The Politics of Neutrality in the Post-Ukraine Crisis Political Climate

Cases of Finland and Sweden

Introduction

“The end of the Cold War did not lead to an eternal peace – classical realism and geopolitics are infallibly fit in parts of today’s world” said the Defence Minister of Finland, Jussi Niinistö in a seminar in 2015 (Eskola 18). Relatively present issues, such as the crisis in Ukraine and the Russian annexation of the Crimean Peninsula, have shown that changes in the security environment can happen rapidly. Such events have led to ice cold relationship between NATO and Russia, who taunt one another in the Baltic Sea region. Finland and Sweden are located in a strategic hotspot between the two belligerents that are nearly bursting at the seams. Despite being neutral or militarily non-aligned as they prefer, both of the states have gotten their share of Russian “roulette” while standing one foot through NATO’s door. After the Ukraine Crisis and increased Russian activity in the Baltic Sea region, both Finland and Sweden have adjusted their foreign and security policies from an international focus to national. Other historical events too have left fingerprints in the White Papers of Finland and Sweden: during the Cold War, both states arguably were neutral – when joining the European Union in 1992, both Finland and Sweden reformed their neutral stance to military non-alignment, which allowed them to politically align with the rest of Europe.

This study is, however, interested in the present day neutrality because as pointed out above, the security environment has changed. Questions about neutrality and military non-alignment have become ever more relevant when one thinks of, for example, the recent “Brexit” vote and Great Britain resigning from the European Union, which on
its own will mold the security architecture within European Union as Great Britain is the strongest military power in Europe. Great Britain's exit from the European Union will leave a significant dent into the Common Foreign and Security Policy as well as to the security guarantees of the European Union, which could necessitate other security options. Furthermore, NATO Warsaw summit takes place in July and in which Finland and Sweden take seat through their participation in NATO programs such as Partnership for Peace (PfP) and Enhanced Opportunities Program (EOP). Because of the tense atmosphere in the Baltic Sea region, discussions and questions about Finnish and Swedish NATO membership have become even louder. Increased Russian activity and the “arms race” between NATO and Russia have left Finland and Sweden with a geopolitical dilemma in which there is no simple yes or no answer. Therefore, it is important to update the scholarly world by researching neutrality in today's setting. For this purpose, the following question is to be asked and answered: What implications the Finnish and Swedish traditions of neutrality have for the NATO membership of Finland and Sweden in the post-Ukraine crisis political climate?

The present study has been outlined as follows. The first chapter reviews existing academic literature, defines the key definitions and thus sets the present study into a wider academic context. The second chapter introduces the research design. The research design section includes theoretical frameworks and methodology, in which the method, cases, scope and data are elaborated on. Chapter three is the analytical chapter. There, after conducting analysis through two different types of theoretical lenses, the findings are discussed, elaborated and applied to the research question.

Literature review

This study aims to find out what implications neutrality has to both Finnish and Swedish foreign policy and alliance formation in present day setting, as well as whether neutrality is a viable policy option in 21st century. This section is designated for reviewing relevant academic literature. Primarily, the review has been conducted on academic literature that discusses neutrality and its contemporary forms because the research is in essence interested in neutrality as a foreign policy in 2016. Preliminary
findings from the selected literature suggest that while a large majority of the relevant literature focuses on the evolution of neutrality and its application to foreign policy, there is paucity of theoretical grounding, as well as absence of literature that covers politics of neutrality in the political climate of post-Ukraine crisis and Russian intervention. The literature review has been organized into two sections: The first part focuses on definitions of neutrality as well as briefly discusses literature that has focused on the pacifying potential of neutrality. The second part focuses on post-Cold War neutrality, “post-neutrality” and the role of neutrality in 21st century foreign and security policies.

Defining Neutrality

To begin with, a number of academics see neutrality as a political position in which a state practices distance and impartiality to great power politics (Möller and Bjereld 364; Lödén 281; Ogley 1; Karsh 1988: 57). Others understand neutrality as a wide spectrum of different types of “neutralities” that have served different purposes at different times: according to Binter and Andrén, neutrality can be considered as ad hoc, de jure or de facto, depending on the (geo)political context (Binter 388; Andrén 69-70). In this regard, Sweden and especially Finland were arguably not de facto neutral during the Cold War, but were, as in the Finnish case, ad hoc neutral or even neutralized by the Soviet Union through the Finno-Soviet treaty of 1948 and because of attempting to avoid any further escalations. In his introductory chapter on neutrality, Roderick Ogley has further distinguished three more types of neutrality: neutralization - where neutrality is imposed through an international agreement, as in the case of Finland; traditional neutrality - where a state chooses to be neutral, as in the case of Sweden; and finally nonalignment, which is an active policy of remaining outside of blocs (communist and western) and of averting a major war between these blocs (2-4). From a legal perspective, Chadwick has introduced the concept of “traditional armed neutrality” which according to her means war time neutrality, to contain the spread of war by

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1 Ad hoc neutrality means that a state is neutral in one conflict but has a different position in another. De jure neutrality means that a state is neutral according to (international) law. De facto neutrality means that a state is neutral in practice but its neutrality has not been recognized by (international) law.

2 Refers to The Agreement of Friendship, Cooperation and Mutual Assistance (YYA treaty) from 1948 to 1992 between Finland and the Soviet Union.
remaining impartial and uninvolved, yet having the ability to adopt military means to defend their neutrality (1-3), while authors such as Törngren have argued that neutrality as a legal concept is meaningless outside wartime (601).

Another formal term for neutrality is presented by Agius and Devine, who define perpetual neutrality as preservation of neutral stance both in war and peace, in some cases through constitution or a treaty (267), while neutralization is neutrality imposed by an outside power (268). Furthermore, Joenniemi has identified neutrality in which deterrence is vital for the survival of a neutral state, emphasizing the role of neutrality as a military dimension; and the concept of active neutrality which focuses on international and transnational actions such as peacekeeping (179). Active neutrality also emphasizes state’s proactive role as a peace builder and as a norm entrepreneur in international community as well as a state pursuing active foreign policy (Joenniemi 179, active neutrality also in Andrén 79-80).

