



Gjelder hele
Svalbard

NORWAY AND THE BEAR

NORWEGIAN DEFENCE POLICY
– LESSONS FOR THE BALTIC SEA REGION

Justyna Gotkowska

NUMBER 38
WARSAW
JANUARY 2014

NORWAY AND THE BEAR
NORWEGIAN DEFENCE POLICY
– LESSONS FOR THE BALTIC SEA REGION

Justyna Gotkowska



OSW |

CENTRE FOR EASTERN STUDIES
OŚRODEK STUDIÓW WSCHODNICH im. **Marka Karpia**

© Copyright by Ośrodek Studiów Wschodnich
im. Marka Karpia / Centre for Eastern Studies

Content editor
Olaf Osica

Editor
Katarzyna Kazimierska

Co-operation
Anna Łabuszewska

Translation
Maciej Kędziński

Co-operation
Jim Todd

Graphic design
PARA-BUCH

DTP
GroupMedia

Photograph on cover: Shutterstock

Map and graphs
Wojciech Mańkowski

PUBLISHER

Ośrodek Studiów Wschodnich im. Marka Karpia

Centre for Eastern Studies

ul. Koszykowa 6a, Warsaw, Poland

Phone + 48 /22/ 525 80 00

Fax: + 48 /22/ 525 80 40

osw.waw.pl

ISBN 978-83-62936-38-0

Contents

KEY POINTS /5

INTRODUCTION /8

I. NORWAY'S DEFENCE POLICY AND THE HIGH NORTH /9

1. Norway's national interests /10
2. Legal issues /13
3. Challenges and threats /15

II. NORWAY'S DEFENCE POLICY: COOPERATION AND DETERRENCE /20

1. Cooperation with Russia /21
2. Strengthening NATO's collective defence /25
3. Building up Norway's own defence capabilities /30
4. Cooperation across Northern Europe /35

III. NORWAY AND THE BALTIC SEA REGION /39

Appendix 1. Norwegian Maritime Boundaries /43

Appendix 2. Norway's participation in international operations /44

Appendix 3. Military Expenditure /46

Appendix 4. Norwegian Armed Forces: Personnel strength and categories /47

Appendix 5. Norwegian Armed Forces: Domestic Activity /49

KEY POINTS

- After a period of reduced significance following the end of the Cold War, the Norwegian High North – which consists of the (mainly) maritime areas in the Arctic located within the Norwegian borders or falling under Norwegian jurisdiction – has recently once again become a strategically important region for Oslo. It is regarded as the third most energy-rich part of the country, and plays a significant role in both fishing and maritime transport via the emerging Northern Sea Route.
- Due to the importance of the Norwegian High North for the Norway's economic development and its geopolitical standing in the world, Oslo's economic and foreign policy is based on ensuring the ability to both maintain access to and utilise the region's natural resources. Consequently, any challenges or threats to the broadly defined security of the region are seen as of paramount importance for Norway's defence policy.
- Since parts of the Norwegian High North used to be, or still are, subject to legal disputes – mainly with Russia – the region is perceived as the most significant source of challenges and threats to Norway's soft and hard security.
- In order to successfully deal with the potential challenges and threats facing the Norwegian High North, Norway has been pursuing a defence policy based on cooperation and deterrence. Cooperation means establishing contacts and improving collaboration with Russia in cross-border relations, in the petroleum sector and in the military sphere. The deterrent measures include maintaining NATO's credibility as a collective defence alliance and strengthening its presence in the region; increasing military cooperation with the United States; building up Norway's own military capabilities for potential operations in the north of the country; and developing political and military cooperation across Northern Europe. The primary

objective of Oslo's defence policy is to minimise the likelihood of crises and conflicts emerging in the High North which could prove too 'big' for Norway but too 'small' for NATO.

- The policy of deterrence currently pursued by Norway, however, is qualitatively different to that adopted in the Cold War era. Norway's and NATO's military presence in the Norwegian High North is envisaged as a stabilising factor preventing any potential crises. It is therefore vital that it does not provoke a reaction from Russia and does not undermine the stability and security of the High North by setting off an arms race. Furthermore, in Norway's public discourse Russia is not explicitly portrayed as a threat. According to Oslo, overaggressive rhetoric could jeopardise cooperation between the two countries. Nonetheless, the lack of such rhetoric has not stopped Norway from adopting coherent and consistent deterrent measures.
- Oslo's focus on security issues in the High North has introduced a review of its military engagement abroad. However, this has not meant a withdrawal from overseas operations (by the UN, NATO, the 'coalition of the willing', or the EU). Norway continues to see its engagement in military missions abroad as a way to consolidate its own position within NATO and in its relations with its allies. But its decisions to take part in international operations are increasingly contingent on the following factors: the extent to which they could impact Norway's ability to defend its own territory; whether or not the missions have received a UN Security Council mandate; and the potential political benefits of Norwegian military engagement.
- Norway has been cautious about cooperating with the allies from the Baltic Sea region with regard to NATO's collective defence. For Oslo, these countries are competing against Norway in attracting the attention, security guarantees and military presence of both NATO and the most important allies. Norway

is also concerned that an increase in tensions in the Baltic Sea region between NATO and Russia could have a detrimental effect on Norwegian-Russian relations. Similarly, Oslo fears that Norway's military or political involvement in NATO's activities near the Russian border – which Russia sees as hostile – could have repercussions for the High North. Despite the rather distanced attitude Oslo has adopted, one can nonetheless identify potential areas for cooperation.

