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Critical Junctures – The Future of the North

Latest development in the Baltic Sea Region

By Nick Childs with Ferdinand Gehringer, James Hackett and Fenella McGerty

- The centre of gravity of the NATO Alliance has shifted north, with the accession of Finland and Sweden to NATO, and the increased significance of the Baltic Sea Region.
- The region should now be considered a northern 'front' rather than a 'flank'.
- NATO defence plans can be more integrated, but the different perceptions and priorities of the Baltic and Nordic states, Germany and Poland need to be aligned.
- Lessons from Russia's war of aggression against Ukraine are reinforcing the trend to redefine security more broadly, including societal resilience.
- The 'Nordic model' of security has attractions but the accumulation of new threats presents challenges.
- Balancing new capability investments and incorporating new technology has taken on new urgency.
- NATO governments need to make the case for defence and security investments in areas such as mass, resilience and sustainability, including finances, human capital and industrial capability.

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From Cold War northern 'flank' to new northern 'front'?

Russia's illegal full-scale invasion of Ukraine, and the devastating consequences of the ensuing conflict, continues to have a profound effect on the defence and security dynamics in the Baltic Sea and the region beyond. Indeed, it is transforming the geo-strategic landscape of Europe's northern theatre, as well as how it fits into the wider arena and architecture of Euro-Atlantic security.

Arguably the most visible impact so far for NATO has perhaps been the accession in April 2023 and March 2024 of Finland and Sweden as respectively the 31st and 32nd members of the Alliance. But important as it has been, this development is just one of the many manifestations of European states' responses to a worsening security environment. These also include a wider step-change in European perceptions of the level and urgency of the potential threat, evidenced by significant planned hikes in defence allocations among NATO nations. On top of that, the shadow cast by Ukraine has shocked NATO member states into dramatically rethinking capability requirements. This includes the need for rapid innovation to incorporate dramatically advancing technological developments in areas such as data processing and networking and uncrewed platforms and systems, many increasingly enabled by forms of artificial intelligence (AI). It also involves renewed emphasis on weapons and ammunition stocks and the necessity to rebuild the industrial capacity to sustain armed forces on a high-intensity war footing. Part of this also involves examining the need to re-establish mass among NATO's militaries.

In addition, the conflict has sharpened public debate over the need to broaden the definition of what 'security' means. This includes new approaches to homeland defence, the need to focus on societal resilience, including how to engage NATO's publics, and how to address some of the Alliance's vulnerabilities that the war has more fully exposed, not least in terms of threats to critical infrastructure, as well as the new battle fronts of cyber and space and a technology-driven information dimension. Multi-domain operations aim to engage an adversary on and within its weaknesses, both on and off the battlefield, to such an extent that its capacities are overstretched. That inevitably leads to a focus on social, economic, and political vulnerabilities.

The nations of Europe's north have some very particular stakes in all of this, but also some different perspectives among themselves which need to be aligned or at least accommodated. Just as important, regional states possibly have some lessons to teach their fellow members in the Alliance.

Indeed, the centre of gravity of NATO, which had clearly moved east with the post-Cold-War enlargement, has now to an important degree shifted north. Dubbed the northern 'flank' during the Cold War, the theatre or at least some of its constituent parts and members may now be taking on some of the characteristics of a northern 'front'. While the transformation that is unfolding in the north is inevitably presenting new challenges, it also offers the prospect of new opportunities.

The Baltic Sea: Is it anybody's 'lake'?

Finland's and Sweden's accession to the Alliance prompted comments that the Baltic Sea is now a 'NATO lake'. However, the Baltic remains a confined, congested and complex space. Certainly, with the new accessions, all the Baltic rim and Nordic states (except Russia) are now NATO members. At their 2022 Madrid summit, NATO leaders endorsed a new Strategic Concept improving the Alliance's defence and deterrence posture, re-emphasising forward defence and setting out a NATO Force Model including much more ambitious targets for high-readiness forces across all domains.