While there are myriad ways to define neutrality depending on the framework it is used in, most observers seem to agree that in essence, and at its simplest, neutrality means impartiality in a war and also an alternative to alliances (Hakovirta 564), which also is the definition of neutrality for the purposes of the present research. However, in the context of 21st century foreign and security policies of Finland and Sweden, neutrality as such and in its broadest sense is a rather outdated.3 Neutrality is a very elastic concept with a continuum from absolute neutrality to absolute alliance (Hakovirta 564), as will be apparent also in the later parts of the literature review which delve more into the scions of neutrality in the period of post-Cold War and all the way to the present-day.

The pacifying nature of neutrality in combination with international institutions has been researched by a number of authors. Binter argued that as a resource for peace, neutrality lacks general applicability (396), meaning that neutrality can be utilized only in specific conditions instead of neutrality being a globally accepted resource for peace. As a counter argument, Karsh claimed that neutrals brought neutrality to the awareness

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3 In the sense that it has been replaced with other, more specific discourses, such as military non-alignment, in relevant governmental documents.
of global society by participating in international institutions such as the United Nations, all while removing the old image of neutrality as isolationist and antisocial policy (1988: 66). On the contrary, Karsh observed differences in political ramification of neutrality and cooperation that vary within and between regions and universal spheres as became apparent in the way Soviet Union felt about Finnish cooperation with the European community (66). In addition, Joenniemi suggested that although neutrality suffered from theoretical paucity as well as from issues on regional and transnational level, it had peace potential had it focused on normative pacifying civilian processes instead of realist military missions (175-182).

In the era of the Cold War, military strength and balance of power between the blocs were important factors when it came to success of neutrality, to the extent that Hägglöf, studying Sweden's neutrality, highlighted the necessity of balance of power for successful policy of neutrality (166). In a more recent work Andrén takes the factors of successful neutrality even further by claiming that without the combination of legal, political and resource-related credibility, a neutral state lacks respect from the international community (73). Moreover, according to Törngren, mutual distrust between neighbors can cause failure of neutrality as became apparent during the Second World War in the case of Finland and Soviet Union (603).

The aforementioned arguments suggest that during the post-Second World War balance of power, neutrality had peace potential yet it is highly unlikely that neutrality, despite its myriad definitions, is globally recognized as a universal resource of deterrence. While neutrality can be respected by the international community, it is not necessarily respected by regional actors. This uncertainty of neutrality and its variants as guarantees of deterrence echo in present-day politics, policies and public opinion in both Finland and Sweden and it leaves a question to be asked, is neutrality a viable policy in 2016?

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4 Andrén demonstrates that in the cases of Finland, Switzerland and Sweden all three factors were present but were emphasized differently because of geopolitical reasons: due to Soviet Union Finland highlighted the role of political aspects, Switzerland focused on legal credibility while Sweden exercised stronger emphasis on defence (73).
Post-Cold War, Post-Neutrality and 21st Century Foreign Policy

This section reviews literature that discusses neutrality in several contexts: neutrality in the climate of Post-Cold War, the concept of post-neutrality and finally neutrality in 21st century foreign policy, with the focus on Finland and Sweden. Without a doubt, the collapse of the Soviet Union and the end of the Cold War are immensely significant because in the post-Cold War, the Soviet Union ceased to be the main threat, while security was redefined in a broader sense. Post-Cold War is also when Finland and Sweden simultaneously joined the NATO Partnership for Peace program in 1994, the European Union in 1995 and in 2009 the duo joined the Nordic Defence Cooperation NORDEFCO with Denmark, Iceland and Norway. The importance of the period is also highlighted by the fact that Baltic states joined NATO in 2004, but at the time there were only debates of NATO membership in both Finland and Sweden but no actual attempts to become members.

Furthermore, the collapse of the Soviet Union, thereby the end of the Cold War and the movement from bi-polar to unipolar/multipolar world, highlights a historical moment which launched norm and policy reformations, reevaluations and reconceptualization of neutrality in countries which had adjusted their policies more or less with Soviet Union in their minds. The movement towards Western and European organizations after the end of the Cold War implies that there were changes in political climate and security architecture, because countries such as Finland and Sweden were ready to step out of traditional neutrality, that had dominated their policies since the Second World War, into new kinds of concepts such as non-alignment which will be discussed in this section.

What comes to the relevant literature on post-Cold War and neutrality, authors

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5 Sweden applied before Finland – in 1991 and 1992 respectively
6 Arguably, NORDEFCO is a (defensive) military alliance. However, it is not politically related to neither of the two superpowers, namely USA and Russia that clash over NATO. Thus, despite NORDEFCO being a regional defence alliance, it does not create same kind of political tension as membership of NATO would in the cases of Finland and Sweden and therefore in this particular context NORDEFCO is not considered as a military alliance comparable to NATO.
7 Unipolar in the sense that after the collapse of Soviet Union, United States was the strongest state for a period of time. Currently, it is argued that world has moved from unipolarity to multipolarity with the rise of China and other BRICS countries.
seem to agree that while differences are case-specific, neutrality as a norm went through modifications, more so in Finland than in Sweden (Beyer and Hofmann 286). Beyer and Hoffman researched norm revision and decline from a constructivist perspective in post-Cold War context and they have identified four interrelated reasons why and how states re-conceptualized neutrality vis-a-vis military organizations such as NATO: institutionalizing of neutrality, the *de jure* or *de facto* form of institutionalization, public opinion and political elite opinion (Beyer and Hofmann 286). Accordingly, normative change of neutrality was more considerable in Finland than in Sweden, because in the case of the former, neutrality was originally imposed by the Soviet Union and therefore as USSR collapsed, there was more room for a drastic change than in the case of the latter where neutrality was defined narrower with a long history (Beyer and Hofmann 286).

However, it could be argued here that change of neutrality in Finland was much more relevant to security than norms, because in Finland’s case geopolitical and other practical factors are more important than norms. In Sweden, conversely, norms and values have always played a key role in policies, as will soon be developed. Reorientation from neutrality to military non-alignment⁸ in post-Cold War era has also been researched by Ferreira-Pereira and she argues that while neutral states moved from neutrocentrism to eurocentrism, they sustained non-membership status in NATO because of the lack of an external threat (Soviet Union/Russia) but participated in crisis management tasks, embracing the idea of evolving continuity (100-116). Interestingly, Moisio argues in his research that despite the collapse of the Soviet Union and changes in the security architecture of Finland, Russia and possible Russian threats were used as building blocks of Finnish national identity (Moisio 105-121) implying that there was an external threat, while authors like Ferreira-Pereira have argued the opposite (Ferreira-Pereira 114).