- In recent years, the bilateral dimension of relations between Norway and Poland has created greater opportunities for collaboration. The most promising of these has been a pragmatic military-technical co-operation that may benefit the armed forces and the defence industries of both countries, but which does not have a distinctive political character and will not cause controversy in Norway's relations with Russia.
- Norway's defence policy, formulated during the two terms of a left-wing government led by Prime Minister Jens Stoltenberg (2005-2013), enjoys cross-party consensus in the country. It is therefore unlikely that the new coalition government formed by the Conservatives and the Progress Party (following the parliamentary elections in autumn 2013) will introduce any major changes to the existing policy. However, if changes are made, the new government is more likely to increase military spending and to revise the reforms of the Armed Forces in order to boost Norway's operational capabilities in the High North. The right-wing coalition government could also strengthen Norway's ties with the United States and somewhat increase Norway's presence in NATO's operations.

INTRODUCTION

Norway is currently the only Western European state and 'old' NATO member that strongly relies on the traditional dimension of NATO's collective defence. It is also the only ally in Western Europe which perceives Russia as a threat to its military security, in the so-called High North.

It is therefore worth taking a closer look at how Norway's defence policy is being shaped, including the country's activity within NATO and across Northern Europe, as well as its policy towards Russia. This paper also considers the possibilities and limitations of political, military and technical cooperation with Norway. For the Baltic Sea countries, Norway's defence policy may be an interesting case for comparative analysis, and a source of inspiration for the development of national defence policies.

I. NORWAY'S DEFENCE POLICY AND THE HIGH NORTH¹

Norway is currently one of the world's wealthiest countries. Its prosperity is linked predominantly to the extraction of oil and natural gas from the Norwegian continental shelf, which first began in the 1970s. The Norwegian petroleum sector generates a third of state budget revenue and accounts for more than half of the country's exports. Equally important for the Norwegian economy are the fishing industry and maritime transport. Whether or not the current economic growth can be maintained depends largely on Norway's ability to retain access to these resources, as well as on managing them sustainably. In this context, **the Norwegian High North - which consists of those (mainly) maritime areas in the Arctic located within the Norwegian borders or falling under Norwegian jurisdiction² - has in recent years once again³ become strategically important for Oslo** (see Appendix 1). As the Arctic ice cover continues to shrink, and new technologies are developed, the High North is becoming

¹ The 'High North' (Norwegian term for the Arctic) is defined as an area where the average temperature of the warmest months of the year remains below 10°C. It covers the areas surrounding the North Pole and the adjacent seas, together with a number of islands and some parts of the mainland.

² The Norwegian High North covers: the Norwegian territorial sea and part of Norway's northern regions (Nordland, Troms and Finnmark); Norway's 200-mile exclusive economic zone in the Barents Sea and the North Sea; a disputed part of the continental shelf beyond the 200 nautical mile limit in several specific regions of the Arctic; the Svalbard archipelago, and Jan Mayen island.

³ The High North played an important role for Norway and NATO throughout the Cold War, during which time there was a need to maintain a strategic balance between the major powers (the US, the USSR) in the North Atlantic. In the 1990s, the region experienced strategic marginalisation and demilitarisation. Security issues gradually gave way to environmental concerns. Calls were made for the prevention of potential accidents in the operation of a Russian nuclear power plant, the disposal of radioactive waste, the storage of nuclear weapons, as well as the stationing and scrapping of nuclear submarines on the Kola Peninsula. Due to geographical proximity, such accidents could have had disastrous consequences for the northern regions of Norway.

an increasingly attractive area for prospecting and extraction of oil and gas, as well as for fishing and maritime transport. Consequently, Norway's economic and foreign policy is to a large extent determined by the country's ability to maintain access to these resources and to continue to exploit them. **Any challenges and risks that could in the future threaten the economic development of Norway's High North are seen as being of paramount importance for Norway's defence policy.** Since parts of the region used to be, or still are, subject to legal disputes – with Moscow as Oslo's main adversary – Russia is seen as a major source of challenges and threats to Norway's broadly defined security and national interests in the region.

1. Norway's national interests

To understand the importance of the High North for Norway, one needs to consider the region's significance for the three main sectors of the Norwegian economy: energy, fishing and maritime transport.

The third energy region⁴. The petroleum sector (oil and natural gas) is Norway's most important branch of industry⁵. In 2012, it created 23% of GDP and generated 30% of state revenue. In addition, the sector's output accounted for more than half the total value of Norwegian exports. According to the currently available data, the largest remaining and undiscovered reserves of Norwegian oil and natural gas are located in the North Sea, followed by the Norwegian Sea in second place, and the Barents Sea in third place. However, production levels in many of the North Sea fields have already peaked. It is very likely that large deposits of natural

⁴ Source of data: The Norwegian Petroleum Directorate, 'Facts 2013 – The Norwegian petroleum sector', March 2013, pp. 19-29, http://npd.no/Global/Engelsk/3-Publications/Facts/Facts2013/FACTS_2013.pdf

⁵ In 2011, Norway was the world's 7th largest oil exporter and 14th largest oil producer. In the same year, Norway was the world's 3rd biggest natural gas exporter and 6th biggest natural gas producer.

