all members of the Arctic Council, should develop cooperation on Arctic issues focusing on more practical matters. The environment, climate change, maritime safety and search and rescue services are appropriate areas for such cooperation.
7. **Nordic resource network to protect against cyber attacks.** A Nordic resource network should be established to defend the Nordic countries against cyber attacks.
8. **Disaster response unit.** A Nordic disaster response unit should be established for dealing with large-scale disasters and accidents in the Nordic region and in other countries. The unit's main task would be to coordinate Nordic efforts as needed.

9. **War crimes investigation unit.** A joint investigation unit should be established to coordinate the Nordic countries' investigation of genocide, crimes against humanity and war crimes committed by persons residing in the Nordic countries.
10. **Cooperation between foreign services.** In countries and areas where no Nordic country has an embassy or consulate general, the countries could establish and run joint diplomatic and consular missions.
11. **Military cooperation on transport, medical services, education, materiel and exercise ranges.** The Nordic countries should strengthen their defence cooperation on medical services, education, materiel and exercise ranges.
12. **Amphibious unit.** A Nordic amphibious unit should be established based on existing units and the current cooperation between Sweden and Finland. The unit could be employed in international operations.
13. **Nordic declaration of solidarity.** The Nordic governments should issue a mutual declaration of solidarity in which they commit themselves to clarifying how they would respond if a Nordic country were subject to external attack or undue pressure.

Source: Stoltenberg, Thorvald (2009): Nordic Cooperation on Foreign and Security Policy. Proposals presented to the extraordinary meeting of Nordic foreign ministers in Oslo on 9 February 2009.

It is natural for the Nordic countries to cooperate in the field of foreign and security policy in the spirit of solidarity. Regarding the interested parties the 2011 Nordic declaration on solidarity involves potential risks, such as natural and man-made disasters, cyber and terrorist attacks. Should a Nordic country be affected, the others will, upon request from that country, assist with relevant means. The intensified Nordic cooperation will be undertaken fully in line with each country's security and defence policy and complement existing European and Euro-Atlantic cooperation.

Sweden promotes more exhaustive security commitments. For its part, the Swedish government declared that Sweden will not remain passive should another EU Member State or Nordic country be struck by disaster or attack. By the same token, Sweden expects that the EU and the Nordic countries do the same if a disaster or attack were to befall Sweden. Sweden must have the capability to provide and receive military assistance.

The Nordic countries' geographical proximity, their shared security environment and the similar tasks, goals and operating cultures of their defence forces, facilitate and foster wide-ranging defence cooperation and common solutions among the Nordic countries. Finland is preparing to assume the presidency of NORDEFCO in 2013.

Nordic cooperation strives to achieve added operational, economic and technical value for defence. This will enable closer cooperation between the Nordic defence forces as well as the common development of pooled and shared national military capabilities. Capabilities development between the Nordic countries also complements the capabilities cooperation done under the auspices of NATO and the EU.

Nordic Defence Cooperation, NORDEFCO

Whilst Nordic cooperation has significantly intensified in recent years, it already has a long tradition. For example, crisis management cooperation has been implemented since the 1960s and defence materiel cooperation since 1994. In 2009 a decision was taken to combine the cooperation under the single umbrella of Nordic Defence Cooperation, NORDEFCO.

NORDEFCO is a cooperative structure, comprising a flexible combination of experts and decision-makers from the political and military levels of the Nordic defence establishments. The cooperation strives for cost-effectiveness. Simultaneously, it aims to bring operational, economic, technical and industrial added value as well as interoperability which would facilitate even better cooperation between the Nordic defence forces in the future. The cooperation complements the nations' national defence solutions as well as bilateral, EU and NATO cooperation. At present the daily cooperation covers the following areas: defence policy, strategic development, capabilities, human resources and education, training and exercises and operations.

The Nordic countries have already greatly profited from cooperation. Many tangible results have been achieved in logistics as well as training and exercises, to name but a few. The practical examples also include crisis management cooperation, combining strategic transports and logistics in the operation in Afghanistan, air cross-border air exercises, the army's ground-based air defence and gunnery practice exercises, cooperation on naval countermeasures and joint exercises, the creation of a Nordic Center for Gender and the support to East African crisis management capability.

The strongest points of Nordic defence cooperation include the flexible format and that the countries can select in which cooperative projects they want to participate. More often than not cooperation occurs between two or three Nordic countries. At the same time a part of the cooperation is implemented within the framework of the EU or NATO. A good example of this is the so-called NORDIC+ crisis management cooperation in the NATO-led Operation ISAF in Afghanistan, and the cooperation in the European Union's Nordic battle group.

The countries in the Baltic Sea area and in the Arctic Council are interested in security policy cooperation with the Nordic countries. The United States is continuing the security dialogue related, especially, to the environs of Northern Europe with the Nordic countries and Baltic states in the Enhanced Partnership in Northern Europe (e-PINE) format. The Baltic states have been invited to participate in some NORDEFCO joint projects.

The Nordic countries participate in exercises with Russia in maritime rescue and oil recovery, among other things.

Sweden is an influential international actor. It has a solid standing in the UN and the EU. In addition, it has sound bilateral relations and it is also the key player in Nordic cooperation. Whereas Sweden is not planning to apply for NATO membership, it has traditionally engaged in close cooperation within the framework of NATO partnership.

Sweden and Finland have a close security policy relationship. There is an understanding that they consult each other on security policy questions and evaluate the significance of each other's policy positions from their own standpoint.

Sweden actively participates and influences security policy and international crisis management. Sweden has made a valuable contribution to NATO operations in Afghanistan and Kosovo, and it had an important role in the UN-mandated, NATO-led operation in Libya.

Sweden is politically prepared to increase its own role, and that of the Nordic countries, in the preservation of regional security: it is developing the appropriate capabilities for this. Sweden's security policy guidelines emphasise both solidarity and collective security generated in concert with other countries and international organisations. The policy is based on the Swedish view that military conflicts or other threats in its neighbourhood would not impact one country alone.

In line with its security policy Sweden will follow through with its landmark decision of imposing numerical cuts to its defence forces while launching qualitative improvements aimed at improving their deployability. By 2019 the total wartime strength of Sweden will decrease to 50 000 troops, 22 000 of which will belong to the Home Guard. Apart from the Home Guard all other troops can be deployed to international tasks. Sweden's defence reform has been positively regarded by NATO.

By 2019, following its reform, Sweden aims to achieve the target of maintaining 2 000 troops in constant readiness for national or international tasks. This number includes the troops that are already deployed to operations, the national high-readiness troops and those in the EU's Battle Group standby rotation.

Norway and Denmark base their security on NATO membership. Support for EU accession has not been on the rise in Norway. By virtue of its caveat at the level of the Treaty on European Union Denmark opted out of the EU's military activities. However, it actively participates in the EU's civilian crisis management operations.

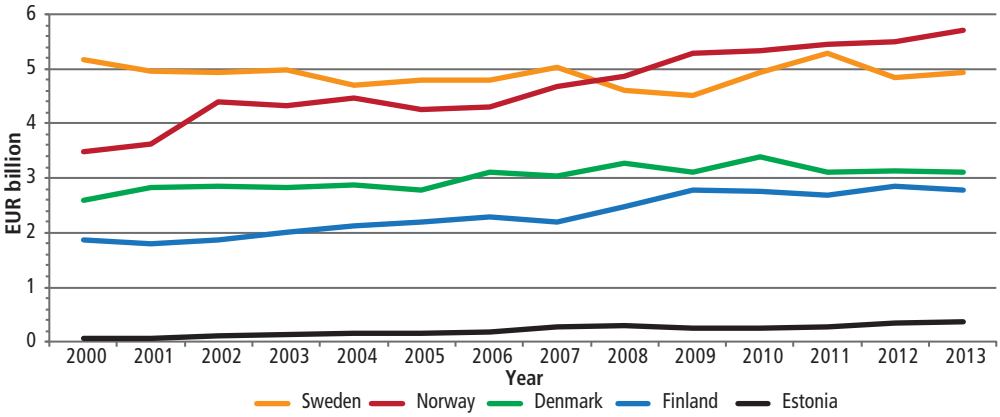
Norway and Denmark have staunchly contributed to NATO-led crisis management, especially in Afghanistan and, in the past, in Libya, and to NATO's defence planning. While the troop strengths of their defence forces have been cut, their capabilities and deployability have been improved from the perspective of crisis management participation.

Iceland is a NATO Member State and its pre-accession process with the EU is presently ongoing. Iceland has signed a bilateral defence agreement with the United States. The country has no armed forces of its own, nor are there any permanently stationed foreign troops on its territory. Icelandic air surveillance is carried out by NATO with periodic rotations in which Norway and Denmark have also participated. In reference to the proposal of the Stoltenberg report, Iceland has also expressed the wish that Finland and Sweden participate in the air surveillance as a Nordic project.

Conclusions

> *The intensifying Nordic foreign, security and defence policy cooperation supports the strengthening of the role of the Nordic countries in the international arena, promotes stability in Northern Europe as well as in the Baltic Sea area and northern regions, and provides a practical approach to handling wide-ranging security questions. Closer Nordic cooperation advances and expands Finland's options in influencing its neighbourhood.*
>
> *Nordic defence cooperation improves cost-effectiveness and interoperability. Cooperation in international crisis management operations is already time-honoured. NORDEFCO provides the framework for the intensification of defence cooperation.*

The defence budgets of Finland, Sweden, Norway, Denmark and Estonia from 2000–2013



Sources: SIPRI and, for the most recent years, the information provided by the countries' respective ministries of defence

When it comes to Finland, the information from 2000-2011 is based on the final central government accounts, the information from 2012 is based on the Government budget, and the information for 2013 on the budget proposal (17 September 2012).

3.3 The security and defence policy of the Baltic states

The security policies of Estonia, Latvia and Lithuania are based on NATO membership. Simultaneously, they underscore their relationships with the United States. In addition, EU membership carries security policy significance to the Baltic states.

The Baltic states contribute to NATO activities and actively participate in international crisis management, in NATO and the EU alike. Defence development within NATO and the participation of the United States in the security of its European allies are questions of vital importance for the Baltic states. They have required that NATO update the defence plan for the region which, presumably, has been done.

Baltic air policing is an established system in NATO. It is important for the Baltic states that their air policing is carried out as a NATO core task, i.e. by NATO Member States alone.

Conclusions

The increasing participation of the Baltic states in Nordic and Baltic Sea region cooperation is a positive development.

The Baltic states are close partners to Finland in deepening security and defence policy dialogue as well.

3.4 Russia's security and defence policy in its neighbouring areas

Russia's internal stability, its economic development and its military modernisation programme are factors which fundamentally impact Finland's security environment. Apart from oil and natural gas production the bulk of Russia's population as well as most of its infrastructure and the facilities for its economic activity are located in its northwestern and western regions. The significance of the Baltic Sea region is of key importance to Russia's foreign trade and energy policy. The area is strategically vital to the capacity of the nation.