The era of Post-Cold War neutrality can also be called the era of post-neutrality, which according to Möller and Bjereld means that neutrality continues its role as a

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⁸ Militarily non-aligned, military neutral or non-allied state can be politically aligned, but dismisses a military alliance.
guiding principle even if countries such as Finland and Sweden have turned towards a European mindset (367). Finland and Sweden hold on to the principle of neutrality while simultaneously agreeing to the Lisbon Treaty (article 42.7) which obliges member states to use force should another member state be attacked. Should European Union be seen as a military alliance because of the Lisbon Treaty, then would it mean that Finland and Sweden are not truly neutral? Or do Finland and Sweden hold on to the principle of neutrality so that it could be "exploited" when necessary? It could also be argued that in the context of EU’s common defence policy, Finland and Sweden are ad hoc neutral, as they participate in the common defence of member states of the European Union but remain neutral in relation to affairs outside European Union. As becomes apparent in the analytical section, neither Finland or Sweden see European Union as a military alliance, therefore in the context of the present research, European Union is not considered as a military alliance, thus in that sense Finland and Sweden remain neutral. This is because European Union is a very extensive political and economic union while NATO does not have the aspects of for example economic union but instead focuses strongly on military power and defence.

It has been identified that there has been a change from active and positive neutrality prior to EU membership to military non-alignment, military neutrality and non-membership of military alliances (Devine 356). Some have argued that the transformation from neutrality to post-neutrality is a result of changes in feedback mechanisms, meaning that Soviet era neutrality was not necessary for Finland after the collapse of USSR, while Sweden failed to upkeep an appropriate international role (Möller and Bjereld 379). Moreover, Agius has argued that change from neutrality to post-neutrality was not alone because of changes in external security but also because of a combination of subjectivity and ideas of self as a state as well as reconstitution of identity (371, 384).

In 2001, Forsberg and Vaahtoranta argued in their study on Finnish and Swedish post-neutrality that while Finland and Sweden are separated by history and geopolitics, there would now be more commonalities that have surfaced due to decreasing relevance of geopolitics as collapse of the Soviet Union changed the security environment and
because the two states joined EU simultaneously (68, 85). Möller and Bjereld argue that instead of commonalities in their post-neutral foreign policies, Finland and Sweden differ on their views on possible NATO membership and on their choice of military strategy, with Finland focusing on the strategic dimension while Sweden focuses on normative dimension (364, 374). Furthermore, by joining the European Union, both states moved from neutrality to political alignment, without giving up their military non-alignment by staying outside NATO (Forsberg and Vaahtoranta 69). However, in the context of post-neutrality, neutrality in war was regarded as one of the options in both of the cases, while military non-alignment is also a peacetime option which is dependent on prevailing circumstances (Forsberg and Vaahtoranta 78-79).

The 21st century has been dominated by a number of major issues that have made states reconsider their foreign and security policies. The war against terror after 9/11 in 2001, numerous terrorist attacks including the war against ISIS, as well as Ukraine Crisis and its aftermath with increased Russian activity outside its borders have had an effect. Interdependence and non-territorial security problems have realigned security priorities of militarily non-aligned states in forms of restructuring defence forces and increased involvement in, for example, NATO and EU security initiatives, according to Agius and Devine (266). They further argue that in this regard, neutrality and military non-alignment lack value in strategic sense, because security priorities have moved from issues such as territorial integrity to issues of, for example, terrorism and non-state actors, while being part of the European Union neutrality is arguably unsustainable (Agius and Devine 266). Moreover, the authors see neutrality as state-centric and antiquated because it does not respond to the actions that are to be taken against terrorism, all while the difference between internal and external security becomes less and thus the rationale for neutrality erodes (Agius and Devine 266). It is necessary to note, however, that the article of Agius and Devine was published well before the Ukraine Crisis and the changes in security environment that followed, which explains their view on neutrality as less valuable norm and policy.9

Interestingly, and against the argument of Agius and Devine on the

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9 Article of Agius and Devine was published in 2011.
unsustainability of neutrality, Goetschel identified in 2011 that neutrality as a policy has prevailed and the discussion of abolishing neutrality has disappeared (313). Goetschel focused on the connection between neutrals and peace building, and his main argument was that neutrality has a comparative advantage when it comes to channeling new ideas into international relations and that neutrals have the capability to further advance international norms as neutrals such as Finland and Sweden have a long idealistic and realistic history (313)\(^\text{10}\). Idealistic history in this case focuses on norms and values and for example promotion of non-violent means of conflict resolution, while realistic history is sovereignty sensitive and focuses on state survival (Goetschel 315, 317). Finally, what comes to the future of neutrality, Löden concludes that in attempting to forecast the future of neutrality in cases of Finland and Sweden, it is necessary to remark the changes in identity before a turn into new behavior as well as not consider the said changes as predetermined (280).

**Conclusion**

The literature review has introduced varieties of neutrality and ways how neutrality has been researched in scholarly world. Clear is that neutrality and its more contemporary forms such as military non-alignment, whether as norms or policies, have played a major role in the foreign and security policies of Finland and Sweden up to the present day. In order to fill the academic gap, it is vital to construct a contemporary view, which takes into consideration issues that are not yet found in academic literature, namely the role of the Ukraine crisis, the increased activity of Russia in the Baltic Sea region as well as the decaying relationship between NATO and Russia. The following research question has surfaced from the literature review: *What implications the Finnish and Swedish traditions of neutrality have for the NATO membership of Finland and Sweden in the post-Ukraine crisis political climate?* The following section introduces theoretical frameworks and the methodology used in this study.