At the subsequent 2023 Vilnius summit, the leaders reinforced their commitment to collective territorial defence, forward defence and readiness and highlighted the development of a new generation of regional defence plans. For the Baltic and its surrounding region, these plans can all now be approached in a more integrated way, incorporating not only Finland's and Sweden's territorial depth but also their capabilities as well. This presents new options for the defence planners and offers a new conduit for the reinforcement of the Baltic states, hitherto reliant in large part on the exposed strip of land that is the Suwalki Gap. Clearly, all this increases the strategic headaches for Russia and the pressure on its positions in the Kaliningrad exclave and its narrow access to the Baltic from St Petersburg via the Gulf of Finland. Its Baltic Sea Fleet, which for a long time has been less than imposing in a conventional sense, looks even more exposed now.

However, Moscow still has formidable anti-access/area denial capabilities invested in Kaliningrad, as well as the ability to pose severe hybrid and unconventional threats in the Baltic Sea with its many busy shipping routes, undersea cables, pipelines and more and more offshore wind parks. In that sense, the interconnectedness of the Baltic Sea economies still represents a major vulnerability. NATO's Vilnius summit communique also referenced Russia's deepening military integration with Belarus and its implications for regional security and the Alliance. Stability in the region remains inextricably tied to the uncertain trajectory of the Ukraine conflict. The Baltic and Russia's Arctic north will likely grow rather than lessen in importance for what will remain an aggrieved but still aggressive Kremlin. Depending on how events develop on battlefield of Ukraine, the region could be the focus of scenarios ranging from probing and distracting hybrid activity designed to unsettle NATO to something significantly more escalatory and challenging to the Alliance.

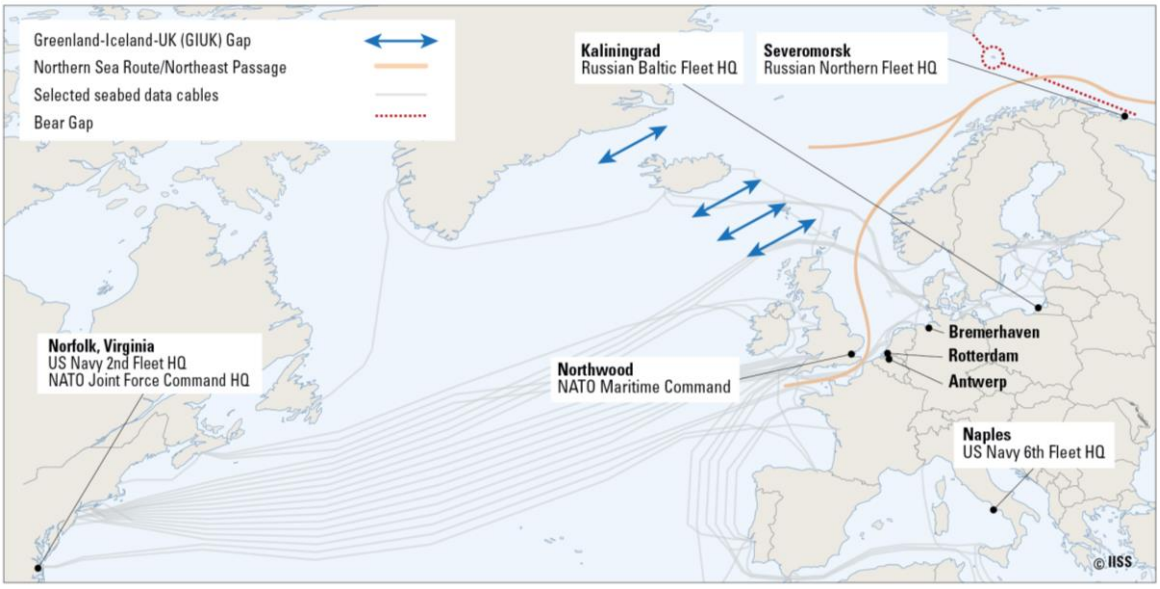
Sweden's defence chief recently expressed his concern that Russian president Vladimir Putin had ambitions to control the Baltic, and that Sweden's strategically-located island of Gotland was a central focus of those ambitions. All this suggests that more can be done in terms of bolstering Alliance force posture and preparedness. Hence the hesitation of many still in using the term 'NATO lake' in reference to the Baltic Sea. Moreover, while the NATO position may have been reinforced and the prospect of greater integration of defence plans for the region looks like a major strategic gain, NATO's latest enlargement and the reasons behind it are perhaps adding some stresses and strains as well.