The positioning, composition and exercises of the Russian armed forces in the Western Military District focus on protecting the strategically important greater St Petersburg area and the Kola Peninsula. The goal is to improve the capabilities of the troops in the northwest by rationalising functions and command structures, replacing obsolete defence materiel and by improving the conditions of the troops. Key goals include the efforts to achieve high readiness, improved power projection capabilities and a capacity that can make an impact in Russia's neighbouring areas.

Russia views NATO enlargement as a political and military problem. According to the Russian view, the enlargement weakens its foreign policy goal of achieving a multipolar world order and jeopardises its sphere of interest. Russia has been unreceptive towards its neighbours' approaches towards NATO, objecting specifically to the NATO membership aspirations of Georgia and the past ambitions of Ukraine.

Russia is developing the Arctic military capacities of all of its military services. The intention is to better equip the Army for the northern environment. Naval supply bases will be built along the northern waterway and air bases in the Barents Sea area such as Novaya Zemlya will be reopened and modernised for the air force. The Kola Peninsula continues to remain highly important in Russian military thinking. Russia also intends to improve its air defences of the Kola Peninsula and St Petersburg as well as Kaliningrad by deploying the most modern and capable ground-based air defence missile systems there.

Russia's armed forces are developing their strike capability, among other things, through the Army's new ballistic missile systems, and by procuring new fighter-bombers for the air force.

The significance of the Arctic region is not only economically important to Russia. It also has wider security policy significance. The opening of the Northeast Passage increases Russia's territorial surveillance tasks and responsibilities over maritime safety. The increasing strategic significance of the region will also reflect on Russia's military policy decisions.

Russia considers the Arctic region to be its sphere of interest. According to Russia, only Arctic Ocean rim states have a legitimate right to participate in decision-making related to the region. Its central goal is to keep control of the use of raw materials in the hands of the states of the region. Then again, Russia needs to cooperate with foreign businesses in bringing its raw material reserves online.

Conclusion

> *Russia's foreign policy, its societal development and the transformation of its armed forces impact Finland's neighbourhood. Positive developments in NATO-Russia relations promote stability in the region.*

SECURITY AND DEFENCE POLICY

4 Security policy

4.1 Central premises and key policies

Central premises

The foreign, security and defence policy of Finland safeguards the independence, territorial integrity and common values of society. Maintaining the security and prosperity of the nation and the undisturbed functioning of society are at the core of these policies. Based on a concept of comprehensive security that is influenced by changing factors, the use of multiple instruments in the implementation of these policies is called for.

Finland's security policy actively furthers security as well as anticipates and responds to security threats. Finland must analyse the global security environment, anticipate the developments therein and ensure that the selected security policy guidelines promote international collaboration and cooperative security in the most optimal way as well as promote Finland's international status, values, interests and security.

Finland's security and defence policy is characterised by continuity, transparency and a strong commitment to European and international collaboration. These are epitomised by active participation in the development of the EU's common security and defence policy, NATO partnership, Nordic cooperation and international crisis management.

It is important to strengthen the EU's cohesion and capacity. From the standpoint of Finland's interests it is vital to strengthen the Union's common values, societal well-being, economic competitiveness, international appeal and global influence. An internationally robust, united and capable Union also serves Finland's interests. Membership of the EU is a fundamental security policy choice for Finland. The Union's wide-ranging activities increase European integration between Member States and have a positive impact on their international and security policy roles. They also promote the well-being and security of citizens and sustain the viability of society. Finland, being an active and involved Member State, is committed to the political union, whose Member States share a sense of unity and the will to collaborate on wide-ranging issues.

The importance of the European Union to the security of Finland is profound and multifaceted. It widely impacts Finland's security environment at global and European levels as well as in Finland's environs. The Union is a key actor in issues related to the functioning of society, internal security and in tackling border management challenges.

Finland's security is built on good bilateral relations, active influencing in the European Union as well as wide-ranging cooperation with other states and international actors. Finland aims to consolidate international stability, security, peace and justice as well as sustainable development, and to advance the rule of law, democracy and human rights. Finland participates in international burden-sharing, in the development of global governance and takes an active part in efforts to find solutions to international problems. Finland aims to strengthen the role of the UN.

Security policy will take into account the importance of cross-border threats as well as international cooperation in combating them. In addition, the significance of the internal state of societies is highlighted as part of comprehensive security. Security can also be bolstered by promoting societal well-being and by preventing tension, social exclusion and segregation.

While the probability of armed aggression against Finland is low and, specifically, of one aiming to seize territory, it cannot be categorically excluded. A security threat extending to Finland can emerge within the context of a wider regional or European conflict.

Finland will continue to see to its own defence capability. The defence solution is built on a territorial defence system covering the entire area of the country. General conscription will remain one of its cornerstones. The goal is to prevent security threats and to prepare for them in accordance with the principle of comprehensive security. The options provided by multinational cooperation will be utilised in maintaining and developing the defence capability.

The Province of Åland Islands has a recognised status under international law. Upholding the special status of the province does not prevent Finland from intensifying defence cooperation within the European Union and in international organisations.

Key policies

Finland advances and strengthens its bilateral relations with other countries. Along with the traditionally significant relations with the Nordic countries, other

Member States of the European Union, the United States and Russia, Finland intensifies its relationships with the emerging countries.

The aim is to develop the European Union so as to improve its external role, security and competitiveness. The goal is to strengthen the structures and activities which advance the EU's global role as a value-based actor that coherently taps into a wide range of instruments.

Finland strives for the extensive development of the EU's external relations by emphasising strategic partnerships with key global actors and the importance of the European neighbourhood to Europe's prosperity and security. In accordance with the options provided by the Lisbon Treaty, Finland increasingly promotes both a more effective common foreign and security policy (CFSP) and a common security and defence policy (CSDP).

Finland is not a member of a military alliance, but cooperates with the North Atlantic Treaty Organisation and maintains the option of applying for NATO membership. Finland is not preparing to apply for NATO membership during the present Government's term of office. Finland will evaluate its possible NATO membership on the grounds of its own national security and defence policy interests. Finland promotes cooperation between the European Union and NATO, recognising NATO's importance as the key forum of European security policy. Defence development will see to it that no practical impediments are created for possible military alignment.

Nordic foreign, security and defence policy cooperation will be intensified. Deepening collaboration facilitates the maintenance and development of military capabilities. Furthermore, this cooperation improves interoperability, which facilitates more effective cooperation in training and exercises, surveillance missions, procurement projects and crisis management operations.

The UN, being a universal global organisation, has a central role in strengthening multilateral cooperation – which is Finland's goal as well – and in creating an international order based on international law. Finland supports conflict prevention, crisis management, mediation and peacebuilding within the multilateral system, the EU,international organisations, and bilaterally.

4.2 Finland as a Member State of the EU, and cooperation with NATO

Supporting the European Union's role in strengthening security

A credible, effective and comprehensive EU common foreign and security policy serves Finland's interests. From the Finnish viewpoint the EU should strengthen the strategic approach of the CFSP and, if possible, outline a new foreign and security policy strategy which draws the necessary conclusions from the changing operating environment. A common vision of the EU for the key priorities and their order, as well as the consistent use of resources and instruments will also intensify the impact of the Union's external policy in its entirety.

Finland is committed to the development of the common security and defence policy. The possibilities for collaboration between like-minded countries must be utilised in achieving this goal. It is important for Finland that the EU comprehensively develop its crisis management activities. The long-term goal involves the creation of the EU's permanent planning and conduct capability for the purpose of improving the effectiveness of crisis management.

Any new political division regarding the development of the CSDP within the EU must be avoided. All Member States should participate in its development. If, however, this is not feasible Finland is prepared to support work in smaller groups. Permanent structural cooperation provides an option for developing military capabilities within smaller groups.

The European Union's area of freedom, security and justice should be further enhanced. This applies to the area in which internal and external security questions are intertwined. Furthermore, the Union itself, too, should develop the means of consolidating the fundamental rights and the rule of law in its Member States.

Finland actively promotes further EU enlargement. All European countries that meet the membership criteria should have the possibility to to accede to the Union. The accession process of Turkey and its intensifying partnership with the EU, especially as Turkey's regional and global role is continuously growing, also strengthen Europe's security environment. Finland promotes the European Neighbourhood Policy and the Eastern Partnership in order to support reforms in its eastern and southern neighbourhood, and to stabilise the countries therein.

Cooperation with NATO

NATO's intensifying cooperation with the EU, the UN, the OSCE and other international and regional organisations is a positive development from the Finnish viewpoint. NATO continues to be the key European security policy actor. The role of NATO and the commitment of the United States to Europe are vital aspects in maintaining the security of the continent.

Wide-ranging cooperation with NATO will continue. In addition to the defence sector, several administrative branches cooperate with NATO in fields such as civil emergency planning and contingency planning.

Finland actively participates in the development of NATO's partnership policy. Finland supports the development of cooperation within the framework of flexible, thematic structures. Crisis management and capabilities cooperation are the crux of Finland's partnership cooperation. Finland, at its own discretion, continues to participate in NATO-led crisis management operations. Finland considers it important that operational partners be allowed to participate in the planning and preparation phases of new operations.

Finland continues to comprehensively tap into the instruments provided by NATO in developing the capabilities of the Finnish Defence Forces. By participating in NATO's Planning and Review Process (PARP) and the Operational Capabilities Concept (OCC), and by developing its capacity to participate in the activities supplementing the NATO Response Force (NRF), Finland develops interoperability and improves its capacity to participate in international crisis management, irrespective of whether the operation is led by NATO, the EU or the UN. The development of military interoperability also improves Finland's technical preparedness to receive international assistance in a crisis.

4.3 Other key actors

Finland engages in extensive bilateral cooperation with the United States and values the continued commitment of the United States in multilateral cooperation.

Finland also aims to advance the cooperation between the EU and the USA so that the partnership improves the global security environment and advances the solution of international problems. It is important for Finland that Europe remain an interesting cooperation area for the USA, and that the United States support security, stability and well-being in the region.

Finland develops its relationship with Russia through close interaction and cooperation at the political level, between the authorities, through the economy and at the level of citizens. Furthermore, Finland encourages Russia to participate in regional cooperation in its neighbourhood.

It is Finland's goal that Russia strongly commit to international cooperation and multilateral treaty regimes and global burden-sharing. Finland actively promotes a broad-based development of the EU-Russia relationship. EU-Russian cooperation should also be developed in the field of foreign and security policy.

Finland also develops its relationships with the emerging states and supports the development of the EU's strategic partnerships. Finland intensifies its political and economic relationship with China in areas that are of particular interest to Finland and essential to the development of China, such as environmental technology and renewables, and topics related to good governance and the rule of law.

Finland continues to invest in versatile bilateral relations with developing countries. Development policy is a key instrument in this cooperation. Trade relations, too, will be broadly developed.