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\(^{10}\) Promoting norms in the international community is seen as “norm entrepreneurialism”, this is discussed in more detail in Ingebritsen: “Norm Entrepreneurs: Scandinavia’s Role in World Politics” 2002; Finnemore and Sikkink: “International Norm Dynamics and Political Change”1998.
Research design

The purpose of this study is to research and evaluate implications the traditions of Finnish and Swedish neutrality have on possible NATO membership of Finland and Sweden, with the primary focus on the post-Ukraine crisis period. What has become apparent from the literature review is that neutrality has evolved and reformed throughout the 20th and 21st century according to the geopolitical situation and security architecture. The visible changes of neutrality in the aforementioned contexts emphasize the role of neutrality when it comes to policies and decision making and therefore it is necessary to further study if and how neutrality has evolved in the aftermath of Ukraine crisis and in what ways it attributes to the decisions that focus on NATO membership. The ways the Finnish and Swedish traditions of neutrality have changed underlines the path dependent nature of neutrality as a foreign policy tool. What is being argued here is that Finnish and Swedish neutrality and the ways it changes, or does not change, depend largely on the actions of Russia and history in general; therefore neutrality in the cases of both Finland and Sweden is path dependent. This chapter introduces two theoretical frameworks that follow the general lines of realism and constructivism, the method of content analysis, selected empirical data and will finally argue for the case selection and scope of the study.

Theoretical Framework

In order to capture neutrality and military non-alignment as both norm and as a foreign policy instrument, the present study has been built on the premises of constructivism and realism. These two frameworks have been chosen for the study because neither of the two can alone thoroughly explain the changes and the ways of how neutrality is used in international relations. Constructivism focuses strongly on domestic actors and non-material structures, while realism focuses primarily on alliance formation, material structure and military power, and therefore a combination of the two theories - state's motivation to institutionalize a norm and alliance formation based on threat perception - provide an appropriate set of frameworks for the present study.
Constructivism: Norm Institutionalization

To begin with, in the context of global politics and international relations, constructivism bases on three main tenets. These tenets are the relations between people; the mutual constitution of structures and agents; and finally, double hermeneutics which asserts that politics are interpretations which then are further interpreted by others (Pouliot 425, 428-430, Agius 375). In principle, constructivists are ontologically interested in the social, ideational and normative factors that affect politics – how actions of social and political actors are driven by ideas, beliefs and values through non-material structures (Reus-Smit 196-197). Understanding the non-material structures helps to understand the interests and actions policy makers take, because according to constructivism actions cannot be explained through rational theory because they are not automatic reactions, but are actions that are influenced by norms and values and to some extent by material power (Reus-Smit 197, Ayukawa 424).

As a framework from the constructivist perspective, the present study applies the framework of norm institutionalization introduced by Möller and Bjereld. Möller and Bjereld researched post-neutrality in Finland and Sweden, but the scope of their research ended to the year 2010. The present study however, takes the analysis further, and moves the scope from 2010 to 2016. To begin with, institutionalizing a norm relies on factors (both material and non-material) that influence decisions behind maintaining the said norm, in this case neutrality. These factors are divided into strategic and normative dimensions, where the former focuses on security and territorial integrity while the latter focuses on identity and national autonomy (Möller and Bjereld 369). Strategic dimension understands for example that neutrality in international conflicts prevents a state from getting unwillingly involved, while normative dimension focuses on expressing an appropriate role in relation to neutral position and other states (Möller and Bjereld 369).11 These aforementioned factors have an impact on policies through path dependency – the conditions prior and/or at the moment of norm institutionalization shape the policy because policy creation is a social process and dependent on historical and political contexts (Möller and Bjereld 368; Pierson 252).

11 Emphasis on original
Thus, for an idea or a norm to be institutionalized, it has to be embedded in an institution, such as a state, and it has to play a role on the motivation and perception of political actors (Berman 26). For a norm to remain institutionalized there needs to be positive feedbacks, i.e. state feels secure due to the norm, and lack of negative feedbacks that could cause norm revision (Möller and Bjereld 369). Accordingly, strategic feedback is concerned with for example territorial integrity, while normative feedback concerns predominant national narrative and international role (Möller and Bjereld 369). Thus, by using security and international role as feedback mechanisms, the present study is able to demonstrate motivation and persistence of the institutionalization of neutrality as a norm, which helps to understand the role of normative neutrality in today's foreign policy, not only in the selected cases but also in a general level.

Realism: Balance of Threat

Classical (Hobbesian) realism assumes that the world lacks an international government or hierarchy (thus there is anarchy in the world), which in combination with statist egoism and competition leads to power politics and issues on security and trust. “Waltzian” neo-realism, however, focuses purely on state's capabilities (Waltz 99), which means that political structures are based on distribution of power as well as on differentiation and allocation of political functions (Donnelly 35) or simply that states seek to survive in the international system (Walt 1998: 31). This theory is also known as the theory of balance of power, by Kenneth Waltz, which asserts that there is a balance of power and feeling of national security when no one state is stronger and capable of dominating other states and power is equally distributed in the global system (Little 129-130, 132-133). However, the problem with balance of power theory is that it rather exclusively works in relation with great powers such as United States and Russia or, in a more contemporary and topical setting, with NATO and Russia.

While the present study focuses on two relatively small states that are located in the near vicinity of a great power, a reformulation of balance of power into the framework of balance of threat by Stephen M. Walt is appropriate because it gives a framework to study alliance preferences of smaller states. Walt, among others, has argued that states, especially small ones, form and join alliances to protect themselves in
anarchical international system (Walt viii). Walt’s seminal argument is that threat is what determines actions of small states while the role of power depends on how it is used, where it is located and what it is capable of doing (viii). According to his theory, Walt offers two options small states can have in case of a threat: balancing and bandwagoning. The former implies that a state allies against a threat and the latter that a state aligns with the actual threat in hopes to avert an (another) attack (Walt 17). To understand why states balance or bandwagon, Walt identified four factors (other than power) that affect the level of threat to both the direction of balancing and bandwagoning. First factor is aggregate power, which highlights the role of military capability, population and for example technological advancement (Walt 22), while the second factor is geographic proximity (23) which is simply the distance to the possible threat. Third factor identified by Walt is offensive power, which highlights a state’s ability to threaten for example the territorial integrity of another state (24) and the fourth and final factor is aggressive intentions which determines the level of a state is perceived to be aggressive, as for example in the case of Nazi Germany (25). For the purpose of the present study, the framework of balance of threat is operationalized, because it helps to understand neutrality in connection to the four aforementioned factors and because they play a great role on a country deciding whether to join an alliance. While the aforementioned factors strongly depend on ways they are perceived, it is important to remember that history as well as culture affect the way states perceive intentions, thus some Russian actions can, for example, be perceived as aggressive due to history like in the case of Finland.