gas and oil will be discovered in the Barents Sea in the Norwegian High North. This area has not yet been explored and it is only now being gradually opened for development. Until recently, exploration and extraction was permitted only in the southern sections of the sea⁶. In the first half of 2013, Norway's government agreed to start exploration in the south-eastern region of the sea – an area previously affected by a boundary dispute between Norway and Russia. The northern part of the Barents Sea remains closed to extraction activities. Taking into account the expected future decline in production in both the North Sea and the Norwegian Sea, **the Barents Sea basin is seen by the Norwegian petroleum industry as the third most important, and in the long term, as Norway's most promising energy region.**

Fish stocks⁷. Since the 1990s, the value of Norwegian fish and seafood exports (from both traditional catches and fish farming) rose steadily, to reach around €7 billion in 2010-2011, or about 6% of Norway's total exports. In 2010, Norway was the world's second largest exporter of fish and seafood (based on the value of the exports), selling about 90% of its production⁸. However, 90% of the Norwegian catch comes from stocks of fish also harvested by other countries, primarily Russia in the Barents Sea and EU member states in the North Sea and the Norwegian Sea. In the High North, Norway and Russia share the stocks of Atlantic cod, haddock and capelin. In the case of cod, the catches allocated for export come mostly from this stock. In 2011 capelin and cod were Norway's

⁶ In the case of the so-called Barents Sea South, only one field is currently being developed (natural gas deposits on Snøhvit). In 2013, work is to be launched at another field (oil and natural gas deposits on Goliat), followed by the development of the Skrugard and Havis fields (oil and natural gas) in 5-10 years' time.

⁷ Source: Norwegian Ministry of Fisheries and Coastal Affairs, Facts about Fisheries and Aquaculture 2012, http://www.regjeringen.no/upload/FKD/Brosjyre%20og%20veiledninger/2012/FKD_Fiskeri_Havbruk_2012_eng_web.pdf

⁸ In 2010, Norway was the world's 10th biggest fish and seafood producer (including catches and fish farming).

second and third most harvested fish species respectively. **The Barents Sea is therefore a vital area for the Norwegian fisheries sector.**

New maritime transport route. Climate change and the resultant melting of sea ice cover in the Arctic is opening up new opportunities for maritime transport in the High North. The emerging Northern Sea Route (also known as the Northeast Passage) would shorten the sea route from Europe to Asia (Rotterdam-Shanghai) by about 5000 km, cutting journey time from 30 to 14 days compared to the traditional route through the Suez Canal. The route runs mainly along the Russian coast, but on the approach to continental Europe it also flanks the coast of Norway. Although the Northern Sea Route is unlikely to become a serious competitor for the traditional route in the next two decades, it may nonetheless provide a viable alternative, particularly in the summer months. The use of the passage is currently very limited, mainly due to difficult navigation conditions associated with unpredictable fast and floating ice cover, the technical requirements for vessels operating in such conditions, shallow waters on parts of the route, as well as the rather slow improvement in maritime and port infrastructure and insufficient maritime search and rescue capabilities⁹. According to available forecasts, the next few years will see a gradual increase in the number of cargo ships, oil tankers and gas carriers using the route (the latter two due to an expected rise in exploitation of resources in the Arctic), as well as in the number of fishing vessels and cruise liners¹⁰. **Norway is therefore**

⁹ Harri Mikkola, Juha Käpylä, 'Arctic Economic Potential: The need for a comprehensive and risk-aware understanding of Arctic dynamics', FIIA Briefing Paper 127, April 2013, p. 6; <http://www.fiaa.fi/en/publication/337/>

¹⁰ In 2012, 46 vessels, jointly carrying 1.2 million tonnes, sailed the whole Northern Sea Route from Europe to Asia. In 2011, just 34 vessels sailed the whole route, shipping 820,000 tonnes, while in 2010, only 4 ships made the journey, carrying just 111,000 tonnes of cargo. See Trude Pettersen, 'Preparing for record season on the Northern Sea Route', *BarentsObserver*, 6 June 2013, <http://barentsobserver.com/en/business/2013/06/preparing-record-sea-son-northern-sea-route-06-06>

currently preparing for a gradual rise in the volume of maritime traffic along its coast.

2. Legal issues

Some of the areas in the Norwegian High North used to be, or still are, subject to legal disputes, in which Norway has adopted a markedly different position to that taken by third countries – especially Russia. These areas are vital for the fishing industry, and may be important for the petroleum sector in the future.

Until 2010, one of the main problems in Norwegian-Russian relations was the **lack of delimitation of the maritime border between Russia and Norway** in the south-eastern Barents Sea and the Arctic Ocean. The dispute, which dates back to the 1970s, centred on disagreements over the delineation of exclusive economic zones¹¹ and on the division of the continental shelf between the two countries¹². The dispute was finally settled in 2010 when the two governments signed an agreement on maritime delimitation and cooperation, which they ratified the following year. The document divided the disputed area into two approximately equally sized parts, and set out cooperation procedures in the exploration of the as yet undiscovered oil and natural gas deposits that potentially extend across the Norwegian-Russian border. As a result of the agreement, one of the possible sources of Norwegian-Russian tension, over the extraction of fossil fuels or fishing in the High North, has thus been removed.

¹¹ Within their 200-mile exclusive economic zone a state has sovereign rights to explore, exploit, protect and manage natural resources (living and mineral), and the jurisdiction over the establishment and the utilisation of artificial islands, installations and equipment, maritime scientific research and the protection of the maritime environment. See Remigiusz Bierzanek, Janusz Symonides, *Prawo Międzynarodowe Publiczne*, Warsaw 2005, p. 226.

¹² According to the 1982 United Nations Convention on the Law of the Sea (UNCLOS), exploitation rights over the continental shelf may extend beyond the standard 200 nautical miles limit (i.e. beyond the economic zone) if the continental shelf extends beyond that limit.