There are potentially different security priorities and perspectives among both the new and established NATO members in the region, and not least between the Baltic states and the Nordic states. These could raise issues about how to approach what might be described as a 'greater northern theatre' which for many now includes not just the Baltic but also the Arctic and the High North and the Northeast Atlantic, while not diluting the focus on the Baltic states' exposed position. And doing this at the same time as taking into account the perspectives and roles of the other key regional states – Germany and Poland – could all mean that the Alliance will have its hands full satisfying everybody. In several of these capitals, there are also different appreciations of the imminence and therefore urgency of the threat, and how much strategic warning time there is to effect change in capabilities and readiness.

The addition of NATO's new members will also change the dynamics among the Nordic states themselves, with Norway's weight and role in NATO planning potentially now significantly altered. Regional perceptions of how the Arctic and the High North will evolve as a strategic arena, including what the real prospects are for the Northern Sea Route turning into a genuine sea line of communication, surely now become a more direct concern for NATO. Moscow uses this route, and China is developing its interests there too. This is part of the reason why assessing and responding to the implications of the developing 'no limits' relationship between Moscow and Beijing is becoming a growing issue for the state of Europe's north as well as for the wider Alliance as a whole.

Some of this has crystalised in the debate over how to integrate the new members and divide NATO command structure responsibilities between the Joint Force Commands of Brunssum, in the Netherlands, and Norfolk, Virginia, in the United States. Getting that command architecture right, and how it integrates plans and capabilities, will be a key factor for the future.

The North Atlantic, the High North and the Baltic: integrating an new northern 'front'



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Alliance and alliances

NATO's primacy as the main hard-power security provider in the region has been reinforced. Enhanced or new Defence Cooperation Agreements, signed by the US with Norway and more recently with Denmark, Finland and Sweden, have or will provide important means of integrating and networking military capabilities. In varying degrees, these agreements will allow Washington improved access to basing and support facilities in these countries and enable the US to maintain an enhanced presence.

However, while Washington's formal commitment may be entrenched, an increasing demand signal could draw away particularly key enablers to the Asia-Pacific theatre that is Washington's strategic priority. So, debates over what presence and posture the United States will actually be able to maintain into the future will likely take place notwithstanding the outcome of the upcoming US presidential election. There may already be a drive towards greater European burden-sharing in its own defence, but there is also an increased awareness of just where the shortfalls and over-reliance on US provision in key capabilities areas may be, perhaps not least in intelligence, surveillance and reconnaissance (ISR). All of this has strong resonance when it comes to the northern theatre, and plugging potential gaps may not be straightforward.

Moreover, while NATO provides the 'gold standard' of Article 5 security assurance, traditional formal alliances face the challenge of responding in an agile manner in today's era of continuous, seamless and multi-faceted challenges up and down the escalation ladder of competition, confrontation and potential conflict. This has opened the way towards a 'minilateralist' approach of more agile, focused arrangements. These may prove of increasing value and relevance in and around the Baltic. A key issue for such groupings is just how they fit into the new dynamics of regional security to create a seamless whole.

The Nordic Defence Co-Operation arrangement (NORDEFCO) which groups together Denmark, Finland, Iceland, Norway and Sweden, is already adapting its role and ambition. The meeting of NORDEFCO defence ministers and representatives from Greenland and the Faroe Islands in the Faroes in April 2024 endorsed a new Vision 2030 for enhanced co-operation and greater internal strategic mobility, in accordance with NATO planning but with reference also to the Nordic states' priorities. The Baltic states have also been upping their common defence preparations along their border with Russia and Belarus and are undertaking a number of joint procurement programmes. There has also been relatively loose co-ordination of defence and security policies between the Nordic and Baltic states under the NB8 framework. There are more such overlapping minilaterals and regional groupings, but identifying which will be key in the future may become an art in itself.