To recapitulate, the theoretical framework in this study consists of two theories. When analyzing neutrality as a norm, thus as a core tenet of both domestic politics and international relations, the constructivist framework follows the framework norm institutionalization by Möller and Bjereld. What comes to neutrality and alliance formation, Walt’s balance of threat theory covers external issues, through analyzing the four factors\(^\text{12}\) that affect the extent threat is perceived in the two selected cases. The two theories are combined in the analytical section in order to understand the path

\(^\text{12}\) Aggregate power, geographic proximity, offensive power and aggressive intentions
dependency of Finnish and Swedish neutrality and how it affects today’s decision making.

**Methodology – Directed Content Analysis to Balance of Threat and Norm Institutionalization**

The two selected frameworks for the present study were introduced in the previous section, and in this section their application will be further elaborated on. In order to analyze neutrality within the framework of norm institutionalization and balance of threat, this study engages directed content analysis, comparatively on the two cases of Finland and Sweden. Directed content analysis provides the present study a platform for deducing content and occurrence of phenomenon from the selected documents while engaging with the theoretical frameworks that help to further understand and analyze neutrality in the context of post-Ukraine crisis foreign policy.

In general, content analysis is a study of meanings and inscription in different forms of documentation such as books and journals (Prior 360; Bos and Tarnai 660), and it includes approaches that systematically analyze codified data through categorization - either quantitatively or qualitatively. Qualitative content analyses are forms of data analysis that are applied to context-dependent meaning (Schreier 173) and are atheoretical, giving emphasis on the informational content of the data without any method related theoretical limitations (Forman and Damschroder 40). Furthermore, qualitative content analysis analyses words and meanings that are either deductively or inductively collected from the sources, aiming at providing a detailed description of the material that is analyzed (Schreier 173). Directed approach aims to validate a theoretical framework (Hsieh and Shannon 1281), which in the case of the present study are the balance of threat theory and the theory on motivation on institutionalizing and creating a norm. Focusing on historical context and meaning serves a useful base for the current study because the goal is to understand a phenomenon of neutrality in foreign policy rather than making generalizations based on statistics (Bos and Tarnai 661; Forman and Damschroder 60; Hsieh and Shannon 1284). Directed content analysis is appropriate for the present study, because it helps through qualitative analysis to emphasize the context and content of the selected data while not interfering with the theoretical frameworks.
Thus, directed content analysis is fitting for this study because analyzing the context and content are crucial for the selected theoretical frameworks because historical context and the informational content create foundational basis for both constructivist and realist perspectives.

The directed content analysis is applied to two cases within the set theoretical frameworks. For this study, Finland and Sweden have been chosen as case studies for several reasons. These countries are geopolitically very significant in differing ways. Finland shares a long 1300 km border with Russia and is located by a sea that is strategically very significant to Russia. Sweden on one hand, does not share a border with Russia, but on the other hand, is too located by the same important sea. Strategically speaking, Sweden and Finland are located critically – NATO on one side and Russia on the other, with little strategic options should the situation suddenly get worse. For Sweden, Finland serves as a buffer zone between Sweden and Russia. Furthermore, these two states cooperate closely through formal and informal channels and thus have relatively homogenous view to the issue at hand. Analyzing two cases, which are perceived relatively similar but in reality have differences in their policies both in normative and pragmatic sense, allows deeper understanding on the implications neutrality has for possible NATO membership. These similarities as well as differences are further elaborated on in the analytical section. As was established in the literature review, Finland and Sweden both have long histories as neutral states, but due to different geopolitical situation, their focus has been on different things. Finland has focused, due to an intricate history with Russia, on the strategic side of neutrality while Sweden has throughout its history emphasized normative neutrality. As will be established, both Finland and Sweden have implicated that the security environment in the Baltic Sea region has changed and therefore both of the states have very recently renewed their foreign and security policies. Both Finland and Sweden cooperate with NATO closely through the NATO Partnership for Peace (PfP) program and through the Enhanced Opportunities Program (EOP), and both of these states signed Memorandum of Understanding with NATO, more specifically the Host Nation Support Agreement, in 2014 to deepen the cooperation. For these aforementioned reasons Finland and Sweden serve as pertinent cases for analysis as despite their similarities, the cases in the end are
most different because of their different focus on both normative and strategic neutrality.

The scope of the present study is set to the political climate after Ukrainian Crisis because it is when the situation between NATO and Russia, or alternatively between the West and the East, deteriorated. To protect her interests, Russia annexed the Crimea peninsula in early 2014 which caused movement in the NATO camp and which later on escalated to other hostile/provocative actions in the Baltic Sea region in forms of airspace violations et cetera. Furthermore, after the Crimean annexation, NATO has relocated troops to the Baltic states in fears of further Russian provocations and hostilities. Due to the Russian actions in Crimea as well as the Baltic Sea region, both Finland and Sweden have indicated that their security environment has changed, and this becomes apparent in the analytical part where the new foreign and security policies of Finland and Sweden are analyzed.

As the level of analysis is a state, the data used for analysis consists of the most recent foreign and security policies (White Papers) of Finland and Sweden, governmental sources, as well as the speeches and discussions including those that took place in "Kultarantakeskustelu" on 19th and 20th of June, in Naantali, Finland. Kultarantakeskustelu was hosted by the President of Finland, Sauli Niinistö and among the discussants and speakers were the Swedish Prime Minister Stefan Löfven, Swedish and Finnish ambassadors, members of parliaments and other relevant people. These sources were selected for the present study because they are very topical and up to date, and they demonstrate the current level and type of discussion that is taking place on the governmental level in both countries. Furthermore, due to the limitations and the scope of the present study, the data selected for the present study has been filtered so that it fits a narrow conception of security – namely the national security on level of state as well as territorial integrity, without taking into account for example issues such as terrorism or environmental issues. By observing such sources the present study is able to establish the normative and strategic use of neutrality in foreign policies in the context of post-Ukraine crisis political climate in the Baltic Sea region.