In 2006, Norway **filed a claim to parts of the continental shelf** which extend beyond 200 nautical miles out from its coastal baseline **in the High North**¹³. Oslo submitted the relevant documents to the Commission on the Limits of the Continental Shelf, which issued its recommendations in 2009. Although the 2006 application did not rule out additional claims in the future, it seems that the issue of Norway's access to the Arctic continental shelf beyond the 200 nautical mile limit has been largely resolved – at least with regard to Norwegian-Russian relations – thanks to the maritime delimitation agreement signed in 2010. However, it should be noted that other Arctic countries, namely Russia, Canada, Denmark and the United States, have also laid claims to the Arctic continental shelf beyond the standard 200 nautical mile limit, and are either planning to, or have already submitted the necessary documents to the Commission. In addition, all of them have been trying to bolster their claims, for example by developing their military capabilities and infrastructure in the Arctic region. Nonetheless, in 2008 all five states adopted the Ilulissat Declaration which states that any disputes in the Arctic will be resolved within the existing framework of international law, and without resorting to unilateral actions.

As regards the High North region, the most problematic issue for Norway, and for its relations with Russia, is the question of the **legal regime of the maritime areas and of the continental shelf around the Svalbard archipelago**. Since the signing of the Svalbard Treaty in 1920, the islands have been under Norwegian sovereignty but subject to certain restrictions¹⁴. The ongoing dispute

¹³ To the so-called Loop Hole in the Barents Sea, the Banana Hole in the Norwegian Sea, and to the Western Nansen Basin in the Arctic Ocean.

¹⁴ All signatories to the treaty have equal rights of access to the archipelago, including the extraction of minerals, hunting, fishing and scientific research. For the purpose of environment protection, Norway is permitted to regulate such activity, but only by requiring all parties to comply with Norwegian environmental policies. It has no right to impose taxes on economic activity on Svalbard beyond what is necessary to cover the archipelago's administrative costs. The Treaty also prohibits the construction and maintenance

centres around the interpretation of the Treaty in relation to the maritime areas and the continental shelf around the archipelago. Norway interprets the Treaty **literally**, and believes that equal right of access to Svalbard (mainly, the principle of non-discrimination in granting access to natural resources, and the lack of taxes with the exception of administrative fees) applies only to land territory and the territorial sea, in line with international law as understood in 1920. Oslo believes that the maritime areas and the continental shelf beyond the 12-mile territorial sea limit remain subject to Norway's jurisdiction and sovereignty rights. On the basis of this interpretation, in 1977 Norway established a 200-mile fisheries protection zone around Svalbard. However, some signatories to the Treaty, including Russia¹⁵, have focused on the document's **intended meaning**, and believe that its provisions also apply to the 200-mile maritime area surrounding the archipelago. According to this interpretation, Svalbard ought to have a 200-mile economic zone envisaged in the today's international law of the sea, which would be available to all Treaty signatories on equal terms. Therefore these signatories do not recognise Norway's position on this issue, and Oslo's decision to establish a fisheries protection zone around the archipelago is seen by them as unilateral and illegal.

3. Challenges and threats

Due to the importance of the High North for Norway's economic development and for its geopolitical standing in the world, any challenges and threats to the broadly defined security of the region, or to Norway's national interests, are seen as of paramount

of naval bases and military infrastructure on the archipelago, and prohibits the use of Svalbard for war-like purposes.

¹⁵ Also Iceland, Spain and the United Kingdom. Throughout the Cold War, the heightened geopolitical importance of the High North for NATO meant that Norway's allies were more likely to accept, or at least refrain from undermining, Oslo's interpretation of international law.

importance for the country's defence policy. Russia is widely perceived as their primary source.

In relation to **soft security**, the challenges and threats are linked to the negative consequences of the exploitation of natural resources and of an increased volume of maritime transport in the High North. This applies equally to industrial accidents that could threaten the Arctic ecosystem (such as spills of natural gas or oil from offshore rigs, oil tankers or gas carriers) as well as to any accidents posing a danger to human life and health (including accidents on oil rigs, as well as collisions and damage to vessels sailing in the Arctic seas). As a country that seeks to exercise its jurisdiction and sovereignty rights in the region, and which aspires to play a significant role in the Arctic, Norway needs to constantly monitor and patrol the maritime areas in question, and provide effective maritime search and rescue capabilities¹⁶. It is therefore clear that these 'soft' challenges have a noticeable impact on the development of the military capabilities of the Norwegian Armed Forces.

Furthermore, Norway is equally conscious of the challenges and threats that fall into the **hard security** category. These are mainly linked to the highly controversial legal regime of the maritime areas and the continental shelf around the Svalbard archipelago. First, there are concerns over fishing within Norway's 200-mile fisheries protection zone around Svalbard, as the zone is not recognised by Russia, among others. In recent years, the Norwegian Coast Guard has 'arrested' several Russian trawlers which it claimed were fishing illegally inside the conservation zone¹⁷, with

¹⁶ Jonas Gahr Støre, 'The High North and the Arctic: The Norwegian Perspective', *The Arctic Herald*, 2/2012, 15 June 2012, http://www.regjeringen.no/nb/dep/ud/aktuelt/taler_artikler/jgs_taler_artikler/2012/nord_arktis.html?id=685072