4.4 The promotion of global security

Supporting the multilateral system

Finland advocates increasingly robust global governance structures and in particular the development of the capacity of the UN system. The UN and its Security Council have a central role in legitimising universally binding solutions. The Security Council should be expanded so as to make it more representative. It should also be made more efficient by increasing transparency, among other things.

The international economic crisis must be resolved and international economic interaction must be reformed in a manner that strengthens sustainable development, fair global governance and transparent economic interaction. Finland particularly influences the international economy within the EU and through the Nordic community. Finland aims to internationally highlight the model of the Nordic welfare state which has prevailed and demonstrated its effectiveness and resilience in the global transition.

Finland promotes the strengthening of international law and, especially the work of the International Criminal Court (ICC) and other international war crimes tribunals in their efforts to reduce impunity. Finland aims to advocate the application of the international Responsibility to Protect (RtoP) principle.

Finland operates within the framework of the OSCE to sustain and strengthen its principles and standards, and to comprehensively develop the organisation. The role of the OSCE as the proponent for wider European security development and unification should be preserved. Finland promotes the strengthening and promotion of the standards and mechanisms developed by the Council of Europe, and supports the focusing of the activities of the Council of Europe on the promotion of human rights, the rule of law and democracy.

Using a wide range of instruments

Finland supports conflict prevention and management as well as peacebuilding through the means of foreign, trade and development policies, and by participating in the development of civilian and military crisis management, mediation, humanitarian assistance, arms control and the promotion of human rights.

Finland influences the development of international mediation within the framework of the UN. Finland and Turkey have jointly established the Group of Friends of Mediation. Finland is actively involved in the development of the EU's mediation capacity and bilaterally supports the strengthening of the mediation capacities of regional organisations, such as the African Union. The role of women in peace processes is strengthened and mediation resources are improved in Finland and in the Nordic context.

Under Government guidelines development cooperation funds can be increased to advance comprehensive security in areas where Finland supports mediation, peacekeeping and crisis management activities. Sufficient resources will be earmarked for this purpose.

Tasks related to mediation, security sector reform and the rule of law often require rapid reaction and the flexible use of resources. In view of this the Ministry for Foreign Affairs has already introduced a simplified and expedited financing process for mediation. Should there be a need to establish new mechanisms in addition to the existing ones, the possibilities of implementing them will be studied. Functions excluded by the criteria for official development assistance will not be financed through development cooperation funds.

International sanctions are an important element of the comprehensive approach in conflict prevention and management. Finland actively participates in the development of the international sanctions regime by emphasising the role of the UN Security Council as the originator of decisions that are binding to all UN Member States. Sanctions also comprise a key feature in the EU's range of instruments. The wider the international support, the more effective the sanction regimes. Finland regards it important that sanctions be as accurately targeted as possible, and that the negative impacts to those not concerned be minimised and that the targets of sanctions retain the due protection of law.

Participation in international crisis management

Finland continues to participate in crisis management tasks in order to support security, stability and conflict solution, and to strengthen Finland's security, international standing and defence capability. Military crisis management develops the skills and capabilities needed in defending Finland and in crises affecting us. Finland aims to improve the effectiveness of its crisis management activities and its comprehensive participation in demanding international crisis management activities in a manner that takes into account Finland's strengths. The objective is to have Finns in leading positions of crisis management operations.

Military and civilian crisis management can be used in a complementary manner, tailored to the specific needs of each crisis area and international mission. Military and civilian crisis management as well as development cooperation and humanitarian assistance should be coordinated to achieve the best possible and sustainable combined effects. Whereas the roles and responsibilities of military and civilian crisis management as well as development cooperation and humanitarian assistance are distinct, they can mutually reinforce each other. The UN principles of independence, impartiality and humanity are followed when it comes to the implementation of humanitarian assistance.

Supporting a crisis area's own security structures and the rule of law, and training its security sector, strengthens the basic structures of society. Alongside operational participation, increasing attention is given to the export of crisis management training expertise. The goal is to boost the developing countries' local crisis management capacities, especially in Africa.

Crisis management will also take into account cross-cutting themes such as the promotion of human rights, gender equality, democracy and the rule of law as well as cultural and religious dimensions. The status of women and girls as well

as their participation in issues related to peace and security will be advanced in accordance with the National Action Plan 'Women, Peace and Security'.

Finland participates in military crisis management in accordance with its foreign and security policy goals and at a level which sustains Finland's long-term commitment to and development of peace and stability, and takes into account Finland's decades-long tradition of participating in peacekeeping and military crisis management operations. This strengthens Finland's international standing and indicates a clear desire to participate in international burden-sharing; it also calls for sufficient training and resources.

The decision to participate in a crisis management operation will be based on foreign and security policy considerations, taking into account the needs of the crisis area and the operation, available capabilities and financial resources. The decision-making process will also evaluate the impact of our participation and any possible benefits to our military capabilities. Finland will primarily offer the assets to operations which are included in Finland's troop register.

The budget proposal will prepare to finance ongoing operations or those in which Finland has already decided to participate. New operations will be financed through supplementary budgets. In addition, with supplementary budget provision, it is possible to cover the financing of additional costs arising from operations or to facilitate the continuance of operations, any potential new crisis management operations as well as other crisis management expenses.

Finland's crisis management participation continues to emphasise expertise in police, rule of law, border management, human rights and gender equality issues. The main focus is on the EU's civilian crisis management operations. Finland also participates in the UN's efforts in promoting international security and stability by allocating civilian assets, stressing the improvement of police activities and the rule of law.

Finland also aims to improve the impact of its participation in civilian crisis management. The goal is to second approximately 150 Finnish experts to civilian crisis management operations. Yet another goal is to have Finns selected to leadership positions of missions. The increasing demands and risks to civilian crisis management experts in operations will be taken into account. Sufficient resources will be earmarked for the purpose of seconding Finnish experts to civilian crisis management tasks.

The need to review international crisis management legislation or that related to other possible international cooperation will be determined later. The aim is to begin the review during this Government term.

Development of multinational defence cooperation

Active defence cooperation bolsters regional stability and increases the credibility of defence. Fully-fledged participation in multinational cooperation makes it possible for Finland to influence decisions on new cooperation areas, procedures and structures. Situation awareness and international influencing also demand appropriate representation in international structures.

Finland is already dependent on multinational cooperation in the development and maintenance of military capabilities. It is necessary to intensify cooperation in order to secure the capabilities. Finland participates in defence cooperation in the Nordic context, in the EU, within the framework of NATO partnership and bilaterally. The goals of cooperation in the different combinations and structures are mutually reinforcing and complementary. Finland sets out with the purpose of achieving practical and flexible cooperation, while keeping in mind the equal opportunities of the domestic defence industry in relation to their Nordic and European competitors.

Finland believes that the EU needs to develop a common vision for foreign, security and defence policy, and politically commit to the collective development, maintenance, pooling and sharing of military capabilities.

In particular, Finland supports the intensification of Nordic defence cooperation. The goal is to create a common desired end state for Nordic cooperation to advance its expansion and intensification. Finland supports the development of cooperation related to the creation, maintenance and use of national and shared capabilities, and that of associated modi operandi. The capability for joint operations both at home and in Finland's neighbourhood as well as in crisis management operations, including cooperation in defence training and exercises, is being further honed.

From the Finnish perspective the EU's Battle Groups (EUBG) and participation in the activities supplementing the NATO Response Force (NRF) as well as international training and exercises are key practical instruments when it comes to developing the Defence Forces' capabilities and interoperability.

Finland, at its discretion, continues to participate in the EUBGs and supports an increase in their capacity and deployability. Finland also continues to

participate in the activities supplementing the NRF. The primary goal of Finland's participation is to improve the capabilities needed in military crisis management. However, the participation also improves the national defence capability and the facilities of receiving assistance from abroad.

Arms control

Finland highlights the importance of the UN as the keystone of multilateral arms control and disarmament structures, and as the primary forum for treaty regimes. Finland emphasises the need to intensify the implementation of arms control arrangements and to improve their monitoring mechanisms. Developing countries will be supported within available means so that they, too, can commit to international arms control obligations.

Finland participates in arms control, disarmament and non-proliferation negotiation processes. Finland tries to actively influence them, conducting a comprehensive analysis regarding the adoption of any new commitments at the completion of each process.

In its own defence arrangements Finland takes into account the existing international standards and its own obligations. Finnish defence planning also tries to anticipate the development of the standards, the humanitarian acceptability of weapon systems and the availability of weapons systems in the international market.

The significance of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) as the cornerstone of the international nuclear arms control regime is pivotal. Finland underscores all pillars of the NPT. Through its own action Finland strives to advance transparency related to nuclear weapons, mitigate the risks of accidents and misunderstandings, and promote nuclear disarmament.

In addition to bilateral treaties, the Geneva Conference on Disarmament should produce results, first and foremost, on its primary goal, the Fissile Material Cut-off Treaty (FMCT). Tactical nuclear weapons should be included in the multilateral arms control and disarmament regime. It is imperative that the Comprehensive Nuclear-Test-Ban Treaty (CTBT) enter into force.

Finland actively promotes the non-proliferation of nuclear, chemical and biological weapons and their means of delivery as well as related materials and know-how pursuant to, among others, UN Security Council Resolution 1540, the G8-launched Global Partnership, the US-Russian launched Global

Initiative to Combat Nuclear Terrorism and the Proliferation Security Initiative launched by the USA.

In view of biological threats, Finland also pursues international and national cooperation between the security and the health authorities. Finland actively advances the non-proliferation of chemical weapons and the development of means for the verification of chemical agents.

Finland has acceded to the Ottawa Convention banning anti-personnel landmines. In accordance with the Convention Finland's anti-personnel mine stockpiles will be destroyed within four years of its entry into force for Finland. Finland also continues its active participation in humanitarian mine action.

Finland is not a state party to the Oslo Convention on Cluster Munitions. However, Finland supports the goals of the convention as well as the attempts to universalise it, and participates in the implementation of the convention through humanitarian mine action. From the Finnish perspective no such changes in conditions have taken place which would enable accession to the convention. Finland actively strives for the finalisation and the possible implementation of an Arms Trade Treaty which would extensively, effectively and comprehensively regulate the international arms trade. Finland continues its efforts to actively curb the illicit spread of small arms and light weapons (SALW) and to minimise the human rights and security problems caused by SALW.

Finland also actively participates in processes related to the development of international humanitarian law.

Finland participates in the development of international export control arrangements. Finland complies in its export controls with EU regulations and criteria provided by the EU Common Position, which Finland aims to improve and strengthen. Arms exports are forbidden in a situation in which there is ample reason to believe that they will be used in human rights violations.

4.5 Advancing security in Finland's neighbourhood

Finland also fully utilises the opportunities of the intensifying Nordic cooperation in security and defence policy.

Finland improves its bilateral cooperation with the Baltic states, in the EU and other international fora. Finland supports closer cooperation between the

Nordic countries and Baltic states and promotes collaboration in the Baltic Sea area as regards the economy, environmental protection, border control and border management cooperation as well as maritime safety and transboundary crime prevention. The aforementioned cooperation is being developed within the framework of the EU as well as regionally and bilaterally.