The following section analyses the findings of the research conducted according to the aforementioned methodology and theories.
Analysis

The previous section introduced the two theoretical frameworks as well as methodology that are used in conducting the analysis. By applying the frameworks of norm institutionalization and balance of threat through the method of directed content analysis, the analysis presents how neutrality works and possibly prevails as a normative and as a strategic instrument in foreign and security policies. The sources under analysis collectively discuss several things. Both Sweden and Finland have identified structural changes in their security environment and have adjusted their foreign and security policies accordingly to the prevailing political climate. As a measure of securing independence and territorial integrity, Finland and Sweden aim to build up their defensive capabilities within the coming five to ten years. Furthermore, while both countries advocate further cooperation with NATO, discussions about membership have surfaced and have simultaneously reached the level of seriousness that was last present during the Cold War. Also, the tense environment has last been present only during the Cold War. This section is divided into two parts, which follow the aforementioned theoretical frameworks.

Norm Institutionalization

The findings are discussed here within the framework of norm institutionalization by Möller and Bjereld (2010). In theory, improving a state’s security could lead to neutral position; in practice, however, neutrality is based on a mix of fulfillment of an international role, national security and conception of national identity (Möller and Bjereld 367-368). Accordingly, national interests and identity become important parts of the institutionalized idea (Möller and Bjereld 368), which in the case of the present study is neutrality. Thus, the context of the present study and the core of the framework of norm institutionalization require analyzing the conditions and motivation why neutrality remains institutionalized in 2016.

Neutrality has been a foreign policy option for both Finland and Sweden for most

13 Depending on a case, the three factors, namely international role, national security and national identity can be emphasized differently. For example, Sweden emphasizes international role while Finland might emphasize national security more than international role.
of the 20th century, and Sweden has been at peace for over 200 years. Events such as the Cold War and entering the European Union have changed the nature of the norm, yet the basis has always remained – both states remain as bystanders to great power politics by staying outside military alliances in both peace and wartime. Because of history and the relative success of neutrality as a foreign policy for both Finland and Sweden, it could be argued that neutrality has become so embedded – through path dependency - into the norms and values of both the citizens and the political elite, that despite changes in security environment, people do not think that neutral stance would betray them “this time” either. An outsider, however, could expect that with the changes in security environment after the Ukraine Crisis, there could be a change in the normative nature of neutrality. With this expectation in mind, let’s first focus on the findings that yield from the analysis when looking into national security, a strategic dimension, as a feedback mechanism.

**Strategic Dimension - Security**

Finland and Sweden have identified dramatic changes in their close vicinity – the Baltic Sea has been a theatre of Russian hostile action, varying from military exercises to other provocative activities, such as the harassment of USS Donald Cook few months prior to finalizing this research. Russian planes have flown unauthorized in the airspaces of both Finland and Sweden while Baltic states have demanded for NATO’s presence in order to deter Russia from further hostile activities. Simultaneously, however, Russia has expressed that NATO’s eastward expansion and aims of moving military personnel to the Baltic states without forgetting the military exercises are threatening Russian interests.\(^{14}\) Therefore, the atmosphere is extremely tense and volatile. These changes and the volatile atmosphere become apparent in numerous speeches, reports and White Papers, in which Russian actions, not only in Ukraine and Crimea but also in the Baltic Sea region, are deeply condemned. Despite Finland and Sweden being highly responsive to threats in not only in their neighborhood but also in a more global setting, both of these states

\(^{14}\) Russia seems to continue share the globe into spheres of influence, and NATO’s eastward expansion has, in cases such as the Baltic states, gone on Russian sphere of influence. It is also generally understood that the Russo-Georgian crisis of 2008 is somewhat directly linked to Georgian aims of joining NATO – Russian actions in Georgia were thus a response to changes that were about to take place in its sphere of influence.
declared in their most recent White Papers that neither of these states are members of any military alliances (Prime Minister's Office 2016; Försvarsdepartementet 2015).

Non-participation in military alliances as a suitable foreign policy option has been further referred to in a number of occasions, for example in the Kultaranta talks by several panelists and in speeches of both Finnish and Swedish foreign ministers. The Swedish Defence Minister emphasizes in his speech that Sweden has a two-tiered foreign and defence policy – military non-alignment is the basis onto which reinforcements of the military capability and deepening cooperation are built on (Hultqvist 2016). Furthermore, Sweden’s goal is to continue the path of neutrality but also to continue creating bilateral relations with countries such as United States and Germany, in case of a situation in which Swedish neutrality is breached by actions of other states (Berquist 2016). At the same occasion, former Finnish Minister of Foreign Affairs stated that in the case of Finland, it is important to have Finnish motives as unambiguous as possible, while making sure that the credibility of Finnish defence mechanisms increase (Tuomioja 2016). Moreover, Finnish foreign and security policy lies on its membership in European and Nordic communities, while bearing its global responsibility as an independent state and in pursuit of strengthening Finland’s international position (Prime Minister's Office 6-7).

Due to the tense environment in the Baltic Sea region, both Finland and Sweden show a change in the military dimension of security. National autonomy and territorial integrity have returned to the core of security, which feeds to the importance of neutrality as an instrument of foreign policy. In the period between the end of the Cold War and the Ukraine Crisis there was no “obvious” reason for neutrality, as during that period, Russia was not considered as a threat. Consequently, during that period, both Finland and Sweden extended their global participation and moved away from national focus. Today the focus is back on national security, independence and territorial integrity.

These findings yield several implications on security as a feedback mechanism when it comes to norm institutionalization. Despite the somewhat negative feedback Finland and Sweden have received, it does not seem to be enough for them to find it
necessary to move away from institutionalized neutrality. Instead, both states respond to the changes through other means, namely by deepening cooperation with bi- and multilateral organizations and institutions, and by investing in defence mechanisms and infrastructures. These actions serve national interests. Moreover, both Finland and Sweden seem to understand that joining NATO while the situation is tense and volatile would not serve national interests in same ways as remaining militarily non-aligned does.