¹⁷ The Norwegian Coast Guard, or *Kystvakten*, is part of the Royal Norwegian Navy, and is therefore subordinate to the Ministry of Defence. Its primary mission is to monitor the fisheries within the Norwegian economic zone and inside the fisheries protection zone around Svalbard. On one occasion in 2005,

each incident triggering a strong response from Russia. Norway is particularly concerned about the possibility that Russian trawlers fishing illegally inside the conservation zone could receive protection from Russian Navy ships accidentally or intentionally located nearby. In such a case, would Norway decide to ignore this challenge to its jurisdiction over the maritime area surrounding Svalbard, or would the Norwegian Coast Guard choose to respond, and if so, what would be the consequences of such action? In addition, any potential exacerbation of disputes over the interpretation of the legal regime around Svalbard could also spark a boycott of the bilateral regulation of fisheries in the High North¹⁸. Second, potential problems could arise from the exploitation of natural resources on the continental shelf around Svalbard. So far, the area has remained unexplored by Norway (or any other country). However, if significant deposits were to be discovered in the area, the signatories to the Svalbard Treaty (mainly Russia, according to Norway) could demand non-discriminatory access to exploration and production opportunities, and they could insist on paying the very low Svalbard tax rate rather than the much higher Norwegian tariffs¹⁹. As a result, Norway remains apprehensive about Russia's actions and about the prospect of being forced to defend its sovereign rights over the continental shelf around Svalbard. One possible scenario might be the following: What would happen if a Russian company, citing the Russian interpretation of the treaty, began exploration and production work inside the

after Norwegian inspectors boarded a Russian fishing boat, the boat's captain decided to head back to a Russian port, with the inspectors still onboard.

¹⁸ In the Barents Sea, Norway has collaborated with Russia since the 1970s; every year the countries set fishing quotas and agree on the division of catches of individual species of fish. It is therefore unlikely that this cooperation would be discontinued as a result of incidents involving Russian trawlers. Throughout the Cold War period, despite strained relations between East and West, fisheries regulations were effectively negotiated.

¹⁹ Brit Fløistad, 'Controversy over the Legal Regime outside Svalbard's Territorial Waters', DNAK Security Brief 6-2008, FOCUS NORTH 6-2008, The Norwegian Atlantic Committee. <http://www.atlanterhavskomiteen.no/files/atlanterhavskomiteen.no/Documents/Publikasjoner/Fokus%20Nord/FN%206-2008.pdf>

200-mile zone surrounding the archipelago, and then the Russian government decided to become involved in the dispute?

Russia is the most important actor in the potential crisis scenarios anticipated by Norway in the High North, both in relation to soft security (due to Russia's relatively poor and commonly disregarded health and safety standards) as well as in relation to hard security issues. The perception of Russia as a potential aggressor has become particularly widespread since 2007-2008. Several factors precipitated this shift. In 2007, Russia resumed flights of its strategic bombers near the Norwegian airspace. In the same year, a Russian expedition planted a Russian flag on the North Pole seabed, which clearly demonstrated the scope of Russia's ambitions and claims. In addition, the Russian-Georgian war in 2008 made Norway realise that Russia would be willing to use force in order to protect its national interests and spheres of influence in its neighbourhood. Equally worrying has been the modernisation and reform of the Russian Armed Forces and their intensive (and offensive) military exercises. As a result, Norway has begun to focus its attention on the High North, fearing:

- Moscow testing Norway's determination to defend its jurisdiction and sovereign rights in the High North, especially in the areas around Svalbard;
- Russia's attempts to undermine the Norwegian interpretation of the jurisdiction and sovereign rights around Svalbard, which could either accidentally or deliberately escalate to a military crisis;
- pressure from Moscow - including a threat of military action - to coerce Norway into taking particular decisions or actions in the High North;
- Russia's possible decision to test NATO's reaction and willingness to support its member states (including Norway) through

political and military action in response to various crisis situations, including those that do not necessarily meet the criteria set out in Article 5 of the Washington Treaty.

Consequently, a crisis in Norwegian-Russian relations could not be ruled out under the following circumstances: if large and easily accessible deposits of natural resources are discovered inside the 200-mile zone around Svalbard; if Russia wanted to demonstrate its superpower ambitions in response to a worsening situation in the international arena or in response to possible conflicts with the West in other regions; if Moscow wanted to divert the attention of the Russian society from internal problems caused by political, social or economic instability in Russia; and finally, if Norway made changes to its security, defence or economic policy that could have a significant negative impact on Russia's national interests. **Nonetheless, Norway is not concerned about a possible Cold War-style invasion by Russia, but rather about limited and focused military attacks, which in combination with non-military instruments (such as cyber-attacks, terrorist attacks, disinformation campaigns) could help Russia achieve specific political and economic goals.**

II. NORWAY'S DEFENCE POLICY: COOPERATION AND DETERRENCE

In order to successfully deal with the potential challenges and threats in the Norwegian High North, Oslo has been pursuing a defence policy based on cooperation and deterrence. Its co-operation policy focuses on increasing contacts & cooperation and building trust with Russia, both in bilateral relations and within the wider community of Arctic states. Oslo's deterrence policy, on the other hand, aims to achieve the following goals: to strengthen the credibility of NATO as a collective defence alliance; to increase military cooperation with the United States; to build up Norway's own defence capabilities; and to develop political and military co-operation across Northern Europe. **The primary objective of Norwegian defence policy is to minimise the likelihood of crises and conflicts in the High North that could prove too 'big' for Norway but too 'small' for NATO²⁰.** In the event of a 'small' crisis, a country like Norway – with relatively weak military capabilities, a controversial interpretation of the legal regime around Svalbard, and which has uncertainties about NATO's potential response²¹ – could find itself on the losing side of the crisis. **However, the policy of deterrence currently pursued by Norway is qualitatively different to that adopted in the Cold War era. Norway's and NATO's military presence in the Norwegian High North is envisaged as a stabilising factor, preventing any potential crises. Oslo wants to avoid Russian counteractions and does not wish to undermine the stability and security of the High North by setting off an arms race²².**