So, aligning policies and plans between and among the Baltic and Nordic states should be a key priority, and incorporating these with those other critical Baltic stakeholders, Germany and Poland, whose centre of focus and gravity is still more towards the central European front. Germany has increased attention on the Baltic. It will deploy a brigade to Lithuania. It has also proposed hosting a dedicated NATO naval headquarters for the Baltic Sea. Again, ensuring the right synergies with existing NATO and regional naval and maritime command structures should be a priority, given the increased interconnectedness of the maritime domain, not least in this region.

In terms of other extra-regional players and regional groupings, among the most significant are probably the United Kingdom and the Joint Expeditionary Force (JEF), for which the UK is the lead nation. London is also behind the broader but looser grouping that is the Northern Group. The JEF, originally launched in 2014 with seven member nations (Denmark, Estonia, Latvia, Lithuania, the Netherlands, Norway and the UK) and with a more global response ambition, has developed

into a ten-nation framework (adding Finland, Iceland and Sweden), with a much greater regional focus. While not a force in being, it has developed significantly since the Russian invasion of Ukraine as a key forum for security discussion. Without the need for consensus decisions, it is also seen as having the advantage of flexibility, agility and speed of response. A challenge for the UK into the future will be matching its ambition to play a role and have influence in the region with its ability to deploy commensurate capabilities, given how stretched its armed forces have become.

In light of the recent NATO expansion, the JEF's focus has been on activities to offer reassurance across the hybrid arena below the threshold of armed conflict in order to add to overall deterrence. While that may be a critical role, whether it is sufficient is another matter, and a question for the JEF for the future. Is it more than just a bridge to NATO Article 5 scenarios? The ambition appears to be also to fit into evolving NATO operational plans to add value across the spectrum of Alliance activities and increase formal liaison with NATO headquarters. Given the increasing significance of the northern theatre, the JEF and other regional groupings now also face a question about whether, and how far, to develop ties with other key states either within the region or those outside with a stake in it. In the JEF's case, is further expansion an attractive option, or increased links with the likes of Canada, Germany, Ireland, the US and the European Union? A deeper question particularly for this region with its myriad challenges, not least in the hybrid space, is whether it can be a test arena for more comprehensive and cohesive co-operation, or at least a more effective division of labour, between NATO and the EU.

Redefining 'security'

In this respect, Russia's war of aggression against Ukraine has shone a glaring spotlight on some long-neglected defence and security shortfalls among Western nations who had fallen out of the habit of either thinking about or preparing for the consequences of a return to high-intensity conflict. This has been compounded by myriad novel challenges that are driving a need to reassess how to provide defence and security and in some cases to rethink what these terms actually mean. Many of the issues prompting such a reassessment have particular resonance in this region and, in some cases, the region may be able to show the way.

A particular and urgent focus has been on how to rebuild and perhaps also reimagine mass within armed forces in part to account for inevitable attrition in high-intensity conflict. This raises issues of readiness and sustainability, including for some a renewed focus on force size and the depth and composition of reserves. Plans for reintroducing or extending conscription or some form of national service have become a live issue again. It also includes studies on ways in which force size problems could be mitigated in other ways, including through the use of new but affordable and even attritable technology. There is also greater focus on industrial sustainability, including the re-establishment of lost industrial capacity, but also to include accounting for potential supply-chain vulnerabilities. Added to that are revived questions about societal resilience, including how to engage populations in a new information age with additional risks from disinformation, and better-informing populations – many now far removed from direct experience of military service – not only of the risks to societies but also of the need for financial investments in defence and security.