**Normative Dimension – International Role**

What comes to the normative dimension and especially to international role as a feedback mechanism, the two countries under analysis act relatively similar. Historically, Finland and Sweden have a long legacy of neutrality and through the knowledge both countries have gained, they have been able to remain impartial to great power politics. Both Finland and Sweden have strong international roles when it comes to participating in crisis management, cooperation on security issues, human rights et cetera. Both states highlight the role of the European Union as the basis of not only foreign policies and security, but for other political issues as well. Despite European Union lacking the military capabilities to deal with (large scale) strategic issues such as the one of the Baltic Sea region, EU is important because it still is a part of both Finnish and Swedish identities. By belonging to a European institution, the countries feel unity and convergence which emphasizes not only military but also normative engagement to issues. As neutrals, Finland and Sweden emphasize the role of United Nations by participating in numerous peacekeeping missions and other humanitarian programs as this feeds to security in many levels. Furthermore, Sweden has been voted as a non-permanent member to the UN Security Council, in which neutrality becomes ever more crucial as the council is where opposites, such as United States and Russia, discuss.

In the Kultaranta talks, the Swedish Prime Minister Löfven emphasized in his keynote speech Sweden’s global status based on non-alignment, solidarity and cooperation, while President Niinistö in his opening remarks focused more on the changed security environment and how it effects the bilateral cooperation between Finland and Sweden (Löfven 2016, Niinistö 2016). Moreover, Sweden has launched a
feminist foreign policy specifically to remove issues that are, for example, related to gender and inequality. Finland has, however, worked as a mediator and as a messenger between Washington and Kremlin, as becomes apparent in an interview of President Niinistö (Lauren). This emphasizes the special role neutral states can have – they can work as neutral grounds for dialogue between great powers and others if deemed necessary. A very topical example of this is president Putin’s visit to Finland the coming weekend, where Finland can continue and contribute to the “European dialogue between Russia and the West” (Blencowe and de Fresnes 2016).15 The meeting is extremely important because it is Putin's first visit to an EU member state after the Brexit vote and because of the coming NATO Warsaw summit in July. Therefore, international role of a neutral state especially in the current inflamed situation is very important as because of their neutral status they are able to contribute to international peace as well as security, while joining a military alliance at the current situation might only lead to worsening of the atmosphere.

It can be argued, on the basis of the findings, that Finland and Sweden seem to believe that joining a military alliance would not serve their purpose and goals in a global setting. Both Finland and Sweden actively contribute and participate in global missions and programs, and joining a military alliance at the moment could only cause the situation to worsen. By contributing to the common good, both Finland and Sweden are included in the international community, without the aspect of a military alliance that would in the current situation be very dangerous. Furthermore, when taking the current situation into account, neutrality contributes to the level of security in the Baltic Sea region as well as in the Northern Europe as a whole. Finland and Sweden actively contribute to NORDEFCO and have strong bi-lateral relations with, for example, Norway and the United States. However, in the current circumstances, joining a military alliance which is strongly dependent on a state that is considered as an enemy by Russia would not contribute to international stability and security in the ways neutrality does.

15 The meeting turned out ever more important because president Niinistö proposed president Putin to consider Russian planes to return to the use transponders when flying in the Baltic Sea region, as a confidence-building measure between Russia and NATO. Putin accepted the proposal and has later on organized a meeting as a continuation to the NATO Warsaw gathering, with relevant counterparts. This shows the importance of neutrals as messengers between conflicted counterparts. (Yle.fi 1.7.2016 , accessed 30.8.2016 http://yle.fi/uutiset/putin_agrees_to_finnish_proposal_on_aircraft_transponders/8999141)
Balance of Threat

In this section, the findings are discussed within the framework of balance of threat by Stephen M. Walt. The said theoretical framework helps to understand the realist and strategic side of neutrality and how factors such as aggregate power, geographic proximity, offensive power and aggressive intentions of a possibly hostile state affecting neutrality as a foreign policy strategy.

External threat exists – Russia is perceived as unpredictable, hostile and as a state that does not honor international laws - and this is clearly asserted in the newest Swedish White Paper (2015: 22). Few years back, both Finland and Sweden focused on multinational cooperation and crisis management, and national defence seemed to be a distant idea as both Finland and Sweden had drastically reduced defence budgets, the latter more so than the former. Sweden for example ended its conscript service, while Finland continued it, but closed up or combined several military bases, leaving areas such as Northern Finland without an air force base. This happened primarily because it was assumed that an external threat, such as a weaponized attack from another state, would be highly unlikely. Today, however, both Finland and Sweden focus on strengthening their defensive mechanisms. Sweden, for example, is basing a permanent mechanized battle group at the island of Gotland, an important strategic location in the Baltic Sea. Finland, then, has very recently passed a law which allows for orders to rapidly re-train reservists, should the security situation so demand. Furthermore, the changes in security environment are noticeable. After two decades of declining defence spending and due to new national objectives, both Finland and Sweden aim for reforming their national defence mechanisms: for example, compared to previous period, Swedish Armed Forces receive approximately 1.8 billion euros extra to both military and civilian defence for the period of 2016-2020 to update their “total defence” of which national security is a big component of (Försvarsdepartementet 2015). New national objectives are also visible in Finland. As one of the most recent defense related discussions is the possible change in the Conscription Act which would allow training conscripts as standby units (Huhtanen 2016). This would mean that conscript forces would be the first forces an enemy would face in the moment of a “surprise” attack, and
that this would allow more time for the reserve forces to get ready (Huhtanen 2016).

According to the Defence Minister Niinistö, these changes as well as the overall readiness have become increasingly important after what happened in Crimea (Tolkki 2016). Thus, it can be argued that military doctrines have refocused from international to national issues.

According to the framework of balance of threat, states have two options: balancing and bandwagoning against a threat. Bandwagoning is not an option because it would mean that the neutral states would have to ally with Russia and such a change would be rather utopian. Furthermore, in the case of bandwagoning Finland and Sweden would most likely have to abandon EU, NATO cooperation and most likely all the other “Western minded” organizations. Balancing, however, can in this case have different levels. Full balancing would mean that Finland and Sweden would join NATO, and this would be likely only in the case of a total war, if even then. Finland and Sweden can also practice self-sustained, internal balancing through national methods, namely reform and strengthen their territorial defence.