²⁰ Gen. Sverre Diesen, Norway's Chief of Defence (2005-2009), in an interview with ANB-NTB, 'Vil ha proffer forsvar', 24 June 2013, <http://www.an.no/nyheter/article6727944.ece>

²¹ Due to the controversies mentioned earlier and the nature of potential actions that could be interpreted differently with regard to the application of Art. 5 of the Washington Treaty.

²² Sven C. Holtsmark, 'Towards cooperation or confrontation? Security in the High North', Research Paper No. 45, NATO Defense College, February 2009, p. 11, <http://www.ndc.nato.int/research/series.php?icode=1>

The principles underpinning the current defence policy have cross-party consensus in Norway, and the outcomes of the policy have generally been positively received. Consequently, the coalition government formed by the Conservatives and the Progress Party after the parliamentary elections held in September 2013 is unlikely to introduce major changes to the policy. A shift in policy is also unlikely as last year the Norwegian Parliament approved the Long-Term Defence Plan 2013-2016 prepared by the Norwegian Ministry of Defence, which defines the priorities for Norway's defence policy and the future direction of Armed Forces reform. Having said that, the more powerful member of the coalition, the Conservative Party, appears to be paying more attention to defence matters than the previous social democratic government headed by Jens Stoltenberg. Therefore, if changes are made, we may expect a coalition government led by the Conservatives to choose to increase defence spending and potentially introduce a revision of the Armed Forces reform to boost Norway's operational capabilities in the High North. As regards the international dimension of the policy, the coalition government may seek to strengthen Norway's ties with the United States and somewhat increase Norway's presence in NATO's operations²³.

1. Cooperation with Russia

Given the fact that the key objective of Norway's defence policy is to avert potential crises or conflicts in the High North, Oslo's cooperation with Russia in the Arctic aims to minimise this risk and to build a network of contacts and enhance mutual trust. In its bilateral relations with Moscow, Norway seeks to ensure a consensual resolution of any disputes that could otherwise lead to a military crisis. One example of this policy was the signing (in 2010) and ratification (in 2011) of a bilateral agreement

²³ 'Politisk platform for en regering utgått av Høyre og Fremskrittspartiet', 10 July 2013, pp. 39-40, <http://www.hoyre.no/filestore/Filer/Politikkdokumenter/plattform.pdf>

on the delimitation of the maritime border and cooperation, which included a bilateral framework for regulating fisheries in the Barents Sea. On the other hand, the establishment of a network of contacts in the region is seen as a mechanism for averting the escalation of potential crises through the use of existing communication channels. It aims also to help create a positive image of the other partner. Norway's actions here are being carried out in three areas: social, economic, and military.

Oslo seeks to intensify **cross-border contacts** between Norway and Russia in order to increase mutual trust and develop cooperation between the Norwegian and the Russian regions of the High North. These measures focus on the cultural, economic and social spheres. In 2010, the High North was the first region in the Schengen Area to adopt a local border traffic regime which enables visa-free travel across the Norwegian-Russian border²⁴ (Norway is a member of the Schengen Area but not a member of the EU). The countries have also introduced visa facilitation procedures for their citizens from other regions. **In the petroleum sector**, Norway sees its technological know-how and its experience in offshore projects as a form not just of economic but also political capital. Since 2012, Norway has been engaged in developing collaborative projects with Russian corporations in the exploration and extraction of fossil fuels in both the Russian and the Norwegian sections of the continental shelf²⁵.

²⁴ At the Norwegian-Russian border crossing in Storskog/Borisglebsk. See Thomas Nilsen, 'First opening in the Schengen-regime with Russia', *Barents-Observer*, 11 February 2010, <http://barentsobserver.com/en/first-opening-schengen-regime-russia>

²⁵ In May 2012, Rosneft signed a cooperation agreement with Norway's Statoil (whose majority shareholder is the Norwegian government) under which Statoil received a 33.4% stake in several fields in the Russian section of the Barents Sea and in the Sea of Okhotsk. On the basis of this deal, Rosneft received a 20% participating interest in a licence for the exploration and development of deposits in the Norwegian part of the Barents Sea in May 2013. In addition, Russia's LUKoil was awarded participating shares in two licenses. See Thomas Nilsen, 'Statoil, Rosneft sign landmark Barents Sea deal', *BarentsObserver*, 5 May 2012, <http://barentsobserver.com/en/energy/statoil-rosneft-sign-landmark-barents-sea-deal>

Norway would like these projects to become sufficiently profitable (also) for Russia to make any potential crises – and the resultant collapse in energy cooperation – too costly for Moscow. **In the military sphere**, Norway has been seeking to build new channels of communication, both at the political level (between the Ministries of Defence and the Armed Forces) as well as the operational level (between the armed forces' units stationed or operating in the High North). It is hoped that this would enable better communication at both levels in the event of a crisis, so as to avoid misunderstandings that could escalate into military conflict. Since 2011, Norway has been intensifying military contacts between the two countries' MoD heads and armed forces commanders-in-chief²⁶. In addition, since 2010 Norway and Russia have held the annual POMOR military exercises, attended mainly by the countries' navies (but also by their air forces) to improve communication and procedures, amongst other things, and to practice maritime search and rescue operations²⁷.