Alongside sector-specific action the Council of the Baltic Sea States plays a central role as an intergovernmental policy cooperation forum. Finland advocates the effective implementation of the EU Strategy for the Baltic Sea Region and the earmarking of sufficient funding for it. Finland supports improvements in the marine environment of the Baltic Sea through the Baltic Sea Action process and within the framework of the Baltic Marine Environment Protection Commission (HELCOM). Finland actively participates in the implementation of the EU's Integrated Maritime Policy with the aim of improving the marine environment of the Baltic Sea.

The Government will establish how the special status of the Åland Islands will be taken into consideration during potential oil spills and other crises, and how to ensure the appropriate authorities' sufficient preparedness.

Arctic cooperation is being improved in the Arctic Council, the Barents Euro-Arctic Council and the Nordic Council of Ministers, as well as other venues. Finland supports the strengthening of the Arctic Council as an organisation. Regarding the use of natural resources Finland aims to contribute to the peaceful settlement of disputes under international law. Finland advances a more vigorous EU Arctic policy and an observer status for the EU in the Arctic Council.

Finland considers it important to improve the flow of information and transparency regarding accident risks related to nuclear power plants, nuclear submarines and tactical nuclear weapons in Finland's near environs.

On the basis of reciprocity Finland promotes the free movement of persons between Finland and Russia, and supports the EU's goals in advancing visa-free travel in accordance with the terms and conditions agreed between the EU and Russia. For the purpose of managing the increasing border traffic it is important to establish the EU's and national technical systems early enough for visa-free travel.

4.6 Security solidarity

The Solidarity Clause included in the Treaty of Lisbon (terrorist strikes, disasters)

Finland prepares to act in accordance with the solidarity clause (TFEU Art 222), and develops and maintains the necessary preparedness to provide and receive the assistance included in the solidarity clause. Finland will see to it that there are no national legislative impediments to the implementation of the solidarity clause in Finnish territory or for Finland's action, should another Member State become the object of a terrorist attack or the victim of a natural or man-made disaster and ask for assistance. This will require changes in Finnish legislation. The goal is to determine the need for legislative review during the term of office of this Government. Moreover, Finland will make certain that sufficient resources are earmarked for the implementation of the clause. Finland actively participates in the debate on the implementation of the solidarity clause and advocates the creation of rules required by the implementation of the solidarity clause in the Lisbon Treaty.

Finland considers it important that the EU Member States develop their capabilities in providing and receiving assistance in accordance with the clause.

Finland also believes that the existing assistance mechanisms should be more effectively utilised. There are already mechanisms that facilitate cooperation between Member States such as bilateral and multilateral treaty arrangements, rapid alert systems and assistance arrangements at Union level as well as judicial and executive assistance mechanisms.

Finland regards it as important that, in accordance with the 2011 Nordic declaration on solidarity, the Nordic countries also further develop their capabilities to provide assistance to each other following terrorist attacks, natural disasters or cyber attacks.

Special provisions to the Common Security and Defence Policy of the Lisbon Treaty: the Mutual Assistance Clause (armed attack)

Finland regards that the mutual assistance clause included in the Treaty of Lisbon (TEU Art 42(7)) should be interpreted so that it also demands the preparedness to provide assistance should one Member State become the victim of armed attack. Invoking the obligation does not require a decision at Union level. The clause does not grant competences to the Union. Each Member State will individually take a decision as regards the provision of, and

forms of, assistance. The EU's Member States who are also NATO members will implement their national defence within the framework of the Alliance.

The EU Member States have not discussed the implementation of the mutual assistance obligation. Finland will improve its capacity to provide and receive assistance and, during the present Government's term in office, aim to determine the needs to review its legislation so as to enable the implementation of the clause.

In its own policy Finland takes into account the fact that the Union does not have any defence planning of its own, nor common defence arrangements. Finland advocates the development of the common security and defence policy, which will facilitate the ability to receive and provide assistance.

The EU's Solidarity Clause

"(TFEU Art 222) "1. The Union and its Member States shall act jointly in a spirit of solidarity if a Member State is the object of a terrorist attack or the victim of a natural or man-made disaster. The Union shall mobilise all the instruments at its disposal, including the military resources made available by the Member States, to:

(a) prevent the terrorist threat in the territory of the Member States;
– protect democratic institutions and the civilian population from any terrorist attack;
– assist a Member State in its territory, at the request of its political authorities, in the event of a terrorist attack;

(b) assist a Member State in its territory, at the request of its political authorities, in the event of a natural or man-made disaster.

2. Should a Member State be the object of a terrorist attack or the victim of a natural or man-made disaster, the other Member States shall assist it at the request of its political authorities. To that end, the Member States shall coordinate between themselves in the Council.

3. The arrangements for the implementation by the Union of the solidarity clause shall be defined by a decision adopted by the Council acting on a joint proposal by the Commission and the High Representative of the Union for Foreign Affairs and Security Policy. The Council shall act in accordance with Article 31(1) of the Treaty on European Union where this decision has defence implications. The European Parliament shall be informed.

For the purposes of this paragraph and without prejudice to Article 240, the Council shall be assisted by the Political and Security Committee with the support of the structures developed in the context of the common security and defence policy and by the Committee referred to in Article 71; the two committees shall, if necessary, submit joint opinions.

4. The European Council shall regularly assess the threats facing the Union in order to enable the Union and its Member States to take effective action."

The EU's Mutual Assistance Clause

"(TEU Art 42(7)) "If a Member State is the victim of armed aggression on its territory, the other Member States shall have towards it an obligation of aid and assistance by all the means in their power, in accordance with Article 51 of the United Nations Charter. This shall not prejudice the specific character of the security and defence policy of certain Member States.

Commitments and cooperation in this area shall be consistent with commitments under the North Atlantic Treaty Organisation, which, for those States which are members of it, remains the foundation of their collective defence and the forum for its implementation."

4.7 Securing the functioning of society – comprehensive security

Increasing international interaction and interdependence bring more prosperity and benefits to Finns. The success of society will continue to be built on transparency and extensive civil liberties and rights, while at the same time ensuring sufficient government controls and emergency management capacities. These are the underlying premises of Finland's security and defence policy, which also include the consideration of society's preparedness.

Finland has a well-functioning, trusted by its citizens, tradition of preparedness. For decades this has established the basis for cooperative arrangements between the different actors of society. Comprehensive security has been developed in concert with the authorities, the business community and organisations. Each actor aims to further develop the cooperation. It is increasingly important to engage citizens in security-related activities and to improve their competences.

Society's preparedness for emergency conditions and serious disruptions is built on the comprehensive concept of security and the subsequent Security Strategy for Society (Government Resolution, 2010). Future challenges demand a comprehensive and networked approach as well as strategic agility vis-à-vis the changes in the operating environment. The Security Strategy for Society, which is built on these premises, covers both internal and external threats – without distinction – and provides a common baseline for contingency planning, division of responsibilities and the implementation of action.

The preparedness of Finnish society materialises under the comprehensive concept of security, which means that society's vital functions are secured through collaboration between the authorities, the business community, organisations and citizens.

The Security Strategy for Society defines the comprehensive concept of security, and the duties of the administrative branches are given in the Government Resolution on the Strategy for Security in Society. The Strategy consolidates the comprehensive concept of security as the common concept and model of preparedness. In addition, it transforms the present Security and Defence Committee into a more wide-ranging and broad-based Security Committee. The Committee assists the Government and ministries in comprehensive security preparedness and in its coordination. It monitors and analyses the impacts of the changes in Finland's security and defence policy environment, and society in general, on comprehensive security arrangements. The Committee also monitors the action of different administrative branches and levels of administration as regards the maintenance and development of comprehensive security arrangements. If necessary, the Security Committee also coordinates large and important contingency-related issues, such as the harmonisation of preparedness at the state level, the development of collaborative models, modi operandi, research and improvements in training.

The Government Security and Defence Policy Report is the central steering document that extends beyond several Government terms and, as per the comprehensive concept of security, lays down the key guidelines for comprehensive security. The principles of implementing the comprehensive concept of security are explained in the Government Resolution on the Strategy for Security in Society. The concrete guidelines for its implementation are given in the Government Programme, Government decisions, the competent administrative branches' operating and financial plans, and other strategy documents such as the Government Decision on the Objectives of Security of Supply, the Internal Security Programme and the Action Plan on National Information Security Strategy. The authorities, working together with the business community and organisations, are responsible for the practical implementation.

4.8 Guidelines for developing the implementation of comprehensive security

The changes in the Report's operating environment and in the possible use of force have diverse effects on the manner in which society's functions are secured. When it comes to comprehensive security the key challenge relates to the growing interdependence between global and national systems. Systems' operating logics often fail to comply with the control attempts of administrative sectors or markets. While increasingly high-speed communications intensify

cooperation between security operators, they also make it ever more difficult to curb the spread of incorrect information or malware.

The business community is increasingly important in securing the vital functions of society. The contingency plans of large companies and critical service providers are an important part of comprehensive security. Issues related to security of supply, service agreements and other cooperation with the authorities require increased availability and awareness of legislation and contractual and application guides. The key players of the business community must be utilised at all collaborative fora of security development.

As a result of the changes in the operating environment it is all the more important to be able to more comprehensively identify and analyse the indirect and immediate interrelationships of threats. The coordination of multidimensional skills at all levels of the administration is essential so as to improve comprehensive security and optimise resources. Comprehensive security-thinking, emerging from collaboration, also supports the discovery of anticipatory action and cost-effective solutions.

The central role of the European Union in preserving the comprehensive security of society

The EU has competences with regard to several key areas of comprehensive security of society. These areas relate to the security and well-being of the population and to sustaining the viability of society. Whereas in some areas the EU's competence is exclusive, which means that only the EU enacts legislation and signs international treaties in these areas, in other areas the EU shares competence with its Member States. Additionally, in certain areas the Union either implements measures that complement the actions of its Member States, or the Member States coordinate their own policies.

Utilisation of international cooperation

The interdependence of the global security environment as well as threat prevention and management require extensive international cooperation in foreign and security policy and on a practical level between the security authorities. As a part of European and global collaborative structures and organisations, one must prepare to prevent and repel wide-ranging, transboundary threats and problems. Intersectoral cooperation must be intensified due to the nature of crises and threats, and to facilitate the effective use of society's resources.

International cooperation associated with internal security also strengthens Finland's foreign policy and national security. Key international cooperation areas related to internal security include counter-terrorism and organised crime, better border management, immigration control, participation in international civil emergency preparedness cooperation and other crisis assistance. The European Union is Finland's central frame of reference when it comes to maintaining and improving security. It is important that Finland participate in the development of the EU's border, maritime, immigration and common asylum policies, and in the development of associated European facilities. Finland actively participates in the operation of the European border management agency FRONTEX and the European Asylum Support Office. This advances border management and immigration control in Europe and the capacity of the EU's neighbours and, consequently, positive development of the security environment in the European neighbourhood.