It is clear that there is renewed attention on the need for defence investments. But sustaining this over the long term is more challenging, requiring an alignment between threat perceptions, fiscal headroom, and also political focus. Germany's ambitions to raise defence spending have been hit in part by a faltering economy and questions over funding in the longer term. Meanwhile, Poland's considerable recent real-terms defence spending increases have gathered momentum since 2022 driven by an ambitious defence equipment procurement programme.

While the Baltic states are spending significantly in terms of percentage of national income and all well exceed the NATO 2% benchmark, with additional procurements across land, air and coastal defence systems, they are still reliant on allied support. The Nordic countries, from varying baselines and with varying degrees of urgency, have also declared some ambitious plans to boost defence spending. With generally sound fiscal foundations compared to some, they may have greater prospects of actually achieving those higher spending targets. However, like many others they are challenged by the need to balance capability modernisation with improved resilience.

And, as economies have developed new dependencies in the areas of energy, cyber and space, there is the challenge from growing connectivity. A significant element of this is the need to focus on the protection of critical national infrastructure which is in many cases also critical multinational infrastructure. In many instances, nations and NATO are still getting to grips with understanding their vulnerabilities, as well as how to deal with them. In the Baltic, the Nord Stream pipeline blasts of September 2022 probably did more than anything to sound the alarm bells on the vulnerabilities of critical undersea or seabed infrastructure as well as that of the growing number of other key offshore energy installations. The subsequent damage in October 2023 to the Balticconnector gas pipeline between Estonia and Finland only added to concerns.

Threats to seabed infrastructure are neither new nor were they unappreciated. But the scale of dependencies, and the technologies involved, are new. The Nord Stream incidents also particularly highlighted the deficits in the West's ability to monitor and protect such networks in a joined-up way, and especially to attribute malign activity quickly. The extent to which this should be a military task is open to question, as the commercial sector owns much of the undersea monitoring technology. It will inevitably require a complex partnership. There has been a rush to respond, by governments and organisations. Notably, NATO has set up a Critical Undersea Infrastructure Cell at its headquarters and also announced the creation of a centre focused on this issue at Allied Maritime Command at Northwood in London – it was officially launched in May. The UK-led JEF was activated in January 2024 to carry out a security operation focused on critical undersea infrastructure in northern European waters, carrying out activities from the English Channel to the Baltic Sea. The UK and Norway have agreed a strategic partnership to counter threats in the undersea domain. More broadly, NATO and the EU established a joint task force on the resilience of critical infrastructure which made a number of recommendations for enhanced cooperation, including through more information exchanges; through work to identify alternate transport routes for civilian and military mobility; and in closer ties in security research. The nations in and around the Baltic, NATO, the EU and elements of the offshore energy sector have also recently pledged to work more closely together to secure offshore energy installations.

Even so, governments and international organisations as well as industry are still only in the early stages of grappling with the international and inter-agency complexities of the challenges in this area and the capabilities required. Space-based monitoring, AI-enabled data processing and increased networking of remote systems may offer significantly enhanced situational awareness. A significant part of the response will be through resilience in the redundancy and repair capabilities – chiefly vested in industry – for the infrastructure networks themselves. As a region with a high density of these connections and assets, and also one in which many of the technology solutions to the threats reside, this may also become the arena in which many of the solutions can be tested and proven.

The new focus on societal resilience, and the accumulation of new threats from information warfare to attacks on the new economic dependencies including cyber and space, have prompted a new emphasis on wider societal engagement. The Baltic states and their neighbours have

increasingly been the target of Russian hybrid activities. In addition to suspected sabotage acts, these have included disinformation, cyber-attacks, the 'weaponisation' of migration, and disruptive electromagnetic interference of communication and navigation systems. With the accession of both Finland and Sweden to NATO, there is also an increased awareness of the so-called 'Nordic model' of an across-society or whole-of-society approach. Dubbed 'comprehensive security' in Finland and 'total defence' in Sweden, it is aimed at instilling or sustaining a crisis-orientated mindset and skill set across a wide section of the population and embracing a broader spectrum of civilian society stakeholders as well as the armed forces.