As for the four factors by Walt, all four can be applied to Russia. To repeat briefly, the four factors are: aggregate power which is about military capabilities, population and technological advancement (Walt 22); geographic proximity that is the distance to a threatening state/entity (Walt 23); offensive power, which highlights state’s ability to threaten another state’s territorial integrity (Walt 24). The fourth and final factor is aggressive intentions, which can for example be the level a state is perceived to be aggressive (Walt 25). Firstly, Russia possesses aggregate power. Since 2008, Russia has undergone comprehensive reform of the armed forces and the capacity increases until 2020s, which enables Russia to conduct operations in its immediate surroundings (Försvarsdepartementetet 2015). Russia also has a nuclear arsenal and the size of its armed forces is large compared to those of Finland and Sweden, just as is the size of the population. Russia also possesses the ability to use hybrid means or other ambiguous operations (Berquist et al. 15) Secondly, Russia is in the geographic proximity of especially Finland but also Sweden. Finland and Russia share land border of up to 1300km. The role of Baltic Sea is also very important, because it is the only waterway
from St. Petersburg to Kaliningrad enclave. The same waterway is important to both Finland and Sweden, without forgetting all of the Baltic States and therefore it possesses strategic value. It is also important to remember that there is no land route to Kaliningrad from Russia that would not go through another state, thus only way for Russia to access the enclave is by sea. Thirdly, Russia has shown its ability to use offensive power in numerous incidents, not only in the Baltic Sea region but also globally in cases such as the Ukraine Crisis, the Russo-Georgian diplomatic crisis of 2008 and so on. Finally, aggressive intentions of Russia have become clear in occasions that have already been discussed earlier in this study.

As the four aforementioned factors can be applied to Russia in ways that are concerning for Finland and Sweden, the factors and their connection to Russia have implications for the foreign and security policies of Finland and Sweden. Because of the four factors, both states have found it necessary to revise their policies and to strongly invest into updating and renewing defensive measures. Also, these factors set some limitations – because of the strong Russian military force, its assertiveness and its policies, both Finland and Sweden need to consider their policies ever more carefully. The four factors by Walt to which Russia’s case can be applied would not be so relevant should Finland and Sweden be located on the other side of the world, but, due to these factors, it is impossible and irresponsible to ignore a strong and unpredictable neighbor when deciding on foreign and security policies. It is, however, important to keep in mind that if these aggressive intentions are looked at from a Russian perspective; they are not necessarily seen as aggressive but as defensive. In the end, Russia perceives NATO’s actions as threats to its territorial integrity as well as a step on Russia’s sphere of influence.

What is apparent from the findings is that Finland and Sweden balance internally by increasing their defence budgets dramatically and that both remain outside NATO or other alliances of purely military nature. While these two states are active members of the EU and NORDEFCO, both states extensively invest on updating their national security

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16 As mentioned on a footnote on page 6, NORDEFCO and European Union are not considered as a military alliance comparable to NATO.
measures, as became apparent above. Russia is perceived as a threat, but so far normative neutrality weighs more than realism, as neither Sweden nor Finland find NATO membership as a fit solution. Instead, Sweden is focusing on territorial defence while Finland practices deterrence by denial (Berquist et al 15), which means that Finland attempts to convince the attacker that the attack will be defeated and operational goals will not be reached (Yost 2003). Simultaneously, both Finland and Sweden openly discuss security and foreign policy matters, because openly discussing a possible NATO membership is a signal to Russia that their neighbors are not pleased with their actions and that the neighbors have available options should the situation change.

Conclusion
This study has discussed the evolving nature of neutrality and its role in today's foreign and security policies. By applying the theoretical frameworks of norm institutionalization and balance of threat, the study has been able to come to the following conclusion. The security environment at the Baltic Sea region has changed. Because of the said change, both Finland and Sweden have, on one hand, revised their foreign and security policies, and on the other hand, have found it necessary to reform their national defence mechanisms.

What comes to norm institutionalization, it is clear that neutrality as a norm is strongly embedded in not only the Swedish and Finnish histories and societies but also in the decision making. While the security environment at the Baltic Sea region has changed, neither of these two states have perceived enough negative security feedback so that the norm and policy of military non-alignment would have to be changed to for example a military alliance with NATO. The option remains, but in today's situation it is not used unless there is a dramatic change – yet in which using the option might turn out unwise. As for international role as a security feedback, both Finland and Sweden find bi- and multilateral cooperation with NATO and the European Union very important, and both emphasize the role of the European Union as the basis for security in Europe. Findings in the light of the framework of balance of threat suggest that both Finland and
Sweden are internally balancing against a possible threat on their own by reforming and strengthening their defence mechanisms, yet balancing by joining a military alliance is not seen necessary or even a plausible option at the current situation. As aforementioned, Finland and Sweden rely to a large extent on European Union and its solidarity and common interests, which to an extent can be seen as a balancing act as well. Furthermore, national security has become the primary issue in their foreign and security policies.

Military non-alignment as a foreign policy instrument prevails in both Finland and Sweden. Thus, neutrality has a number of normative and security related implications for a possible NATO membership. Firstly, neutrality as a norm has served both Finland and Sweden well and it may do so for an unpredictable period of time because the path dependency of Finnish and Swedish tradition has remained unchanged. Secondly, neutrality as a norm is sort of a security guarantee for Finland and Sweden – it can be argued that should the states now join NATO, there would be definite consequences from Russian side because Russia perceives NATO’s actions and enlargement as a threat. Thirdly, neutrality serves not only Finland and Sweden, but also the international community – through the neutral status both Finland and Sweden are able to contribute not only to the national or regional security but to global security by for example helping with dialogue between belligerents. Finally, it can be argued that Russian aggressions at the Baltic Sea region are primarily aimed at NATO or at testing NATO’s reactions and not ultimately at the neutrals. Despite the increased insecurity at the Baltic Sea region, the normative side of neutrality weighs more in the scale of Finnish and Swedish policymakers, than weighs the realist side. Therefore, until the national defence mechanisms as deterrence have been proven futile, neutrality as a norm will prevail and Finland and Sweden shall remain outside a military alliance.
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