International cooperation in the exchange of information and security research is crucial regarding the accurate anticipation of changes in the operating environment and responding to threats. The importance of the security of information-related agreements which Finland has signed with other states and international organisations such as the EU, NATO and the ESA (European Space Agency) culminates in the exchange of classified information. This, for its part, increases the need for Finland to secure the preconditions of its national security authorities (National Security Authority NSA – Designated Security Authority DSA) in all situations.

The development of security expertise

The comprehensive nature of security and the interdependence of its many branches demand research and development which, especially, supports practical action. Research guidance and cooperation between universities, research institutes, the security sector's educational establishments and other actors involved in security research or funding must be further improved. The utilisation of the results of research and the development of preparedness must be more systematic. For example, operational environment analysis, an intersectoral research programme, will eventually support the drafting of future reports and other studies. These matters must be taken into consideration when the National Security Research Strategy is updated into a security research action plan in 2013. Comprehensive security research themes must be considered as an entirety, encompassing the vital functions of society, developments in the operating environment and trend assessments. Guidance will be provided by the respective administrative branches' research units, supported by the future Security Committee.

The development of security expertise is important from the standpoint of society's comprehensive security. The citizens' security preparedness must be enhanced by improving the access to information as well as the quality of instructions. Organisations play a central role in this process and the authorities must support them. While the citizens' skills are being improved, the process must simultaneously aim to improve communality and prevent social exclusion. Professionals in the security sector, be they in the public sector, the business community or the private sector, must be able to evaluate threats and their possible consequences in a wider context than that of their own.

Improving situation awareness and communications

The national ability to compile and maintain a comprehensive situation picture on the vital functions of society, and to analyse and manage activities during disruptions and emergency conditions demands further improvement. When it comes to developing comprehensive security and disturbance management, the importance of situation awareness cuts across all levels of the administration and society. The Government situation awareness activities are being reformed, and the development of situation picture dissemination and comprehensive situation awareness coordination is being further advanced by drafting a national risk analysis on the basis of the threat scenarios given in the Security Strategy for Society.

Crisis communications will be further improved and strategic communications will be harmonised between the state leadership and administrative branches. The goal is to provide prognostic and coordinated communications during various crises. Communications constitute an elemental part of the effectiveness of leadership and management, and different perspectives must be taken into consideration in all plans and exercises related to comprehensive security.

Making exercises more methodical

Good preparedness in preventing and repelling threats and managing their consequences calls for systematic exercises. Exercises that test society's crisis preparedness and the methods of evaluating the implementation of strategies must continually be improved. The state leadership's preparedness exercise VALHA is organised once every four years during the first half of every Government's term of office. Maintaining and developing the preparedness of administrative branches and sectors requires a systematic development and testing system. The administrative branches must draw up plans for developing the functions that the preparedness concepts included in their strategic tasks entail.

Advancing the security of municipalities and regions

Municipalities organise welfare and security services at the local level. Municipalities have a central role in preparedness because they are responsible for setting up basic services and several other functions vital to society. It is not practicable to establish all-embracing security expertise in every municipality. Cooperation between the municipalities, supported by the regional administration, must be improved. Existing regional security networks must be utilised in regional development. Municipalities must see to it that they themselves, their cooperative structures and private service providers are prepared for disruptions, and that they have up-to-date and tested contingency and continuity management plans.

Organisations and the business community closely participate in continuity management planning. Preparedness and continuity management perspectives must be taken into consideration when the service structure of social and health services is being created, so that new structures and service areas support intersectoral cooperation and continuity management. Municipalities' access to national and regional assistance will be improved, especially with regard to rapidly escalating and widespread disruptions. The respective boundaries of the state's regional actors and municipalities' collaborative sectors will be synchronised. Along with the past and present changes of the different authorities' regional division of duties it is important to make certain that the roles and responsibilities related to security remain clear.

Security of supply and continuity management

Security of supply is playing an ever more important role in the development of society's comprehensive security because the private sector has taken over an increasingly large share of society's vital functions. New ownership arrangements and business structures as well as international dependences brought on by globalisation pose challenges to security of supply.

Government Resolutions on the Objectives of Security of Supply steer the activities related to security of supply. The basic goal of security of supply has been to sustain the livelihood and functioning of the population as well as critical infrastructure and production during serious disruptions in normal conditions, and in emergency conditions.

The present Government Resolution on Security of Supply will be updated by the spring of 2013. Since the economic environment and threat scenarios have changed, the revised Resolution will be built on an extensive analysis of trends, risks and threats in the operating environment, including their

impact on security of supply. The Government Resolution on the Objectives of Security of Supply will determine the focus areas for the coming years and take into account the challenges brought on by the networked society's interdependences, from both national and international perspectives.

In order to guarantee the basic goals of security of supply, continuity management, including organisational safety, will be developed particularly with regard to the critical actors in the security of supply-chain.

Security of Supply

Security of supply refers to the capability of sustaining such basic economic functions of society which are vital to the livelihood of the population, the viability and security of society and securing the material preconditions of national defence during serious disruptions and emergency conditions. The National Emergency Supply Agency, a public body, is responsible for the tasks related to the coordination, development, and maintenance of security of supply.

Security of supply relies on functioning markets and a competitive economy. Nonetheless, markets alone will not necessarily sustain society's economic and technological basic functions during various disruptions and emergency conditions. Hence, preparations to sustain the vital functions of society are done through different security of supply-measures even in emergency conditions. The instruments include emergency stockpiling of critical products, legislation on preparedness as well as financial and economic policy, international security of supply-cooperation, and voluntary continuity management planning and preparedness in critical companies and organisations.

Finland's emergency preparedness is built on the solid tradition of cooperation between the central government and the business community. Security of supply-related activities are organised as a comprehensive collaborative network which flexibly and cost-effectively develops society's crisis resilience through voluntary public-private partnerships.

National cyber security

Cyber threats pose a wide-ranging and serious challenge to comprehensive security. Cyber threats have become more dangerous to society in general. In addition to information security violations and cybercrime, cyber attacks can be used as a means of political and economic pressure: in a serious crisis they can be employed as an instrument of influence alongside traditional means of military force.

Finland's cyber response capability is closely connected with international cooperation. Cyber security, including its ancillary tasks, provides an example of a comprehensive security challenge affecting all administrative branches. In addition to networked cooperation the compilation of a cyber security picture

along with continuous forecasting and analysis require centralised solutions such as the Government Situation Centre and the Cyber Security Centre.

The national Cyber Security Strategy, to be completed in early 2013, lays the foundation for cyber security arrangements in Finland. The Strategy extensively utilises the expertise of society's security actors, especially that of the business community. The guidelines of the Cyber Security Strategy will be put into practice through an action plan which will be drafted in 2013.

Securing the capacity of security authorities

The capacity of the security authorities must be maintained in all situations. All threat scenarios must include extensive preparedness. The support society gives to comprehensive security and national defence requires ever more intensive networking. Reliance on society's security of supply and, subsequently, on production that supports the military defence and security as well as system maintenance, keeps growing. Due to the interdependence of national and international security the tasks of the Defence Forces, i.e. the military defence of Finland, interauthority cooperation and international military crisis management will be more intertwined in the future.

While Finland prepares to defend itself, it must also be able to protect the population and secure the viability of society. In accordance with the Government Programme a separate report will assess the need to build more civil defence shelters.

5 Developing Finland's defence

5.1 Defence policy

Defence policy measures advance Finland's security, support national foreign and security policy decision-making and create the preconditions for the maintenance and development of the defence capability. Having an active defence policy guarantees a wide range of instruments available to the state leadership and supports the realisation of Finland's foreign and security policy goals.

The key objectives of Finland's defence development are the maintenance of a defence capability tailored to our security environment and resources, defence development as part of comprehensive security and the intensification

of multinational defence cooperation, which also serves the goals of Finland's crisis management participation.

In the desired end state, in the 2020s Finland will have the capability, respected by the state leadership and others, to defend the country and its independence, sustain the livelihood of its citizens and, in concert with international actors, manage security threats. Finland advances its security by maintaining capable defence forces in accordance with the comprehensive concept of security, by participating in crisis management and through active international cooperation.

The primary objective of the defence capability is to establish deterrence against the use of military force and the threat thereof. Should Finland become the victim of armed aggression the vital functions of society will be protected and the attack will be repelled.

Preparedness against the use of military force, or the threat thereof, requires such military capabilities which raise the threshold against the use of force on Finland and make any military action ineffective. In normal conditions the capabilities needed for territorial surveillance and the protection of territorial integrity are emphasised.

Foreign actors continually evaluate Finland's defence capability and its development. The assessments of our deterrence comprise a number of factors. At the political and societal level the evaluation includes political and economic stability, the decision-making capability, resources allocated to defence, the will to defend the country, and the scope and depth of our international cooperation. The military assessment focuses on the entirety of our military capabilities. The key factors include command and control, intelligence, surveillance and logistics systems, as well as the readiness and mobilisation capability, the level of training and equipment, the capabilities of the units and weapon systems and the skills of the personnel. In particular, the most capable and rapidly deployable troops and weapon systems are able to raise the threshold against the use of force and, if necessary, begin to repel an attack.

As a militarily non-aligned country Finland prepares to repel military threats without outside assistance. Consequently, it maintains all capability areas of the defence system. The nucleus of Finland's defence is the military defence capability generated by the Defence Forces. The Finnish Defence Forces must retain control over all of the critical capabilities of the military defence system.

Military defence is a part of society's comprehensive security. Crises increasingly affect all sectors of society, and it is difficult to limit them. While the growing interdependence increases risks and the vulnerability of society, it also enables the benefits that can be obtained through intensifying cooperation.

Securing the vital functions of society, crisis resilience and security of supply as well as guaranteeing critical competence are pivotal factors which also affect defence. Society's support is critical to the implementation of defence during a crisis, just as the support of the Defence Forces is valuable to securing the effectiveness of the civilian authorities' activities. It will be increasingly challenging to allocate society's resources to protracted, wide-ranging defence activities in the future. The private sector has taken over an ever-growing share and responsibility of society's critical resources and vital functions. In order to meet the requirements of emergency conditions, cooperation with strategic and other partners, government authorities, businesses and NGOs is being intensified. Partnership is a feature of managing wartime capabilities and life cycle costs as well as the cost-effectiveness of the defence.

Multinational defence cooperation strengthens the defence capability and ensures the development of military capabilities. In the most important areas cooperation can be achieved via several venues by avoiding unnecessary duplication. By participating in defence cooperation Finland can also influence its content and structures. It is particularly important for Finland to maximise its influence so as to be able to add in the special requirements arising from our defence solution. Interaction within international structures and organisations, for its part, improves our situation awareness and the ability to pre-emptively influence crisis resolution in the regions of their origin.