There is a general anticipation that lessons learned from Nordic experiences and approach can lead to greater coherence and resilience across NATO member states and in Alliance planning processes. The extent to which such a model really is fit for the new set of challenges and their multiplicity, and the degree to which it is also transferable to societies that do not share Nordic traditions, could be key factors in adapting the Alliance posture into the future.

The capability balance

More conventional aspects of military capabilities in the northern theatre are also being reshaped and have been coming under new scrutiny. In addition to the planned bolstering of the NATO forward presence, particularly in the Baltic states, NATO exercises focused on the region have increased in ambition and complexity, in part to strengthen the Alliance's deterrence posture. Finland brings to the Alliance a capable land force with significant strength in artillery. It is also boosting its air power with the procurement of fifth generation F-35A Lightning II combat aircraft, while also enhancing its naval power. Sweden brings capable armed forces to NATO's inventories, not least its air force and perhaps even more significantly its submarine force, with its particular attributes for operating in the challenging waters of the Baltic. But Sweden's political leaders and military chiefs have also signalled a new urgency in seeking to raise spending and rectify weaknesses and shortfalls, not least in land and air defence capabilities. For both Finland and Sweden, there will likely be continuing calculations and adjustments over not only how they integrate into NATO's regional defence plans but also what wider role and responsibilities they can and should take on further afield within the Alliance, for example in NATO's southern air policing mission. How many more such deployments will the new members be taking on – and how many will their fellow members be looking for – in the quest for greater Alliance coherence?

For the region more generally, ISR has already been mentioned as a critical capability that will likely require further investment, with enhanced domain awareness widely seen as a key priority. Integrated air and missile defence will also be a major priority. The NORDEFCO members have already signalled their ambitions to integrate their air forces even more fully in the future. Land forces will also require further attention, not least in the light of NATO's new readiness and forward defence ambitions. The need for greater urgency in absorbing the lessons from Russia's war of aggression against Ukraine on rapid adaptation and innovation certainly applies to this region. The conflict has also fired the debate over the potential of uncrewed and even autonomous systems in the future, and the balance to be struck between crewed and uncrewed platforms and systems, at what levels of capability, in order to recreate or even redefine that lost mass that NATO's armed forces are now scrambling to rebuild. Balancing new technology investments either to enhance or substitute for legacy capabilities is another key conundrum for the future.

Baltic and Nordic states are boosting their defence investments. There is some movement towards joint procurement. But, for the most part, the emphasis in terms of integration remains more on operations than procurement, and this may need more attention in the future in order to deliver greater capability.

Conclusion

The title of both this conference and this paper is ‘Critical Junctures – the Future of the North’. And the strategic changes that are underway amount to a significant inflection point. As well as the strategic frictions that are in play in and around the region and that need to be managed, states are having to grapple with dramatic technological change that is affecting both capability requirements and societal resilience. There are considerable synergies in the defence and security perspectives of the region’s players which can be exploited. And the latest enlargement of NATO will undoubtedly assist in that process. But there are differences too which need to be navigated and accommodated. Managing all this will be critical in determining the stability of a region that will only grow in strategic importance in the years ahead.

Imprint

The Authors

Nick Childs is Senior Fellow for Naval Forces and Maritime Security at the International Institute for Strategic Studies (IISS).

Ferdinand Gehringer is Policy Advisor for Internal and Cybersecurity at the Konrad-Adenauer-Stiftung in Berlin.

James Hackett is Head of Defence and Military Analysis at the International Institute for Strategic Studies (IISS).

Fenella McGerty is Senior Fellow for Defence Economics at the International Institute for Strategic Studies (IISS).

Konrad-Adenauer-Stiftung e. V.

Ferdinand Alexander Gehringer
Policy Advisor Internal and Cybersecurity
Department International Politics and Security Affairs
Division Analysis and Consulting

T +49 30 / 26 996-3460
ferdinand.gehringer@kas.de

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