From Norway's point of view, co-operation with other actors in the Arctic is equally important – within the frameworks of the so-called Arctic Five (Norway, Denmark/Greenland, Canada, Russia and the United States) or the Arctic Council (additionally involving Sweden, Finland and Iceland). That is because the stability and security of the Norwegian High North is intimately

²⁶ In October 2011, General Harald Sunde became the first Chief of Defence of the Norwegian Armed Forces to visit Russia. In February 2013, Norway's Defence Minister Anne-Grete Strøm-Erichsen made a visit to Russia – the first such visit in 10 years. Russia's Deputy Defence Minister Anatoly Antonov visited Norway in March 2012. See Trude Pettersen, 'Closer military cooperation between Norway and Russia', *BarentsObserver*, 14 February 2013, <http://barentsobserver.com/en/security/2013/02/closer-military-cooperation-between-norway-and-russia-14-02>

²⁷ The POMOR drills took place for the first time in 1994, and next in 2010. In addition, Norwegian and Russian units are conducting the BARENTS maritime search and rescue and oil spill emergency exercises. Trude Peterssen, 'Norwegian-Russian POMOR-2013 naval exercise starts this week', *BarentsObserver*, 7 May 2013, <http://barentsobserver.com/en/security/2013/05/norwegian-russian-pomor-2013-naval-exercise-starts-week-07-05>

tied up with the stability and security of the entire Arctic region. The aim of the collaboration in the Arctic is therefore to establish governance mechanisms that will reduce the temptation of political rivalry outside the cooperation frameworks, or of violating international law, and which will thus prevent the militarisation of the region²⁸. In 2008, the Arctic Five adopted the Ilulissat Declaration on the regulation of disputes in the Arctic under international law. In 2011, the member states of the Arctic Council signed the Arctic Search and Rescue Agreement, followed by the Agreement on Cooperation on Marine Oil Pollution Preparedness and Response in the Arctic in 2013. In June 2013, the defence chiefs of the Arctic Council member states decided to increase military cooperation in the monitoring of maritime areas and agreed to hold joint military exercises²⁹. In addition, military drills involving Russia are also conducted in multilateral formats (such as the joint US, Norwegian and Russian Northern Eagle exercise).

Importantly, Russia is not explicitly portrayed as a threat in Norway's public discourse. Politicians, military leaders, and experts prefer to talk about maintaining territorial integrity and sovereignty in the High North, and about the need for capabilities to enforce Norway's jurisdiction and sovereignty rights. In public discourse, the reform and modernisation of the Russian Armed Forces, as well as the resumption of strategic bomber flights and of military exercises in the High North, are all frequently described as a "return to normalcy" similar to the state of affairs before the collapse of the Russian Armed Forces in the 1990s. At the same time, Norway is aware of the consequences for its own defence policy of the changing situation in the High North. However it believes that **overly aggressive rhetoric could threaten cooperation between the two countries. Nonetheless, the lack of such**

²⁸ Olaf Osica, 'The High North as a New Area of Cooperation and Rivalry', *Nowa Europa. Przegląd Natoliński*, No. I (4) / 2010, p. 13.

²⁹ Gerard O'Dwyer, 'Arctic nations set cooperation guidelines', *DefenseNews*, 27 June 2013, <http://www.defensenews.com/article/20130627/DEFREG01/306270013/Arctic-Nations-Set-Cooperation-Guidelines>

rhetoric has not stopped Norway from adopting coherent and consistent deterrent measures.

2. Strengthening NATO's collective defence

Since 2008, Norway has taken steps to strengthen NATO's status as a collective defence alliance, and it has been committed to increasing NATO's presence in the Norwegian High North. Although Oslo has not withdrawn from overseas operations, it has nonetheless rebalanced its involvement in such missions. In addition, strengthening its relations with the United States is being seen by Norway as a top priority. At the same time, Norway's attempts to increase NATO's presence in the Norwegian High North and to develop closer ties with the United States, come with a set of limitations.

Norway has been calling for the strengthening of NATO's collective defence. It would like to see a better balance between the development of NATO's capabilities for collective defence on the one hand, and the development of NATO's capabilities for crisis management operations on the other. According to Norway, it is necessary to rebalance NATO's activities due to the current overemphasis of NATO member states and NATO structures on developing capabilities for overseas operations. Over the past ten years, NATO member states have been very actively involved in a number of such missions. Consequently, strengthening the credibility of NATO as a collective defence alliance has been identified as the top priority for Norway's security and defence policy, as presented in the Long-Term Defence Plan 2013-2016 formulated by the Norwegian Ministry of Defence³⁰. According to Oslo, the