Active defence cooperation improves Finland's deterrence. While the cooperation does not provide any security guarantees, it facilitates the reception of political, military and other assistance should Finland's resources prove inadequate. In return, Finland must be ready and able to provide military and other assistance to others when required.

Cooperation takes place under the auspices of the EU and NATO partnership, in regional groups and bilaterally. The EU and NATO play supportive roles in multinational projects. Tangible collaboration between willing partners occurs in country groupings, of which the most important from Finland's perspective is the Nordic defence cooperation arrangement NORDEFCO. Other important cooperation partners for Finland are especially the United States and the countries in Northern Europe. Cooperation promotes military interoperability, the creation and development of capabilities, and strengthens our faculty for

international crisis management participation. NATO standards and procedures are the mainstay of interoperability.

Nordic defence cooperation has significantly intensified in recent years. Nordic cooperation attempts to achieve synergies while aiming to gain operational, economic, technical and industrial added value. This collaboration also strives for interoperability which would facilitate intensified and more wide-ranging cooperation to supplement national defence solutions and capabilities. Nordic cooperation areas are the following: defence policy, strategic development, capabilities, human resources and education, training and exercises, and operations. The Nordic countries are, politically and militarily, deeply committed to the development and intensification of defence cooperation. Finland is an active participant in this process.

Multinational exercises and international rapid response force pools will become increasingly important as vehicles for maintaining and improving interoperability. The Defence Forces develop their capabilities and interoperability, especially by participating in the EU's battle groups and in activities supplementing the NATO Response Force (NRF), and associated exercises.

Participation in military crisis management strengthens Finland's defence capability. The goal of preparation and implementation is to guarantee the effectiveness of the participation. The quantitative and qualitative goals of operational participation are set on a case-by-case basis.

5.2 Using and developing the defence system

Finland demonstrates its defence capability through territorial surveillance and by protecting its territorial integrity, through national training and exercises, through participation in military crisis management, and through a strong will to defend the country.

Finland's defence underscores good situation awareness and command and control capability, joint effects and the ability to exploit the strengths of its own territory. Defence readiness is regulated to correspond to the prevailing security environment.

How will the defence system meet the requirements of the operating environment?

The requirements of the operating environment will be met by:

- Generating comprehensive situation awareness and a situation picture,
- Maintaining an early-warning capability,
- Maintaining continuous decision-making and command and control readiness, and a robust C4 system,
- Maintaining a flexible readiness control capability,
- Maintaining the appropriate capability for territorial surveillance and the protection of territorial integrity,
- Maintaining the suitable mission-oriented capabilities of operational, regional and local troops,
- Developing and maintaining the most efficient units and weapon systems capable of rapid response,
- Securing an appropriately self-sufficient and centralised logistics system,
- Guaranteeing the mobility of military force in the entire territory of the nation,
- Securing the collaboration capability between different authorities and other actors in society,
- Ensuring international interoperability and compatibility
- Improving the capability to participate in military crisis management.

In 2015 the wartime strength of the Defence Forces will be approximately 230 000 troops. The aim is to have more capable units and weapon systems in order to compensate for the reduction in troop strengths. The formation of regional troops alongside operational and territorial units will bolster the local defence capability.

Defence development will be built on the long-term policies adopted over the past two decades and investments in weapon systems, know-how and infrastructure, among other things. The focus has been on defence readiness and the capability to prevent and repel a strategic strike. Furthermore, a defence capability sufficient to repel any armed aggression aimed at seizing territory has been maintained and the preparedness to participate in military crisis management missions has been improved. Troop performance has been maintained and developed through better skills and training as well as materiel acquisitions.

The command and control system creates the preconditions for managing and using the defence system at the different levels of hierarchy. The development of operational command and control will lead towards an integrated system,

and the system's robustness and usability will be improved. The development will take into account the requirements of network-centric warfare. The Defence Forces' cyber capabilities will be created as part of the Defence Forces' command and control system and society's comprehensive security.

The intelligence and surveillance system generates a situation picture and an analysis in all readiness conditions. These generate situation awareness and early-warning, and support the selection of desirable targets. The development of the system must ensure the creation of a sound entity that comprises intelligence, surveillance and battlefield targeting support.

The logistics system is an elemental part of the military defence. It comprises defence logistics as well as society's logistic components and functions, i.e. strategic partnerships and outsourced services. The logistics system must be viable in national and international settings. The focus of its development is on the capability to support the military services' operational troops.

The Defence Forces' regular personnel and the most rapidly deployable wartime troops will be used in responding to military pressure. They also raise the threshold against the use of force and, if necessary, will be used in the initial phases of repelling an attack. The defence system will be used to deny the adversary's freedom of action, break down his order of battle, repel his attacks and protect important targets.

The Defence Forces' troops and systems create the defence capability. Operations in which the most capable troops and systems participate create the centre of gravity for defence and the preconditions for the decisive battles. Long-range standoff weapon systems support the operations. Information operations, consisting of cyber operations, electronic warfare and psychological operations are executed during all stages of a crisis. The creation of the defence system's most important capabilities will be secured. Development focuses on the functioning and robustness of intelligence, surveillance and C4 systems, as well as interoperability, the range and speed of fire, troop mobility and force protection. Development must also take into account the capability to receive assistance from abroad.

The Army is the most important service in active defence and decisive battles. Ground defence will hold up and gradually wear down the adversary, retain control over key military areas, repel attacks, protect society's vital functions and targets and, ultimately, defeat the aggressor.

The capability of the Army's operational troops to fight decisive battles requires the maintenance and development of firepower, mobility and force protection. Heavy rocket artillery, field artillery and countermobility capabilities are the key elements of the Army's effect. The most important territorial units are trained to fight active defensive battles. They will be used in pinning down and weakening the aggressor, repelling attacks and retaining control over important strategic points. In accordance with the new battle tactics the Army troops will operate actively and flexibly, and will be capable of dispersed action. At first the Army will focus on developing its territorial troops. As of 2017 the emphasis will shift to operational troops.

Local defence will be strengthened by the introduction of regional units. Among other things, regional troops will be used locally in combat tasks, target protection and surveillance functions, in mobilising other units, supporting territorial and operational troops, maintaining contact with the authorities and in assisting them. Regional troops also help associate voluntary defence activities with the Defence Forces and comprehensive security. The composition and materiel of regional units will be tailored to suit their tasks and their area of operations. Units will incorporate suitable functions related to voluntary defence and comprehensive security.

Maritime defence focuses on maritime surveillance, safeguarding the vital sea lines of communication and repelling naval attacks. Missile and mine warfare are the mainstay of the Navy's effect. The vessels of the naval combat units must be maintained and improved so as to be able to safeguard the vital sea lines of communication and deny the adversary his freedom of operation in key areas. The night-vision capabilities and mobility of amphibious and coastal units will be improved so that they can successfully implement coastal surveillance and coastal defence.

Air defence focuses on air surveillance, protecting nationally important targets and repelling air attacks. Fighter aircraft and anti-aircraft missile units form the framework of the air defence system. The development of an air-to-ground capability will continue while maintaining the performance of fighter defence. The life cycle of the present F-18 fighter aircraft will be utilised as cost-effectively as possible into the late 2020s. The air defence of important targets and troops will be improved by ground-based air defence system acquisitions.

The Finnish Border Guard, an integral element of the defence system, participate in the defence of the nation. The Border Guard's defence plans and preparations, related to the defence of the nation, are implemented in close cooperation with the Defence Forces. Should defence readiness so require,

Border Guard units, or parts thereof, can be seconded to the Defence Forces as an element of the military defence system.

The Defence Forces prepare to support other authorities on the basis of their requests for executive assistance, or in accordance with jointly implemented contingency plans. Preparedness is built on common planning and exercises. The support can include military capabilities which the other authorities do not then need to acquire, so as to avoid unnecessary duplication. In practice these can include niche capabilities, special equipment and materiel, personnel, logistics or command and control systems, among other things. Some of the Defence Forces' capabilities are readily available in normal conditions. These include assets such as helicopters, aircraft, ships, executive assistance detachments, special forces, first responders and other niche capabilities (e.g. CBRN: chemical, biological, radiological and nuclear). The usability of these capabilities is ensured through investments in sufficient personnel, know-how and materiel.

All of the services' units can be used in military crisis management tasks. First and foremost, units having undergone troop production and evaluation will be deployed to crisis management missions. In accordance with EUBG and NATO Response Force classifications, the units participating in crisis management are divided into rapid response and lower readiness units, and niche capabilities. A versatile crisis management troop register best enables comprehensive crisis management participation, allowing for flexible decision-making.

Military crisis management capabilities are also prepared to be used in support of other crisis management actors. The support may include things such as materiel, logistics and expert assistance as well as the exchange of a situation picture. Along with military crisis management operations the Defence Forces must have the readiness to provide expert assistance as well as training and support associated with security sector reform. The lessons learned from the latest operations in Afghanistan, Chad and the Horn of Africa are taken into consideration in capability development.

The Finnish Defence Forces' key wartime units			
2008		**After 2015**	
Army			
Readiness Brigade	3	Readiness Brigade	3
Mechanised battle group	2	Mechanised battle group	2
Jaeger brigade	2	Jaeger brigade	0
Regional brigade	6	Infantry brigade (regional)	3
Special Jaeger battalion	1	Special Jaeger battalion	1
Helicopter battalion	1	Helicopter battalion	1
Navy			
Missile fast attack craft (FAC) and mine countermeasures squadrons	5	Battle group (fleet)	2
Naval Command (unit)	5	Battle group (coastal)	3
Coastal Jaeger Battalion	2	Battle group (coastal Jaeger)	1
Air Force			
Fighter squadron	3	Fighter squadron	3
Main operating base	6	Main operating base	4
Joint capabilities • Command and control • Intelligence and surveillance • Logistics		Joint capabilities • Integrated command and control • Integrated intelligence and surveillance • A-G capability • Joint logistics	

Total wartime strength in 2015 approximately 230 000 troops.

5.3 Defence Forces Reform and the Defence Forces' peacetime organisation in 2015

The Finnish Defence Forces will implement a reform by the year 2015. The reform is a precondition for the capacity and further development of the Defence Forces as the defence for the 2020s is being built.

During the past two decades the Defence Forces' command and administrative structures have undergone several reforms. The need for a more thoroughgoing reform was already identified before the present challenging situation in the state economy. Key causes for the transformation include the rising operational costs, defence materiel becoming obsolete and smaller age groups in national service. Internal cost pressures and the inflexible structure of the budget have resulted in a significant reduction in the level of activities and cuts in procurements. The saving targets in the 2012-2014 decisions on spending

limits make the reform all the more urgent and, therefore, significant cuts have been instituted to the level of activities and acquisitions.

The key goals of the reform include both restoring the volume of training and exercises to a level which corresponds to the training requirements and safeguarding the necessary investments in materiel. The reform centralises the Defence Forces' intelligence, logistics and support functions as well as research and planning. The number of personnel will be reduced and wartime troop strengths will decrease. At the same time unnecessary premises will be closed. The Defence Forces' peacetime command structure will be changed into a three-tier arrangement by abolishing the regional commands and their headquarters. The number and structure of units that train conscripts will be adjusted to coincide with the diminishing age group and wartime force generation needs.

In administrative matters the Defence Forces are subordinate to the Ministry of Defence. The Defence Command is a central government agency and the supreme headquarters of the Defence Forces. It is also the command headquarters of the Chief of Defence. The Defence Command has the capability to lead defence planning and development, and the creation, maintenance and use of the defence capability. The Defence Command's subordinate establishments are the Defence Forces C4 Agency, the Defence Forces Service Centre, the Defence Forces Military Intelligence Centre, the Defence Forces Technical Research Centre and the Defence Forces Logistics Establishment. The National Defence University organises the Defence Forces' international courses.

Despite the reorganisation, the Defence Forces will retain their presence in different parts of the country. Cooperation with the authorities and the continuance of voluntary defence activities during the reform will be ensured through military units and the network of regional offices. The regional offices are part of Army units and are subordinate to the Army Command in administrative matters.

The Government continues to assess the handling of military command matters.

Defence Forces Reform		
	2011	**2015**
Military defence appropriations	EUR 2.45 bn	EUR 2.22 bn
Wartime strength	ca. 350 000	ca. 230 000
Peacetime personnel	ca. 14 500*	ca. 12 300
Size of age group in national service	ca. 27 000/year	ca. 25 000/year
Reservists in training	ca. 25 000/year	ca. 18 000/year
Tiers in command structure	4	3
Number of administrative units	51	32
Number of training units	25	16
	*1 Jan 2012	

Factbox: Defence Forces' peacetime organisation, page 117

5.4 Creating and maintaining the defence capability

The basic structure of defence encompasses sufficient and competent personnel, a sufficient amount of suitable and modern material, appropriate infrastructure and security of supply.

Personnel and their competence

The goal of human resources management is to secure professional, competent and motivated personnel for the Defence Forces. In 2015 the peacetime strength of the Defence Forces will be approximately 12 300 persons.

The defence solution requires that wartime units have enough fit and able professional military personnel serving as wartime leaders, as leaders of technologically advanced weapon and command systems and as maintenance experts. The viability of the military pension system will be ensured in such a manner that regular personnel can end their active service at the correct time from the perspective of a leadership reserve, and so that their time of service supports the creation of the reserve.

The defence establishment must be able to handle the development of special features related to the status, skills requirements and abilities of personnel. These include the obligation to transfer to another post, the military pension system as well as a person's mental state and physical fitness.

Personnel transfers and moves to new locations will temporarily increase during the implementation of the Defence Forces Reform and the duties of personnel

are being altered in a fashion that promotes performance. The obligation to transfer to another post will require supportive action in the future as well.

International assignments are a positive thing from the perspective of defence performance, personal expertise and an individual's career advancement. The development of support services and other similar services provided during and after assignments to military crisis management missions will continue.

The viability of general conscription will be improved by guaranteeing the preconditions of training units. Each training platoon will have 2.5 instructors on average.

The different sectors of society must tackle and prevent the causes of military service interruptions as well as try to influence the education and well-being of persons who have not completed military service. The call-up system will be developed by intensifying cooperation between the Defence Forces and the other authorities.

The conscripts' economic, societal and social status will be enhanced so as to improve their motivation to serve in the military and guarantee the viability of general conscription. Special attention will be paid to giving credits for military service as regards studies and different tasks of society. Yet another goal is to better utilise the conscripts' civilian skills. The development of conscription will continue on the basis of the recommendations included in the 2010 report titled 'Finnish conscription'.

The reserves are an indispensable asset to wartime units. Critical tasks in the Defence Forces' crisis organisation and the proper use of the reservists' skills in the Defence Forces' different tasks are highlighted in the development of the role of the reserve.

Individual and unit-level training and exercises are a central part of creating and maintaining capability. In order to ensure adequate skills for the key troops and units, sufficient field exercises, Navy vessels' sea days and flight hours that meet the training requirements must be guaranteed. This is also essential from the standpoint of health and safety. As of 2015, in line with the Defence Forces Reform, the number of refresher exercises will be returned to the level that meets the demands of emergency conditions. The goal is to annually train approximately 18 000 reservists, which will proportionally represent the level that existed before the Defence Forces Reform.

Voluntary defence supports the preservation of a capable reserve and the readiness to assist other authorities. Voluntary defence activities are developed to better serve the needs of the Defence Forces. The know-how of voluntary defence organisations and the reserve will be utilised in regional troop planning.

General national defence instruction will be conducted on National Defence Courses and Provincial Defence Courses, Advanced and Continuing Education Courses, and Special Courses on National Defence. The instruction is carried out within the framework of comprehensive security development. National defence courses are conducted by the Defence Forces and the provincial defence courses by the civilian authorities with the support of the Defence Forces. The Defence Forces Reform and the regional administration reform will take into account the continuity of provincial defence courses.

The will to defend the country remains the cornerstone of defence. The defence will is also vitally important to society's crisis resilience. Among other things the will to defend the country can be safeguarded by high-quality conscript and reservist training, improving the viability of general conscription, creating regional troops, and supporting voluntary defence activities.

Materiel

Investments in materiel constitute an important element in the maintenance and development of capabilities. Approximately one third of military defence appropriations is allocated to material readiness.

In addition to shrinking resources and ageing materiel the following factors are particularly influential in material policy decisions: requirements for capabilities and cost-effectiveness, rising life cycle costs, military security of supply as well as EU legislation on defence and security-related acquisitions. The structures of military security of supply must be developed while taking into account domestic and foreign actors. The defence establishment will actively develop domestic and international cooperation in development of capability and security of supply between the authorities and the business community.

The ability of the domestic defence and security industry to integrate, maintain, further develop, service, repair and decommission the Defence Forces' critical materiel will be maintained and developed from the perspective of military security of supply. The role of the industry will be assessed vis-à-vis strategic competences and critical technologies. As a rule, support for critical systems must be available in Finland. The defence industry's export efforts and internationalisation are actively sponsored.

The rationale for retaining a substantial domestic gunpowder and ordnance manufacturing capability is continually reassessed. For the time being, domestic manufacturing has been justified because of security of supply-considerations.

A strategic partner can be responsible for the maintenance and life cycle management of critical materiel. The possibilities of new partnership arrangements are being studied in areas outside the Defence Forces' core competences.

The life cycle of the Defence Forces' existing materiel will be exploited to its maximum. Multilateral and bilateral cooperation will be used in procurements. The main focus is on operationally mature and tested products. The acquisition of surplus materiel from abroad is seen as one instrument in procurements. In order to sustain the competence and capacity of the critical domestic defence industry, technological research and development will mainly be commissioned from domestic sources.

International defence materiel cooperation is implemented within Nordic cooperation, the development of the European defence market, NATO's partnership cooperation and bilateral cooperation. International defence materiel cooperation is a precondition for cost-effective acquisitions, international material compatibility, the capability to receive foreign assistance, securing the military security of supply and the Defence Forces' ability to participate in international crisis management operations. Nordic defence materiel cooperation is to be intensified. Its objective is to more concretely plan, prepare and implement, in particular, common development projects as well as common acquisitions and logistics. The prospects for common procurements are actively being evaluated. Interoperability and compatibility as per NATO standards is a goal in procurements.

Infrastructure and the environment

The Defence Forces' real estate mass will be developed from the national defence perspective. It must meet the requirements of technological progress and it will be integrated into the overall structure of society through land use planning. The network of garrisons is maintained at the level required by peacetime training and wartime functions. Following the changes in the Defence Forces' activities and those caused by the reform unneeded areas and structures will, if possible, be relinquished as entities. An evaluation into the entirety of the defence establishment's premises will be completed by the end of 2013. This should facilitate a more cost-effective use of the premises.

The needs of national defence are taken into account in land use planning in accordance with the use purposes of the defence establishment's real estate nationwide.

The points of departure as regards the environment are sustainable development, responsibility over the adverse effects of activities, and the efforts to prevent them. There are special features in military activities that differ from civilian activities. These must be taken into account in the review of real estate planning and environmental legislation.

5.5 Resources for defence development

The maintenance of a defence capability built on long-term planning and development requires guidelines from the state leadership that extend beyond several Government terms. Despite the economic uncertainty our defence capability must continue to meet the requirements of the operating environment. The political guidelines related to maintenance and development must take into account the capabilities' entire life cycle. Hence, capability planning must extend all the way to the 2020s.

The keystones of defence development include the defence of the entire territory of the nation as well as the preservation of general conscription and military non-alignment.

The maintenance and development of the defence capability requires a balanced approach between appropriations to materiel readiness, operational expenses and fixed personnel expenses. Since the price of defence materiel increases more rapidly than other activities, it profoundly impacts the resources allocated to military defence. At the same time, the other costs will continue to rise as well. The assessment of appropriations must take into consideration that a materially sufficient defence capability also requires a satisfactory level in terms of Euros.

The development guidelines with regard to timetables and volumes, given in the 2009 Government Report, will not materialise as planned. This is because most of the cuts in appropriations had to be targeted on the maintenance and development of capabilities, and on day-to-day activities.

Considering the requirements in the maintenance and development of capabilities in the 2020s an imbalance is about to emerge between the desired end state of defence and the available resources, as described in this Report.

Consequently, the Defence Forces' ability to carry out their tasks may fall short of the required level. It is important to prepare for the key challenges to the defence capability already during the ongoing decade. Otherwise, at the onset of the 2020s the defence capability will no longer meet the requirements of the Defence Forces' tasks and the operating environment.

In the short term (approximately five years) the Defence Forces Reform will balance the cost structure and lay the foundation for future development.

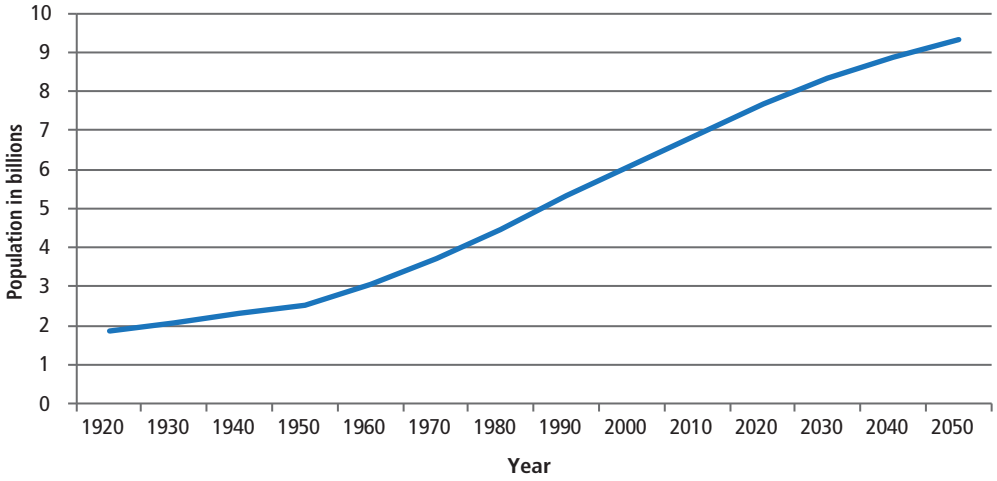
In the medium term, by the beginning of the 2020s a substantial share of the critical material for all services' most important troops will become obsolete, degrading their capability below the required level. In practice, the materiel investment level of 2015 requires strong prioritisation: it will only enable the maintenance of a small share of the troops' capabilities.

In the long term, by the mid-2020s the maintenance of maritime defence capabilities, and by the late 2020s the maintenance of air defence capabilities, will become extremely challenging. The guidelines for replacing and financing these assets must already be adopted during the next Government's term of office. Furthermore, the creation and maintenance of capabilities required by future threats must also be secured (cyber, electronic warfare, long-range standoff firepower, mobility).

The sustainable maintenance of the selected defence solutions requires a sufficient level of investments in materiel. The defence establishment estimates that the required increase, which focuses mainly on the maintenance of capabilities, of military defence appropriations will come to approximately EUR 50 million in 2016, in addition to index adjustments, and, gradually, to EUR 150 million by 2020, in addition to index adjustments. Closing the sustainability gap of public finances called for spending cuts of a permanent nature in Prime Minister Jyrki Katainen's Government Programme and the decision on spending limits in the spring of 2012. Due to the worsening economic situation and growing uncertainties, it is not possible to change the future spending limits in advance. It will be the task of the next Government to consider the possibilities of providing added resources to the Defence Forces, including their possible impact on the present defence solution.

Factboxes:

Global population growth from 1920–2011, forecast for 2012–2050



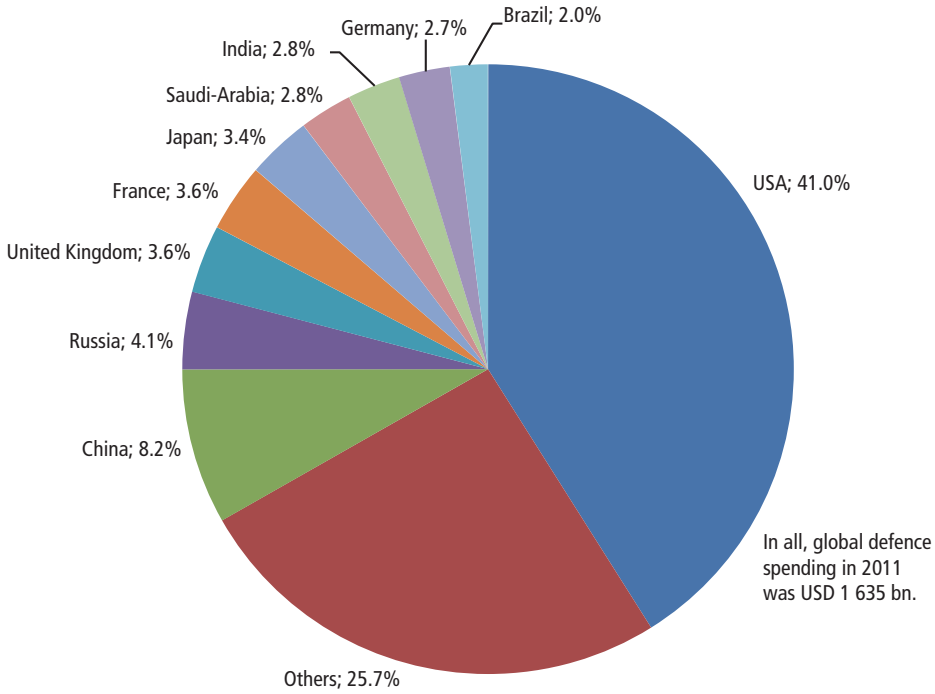
Source: UN: World Population Prospects

The evolution of violent conflict

One point five (1.5) billion people live in countries that suffer from conflict and violent crime. The world has witnessed 128 armed conflicts in the post-Cold War period, only 8 of which were fought between nations. Most violent conflicts occur in Southern Asia, Sub-Saharan Africa and the Middle East. There are nearly 50 fragile states in the world. Weak institutions, suffering from a lack of authority and power, are unable to create security, justice or economic growth which supports employment. This can result in crises even in seemingly stable countries.

The global economy and modern communications facilitate the mobility of weapons, financing, ideas and recruits. The nature of violent conflict has changed, especially within the past decade. Internal conflicts are the most prevalent form of armed conflict. The role of asymmetric warfare has increased and the role of non-state actors has heightened. Over 40 per cent of the conflicts of the 21st Century recur. On average a civil war goes on for 8 years.

The 10 largest military spenders (2011)



Source: SIPRI Yearbook 2012

Multilateral civilian cooperative arrangements in Finland's neighbourhood

Baltic Sea Task Force on organised crime (BSTF)

The task force was established following a decision of the Prime Ministers of the Baltic Sea states in 1996. The task force plans and implements Baltic Sea states' cooperation in the fight against organised crime through, among other things, facilitating the exchange of information, judicial cooperation and collaboration in education and research.

Baltic Sea Region Border Control Cooperation (BSRBCC)

The BSRBCC was established in 1996, covering border control and maritime environment protection-related interauthority cooperation between the Member States. The cooperation also includes common situation awareness and the rapid exchange of information between the Member States on the encrypted communications system Coastnet. The BSRBCC also provides for joint operations and exercises, including a 24/7 national maritime point of contact in each Member State.

In their operations plans the BSTF and the BSRBCC are committed to the already ongoing Baltic Sea Maritime Functionalities cooperation concept, in which Russia, too, participates. The cooperation concept applies, especially, the recommendations of MARSUNO (Maritime Surveillance in the Northern Sea Basin) and the BSMF (The Baltic Sea Maritime Functionalities). Both of the aforementioned projects were implemented under the EU Strategy for the Baltic Sea Region.

Baltic Sea oil spill prevention cooperation

Oil spill prevention cooperation in the Baltic Sea is mainly implemented within the framework of the Baltic Marine Environment Protection Commission – Helsinki Commission (HELCOM). This cooperation began twenty years ago and it includes, among other things, regular exercises as well as common instructions for the purpose of alerting, requesting and providing assistance and oil spill recovery.

The Arctic Council's Aeronautical and Maritime Search and Rescue cooperation and the Emergency Prevention, Preparedness and Response Working Group

The eight arctic states comprising the Agreement on Cooperation on Aeronautical and Maritime Search and Rescue in the Arctic in May, 2011. In Finland it entered into Force in June, 2011. The key projects of the Arctic Council's Emergency Prevention, Preparedness and Response Working Group are related to preventing and responding to threats or impacts that may result from oil and natural gas production, the use of nuclear power and shipping, and the consequences of natural disasters.

Rescue Cooperation in the Barents Region

The agreement on Cooperation within the field of Emergency Prevention, Preparedness and Response in the Barents Euro-Arctic Region, signed by Finland, Norway, Sweden and the Russian Federation, entered into force in May, 2012. The countries organise a large Barents Rescue exercise on a biennial basis.

Baltic Sea States Civil Protection cooperation

As part of the implementation of the EU Strategy for the Baltic Sea Region, civil protection cooperation in the Baltic Sea Region is presently focused on flood risk, forest fire and radiation risks assessments. All Member States of the Council of the Baltic Sea States participate in this project.

Trilateral cooperation

Trilateral police cooperation at the practical level between Finland, Estonia and Russia is implemented for the purpose of preventing and investigating narcotics crime.

Trilateral border management cooperation (Finland-Norway-Russia and Finland-Estonia-Russia) covers the exchange of border surveillance information, joint risk analyses and the implementation of common operations and exercises.

Nordic Police and Customs cooperation (PTN)

The purpose of the Nordic PTN cooperation is the prevention of narcotics and other serious organised crime. The PTN authorities have a network of joint liaison officers operating in approximately 20 countries. The liaison officers of the network serve all Nordic countries.

The Finnish Defence Forces' peacetime organisation in 2015

The Defence Command has the capability to lead defence planning and the development, creation, maintenance and use of the defence capability.

The Defence Command's subordinate establishments are:

- The Defence Forces C4 Agency
- The Defence Forces Service Centre
- The Defence Forces Military Intelligence Centre
- The Defence Forces Technical Research Centre
- The Defence Forces Logistics Establishment

The task of the Defence Forces C4 Agency is to establish IT and telecommunications services as well as the required joint networks for the command, control and administration of the defence establishment and associated organisations.

The Defence Forces Service Centre provides administrative and expert services to the Defence Forces.

The national operators in military intelligence are amalgamated into the Defence Forces Military Intelligence Centre. The separate Defence Forces Military Intelligence Centre and the Finnish Intelligence Research Establishment have been disbanded.

The Defence Forces' research and development activities have been merged into the Defence Forces Technical Research Centre. The separate Defence Forces Technical Research Centre and Naval Research Institute have been disbanded.

The key logistics and materiel activities have been placed in the Defence Forces Logistics Establishment. The separate Materiel Commands of the Army, Navy and Air Force as well as logistics regiments and the Centre for Military Medicine have been disbanded.

The Army has the Army Command and eight units:

- Jaeger Brigade
- Guard Jaeger Regiment
- Kainuu Brigade
- Karelia Brigade
- Armoured Brigade
- Pori Brigade
- Utti Jaeger Regiment
- Army Academy

Commands and their headquarters, separate regional offices, the North Karelia Brigade, the Engineer Regiment and the Häme Regiment have been disbanded. In addition, the Lapland Air Defence Regiment has merged with the Jaeger Brigade, the Signal Regiment with the Armoured Brigade, the Artillery Brigade with the Pori Brigade and the Reserve Officer School with the Army Academy. Army Bands have merged with the bands in Helsinki, Hattula, Lappeenranta and Rovaniemi.

The Navy has the Navy Command and four units:

- Coastal Fleet
- Navy Coastal Brigade
- Uusimaa Brigade
- Naval Academy

The training of seagoing and coastal units has been split between units in Upinniemi, Raasepori and Turku. The naval commands and the Kotka Coastal Battalion, subordinate to the Gulf of Finland Naval Command, have been disbanded. The Navy Band is in Turku.

The Air Force has the Air Command and four units:

- Karelia Air Command
- Lapland Air Command
- Satakunta Air Command
- Air Force Academy

Fighter activity has been centred in Rovaniemi and Siilinjärvi. Transport, liaison and test flying activities have been centred in Pirkkala and training to Tikkakoski. The Air Force Aircraft and Weapon Systems Training Wing and the Training Air Wing have been disbanded. The Air Force Band remains in Tikkakoski.

The National Defence University is responsible for the Defence Forces' basic, continued and supplementary education. The Defence Forces' international courses have been amalgamated into the National Defence University and the detached Finnish Defence Forces International Centre has been disbanded.

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