³⁰ In second place came the need to improve Norway's own defence capabilities; the need for regional cooperation, in third place; and involvement in overseas operations in last place. Norwegian Ministry of Defence, 'Et forsvar for vår tid, Proposisjon til Stortinget', Prop. 73 S, p. 13, 23 March 2012, <http://www.regjeringen.no/pages/37583840/PDFS/PRP201120120073000D-DDPDFS.pdf>

measures refocusing on NATO's collective defence should cover three areas: **surveillance, intelligence and deterrence**. Deterrence refers here to the maintenance of updated and credible contingency plans, supported with adequate presence of both Norwegian (military bases, exercises) and allied armed forces (exercises). Meanwhile, surveillance and intelligence should provide NATO with adequate situational awareness in the High North. This starts with the analysis of regional trends in security and defence as well as in related areas (such as the petroleum sector and maritime transport), and ends with real-time monitoring of civilian and military activities in the region. These are also the key capabilities necessary for any military action, in the event the policy of deterrence proves insufficient³¹. The strengthening of NATO's surveillance, intelligence and deterrence capabilities was proposed by Oslo in the Core Area Initiative, which was devised in the aftermath of the Russian-Georgian war³². The suggestions were linked to specific project proposals for the Norwegian High North. However, Oslo's initiative failed to secure NATO's full endorsement, which is why Norway has been trying to implement its proposals using new NATO initiatives, such as the Smart Defence and Connected Forces Initiative. For instance, Oslo has proposed using a pilot project to increase the cooperation between the Norwegian Joint Headquarters and NATO command structures in order to improve NATO's situational awareness in the

³¹ Sven C. Holtsmark, 'Towards cooperation or confrontation? Security in the High North', Research Paper No. 45, NATO Defense College, February 2009, p. 11, <http://www.ndc.nato.int/research/series.php?icode=1>

³² The proposals included the following: the introduction of regional contingency planning and the return of responsibilities for regional defence to the Joint Force Commands (Brunssum and Naples); improvements to geographical expertise and situational awareness along NATO borders; the development of closer links between national and NATO command structures; and increased NATO involvement in national and multinational military exercises. Espen Barth Eide, 'Collective defence in today's security environment', 16 October 2009, http://www.regjeringen.no/en/dep/fd/whats-new/Speeches-and-articles/Speeches-and-articles-by-other-apolitica/statssekretaer_espen_barth_eide/2009/collective-defence-in-todays-security-en.html?id=582015

Arctic. Norway is also trying to involve a large number of allies and partners in its national Cold Response military exercises held in the High North³³, and is seeking to host NATO-led exercises in Norway (including the regularly held Air Force exercise NATO Tiger Meet; in 2007, 2012 and 2013 these drills were held in the Norwegian High North under the name Arctic Tiger). In addition, Norway has proposed using the large and low-populated areas in northern Norway for large NATO air, land and sea military exercises from 2014³⁴. Norway's efforts to draw the allies' attention to the High North can be best illustrated by Oslo inviting the NATO Secretary General and the members of the North Atlantic Council to northern Norway for a two-day visit in May 2013³⁵.

It should be noted that Oslo's calls for greater emphasis on NATO's collective defence do not mean that Norway plans to refrain from taking part in NATO's crisis-management missions or from the operations of the coalitions of the willing on the side of the United States or the European allies (see Appendix 2). Norway continues to see its involvement in overseas missions as a way to consolidate its position within NATO and in its relations with the allies. **Nonetheless, its involvement in such operations has been increasingly contingent on the following factors:** the effect that sending Norwegian troops abroad could have on the country's ability to defend its own territory; the visibility of Norwegian involvement in overseas operations and the resulting

³³ The exercises are open to invited participants in the Partnership for Peace programme, and so far have been held in 2006, 2007, 2009, 2010 and 2012. In 2012, the drills were attended by fifteen countries and approximately 16,000 soldiers. Cold Response is to be held every two years. Forsvaret, Cold Response, 21 January 2013, <http://forsvaret.no/aktuelt/ovelser/Sider/Cold-Response.aspx>

³⁴ Norwegian Ministry of Defence, 'Ønsker mer NATO-øving i nord', 27 February 2013, <http://www.regjeringen.no/nb/dep/fd/aktuelt/nyheter/2013/onsker-mer-nato-oving-i-nord.html?id=715298>

³⁵ Among the places visited by the delegates were the Norwegian Joint Headquarters in Bodø, Nordland, as well as the capital of the Troms region, Tromsø. NATO, 'North Atlantic Council wraps up visit to Norway', 7 May 2013, http://www.nato.int/cps/en/natolive/news_100335.htm

political benefits; and the presence of a UN Security Council mandate for the mission in question. According to Norway, any illegitimate use of force in international relations undermines the principles of international law; and setting such precedents could have an indirect impact on the situation in the High North. Consequently, Norway did take part in the military operation in Libya, which was carried out in 2011³⁶ under a UN Security Council mandate – for which it was praised by the United States and other allies. However in 2013, Oslo refused to become involved in a possible military intervention in Syria in the absence of a UN mandate for that mission.

Norway's active involvement in NATO is paralleled by Oslo's **policy of strengthening its bilateral relations with the United States**. The US is seen as the country's most important NATO ally and a *de facto* guarantor of Norway's national security. Consequently, Oslo has been seeking to strengthen Norwegian-American relations and to bolster US presence in Norway. In the military sphere, the Norwegian government has managed to maintain a constant US presence by storing US military equipment under the Marine Corps Prepositioning Programme Norway. Of great importance for Norway's defence policy, and also for its economy, is the countries' bilateral cooperation in the arms industry. Norway's orders for American military equipment and armament (most recently, for about 52 multi-role F-35 fighters) have been placed in exchange for assurances about the continued development of close links between the two countries' arms industries³⁷. Oslo is also keen to

³⁶ As part of the operation, six Norwegian F-16 fighter aircraft carried out 596 flights between March and August 2011, which accounted for 10% of all flights conducted by the countries taking part in the mission. Norwegian pilots logged 2000 flight hours and dropped 542 bombs. Gerard O'Dwyer, 'Norway withdraws F-16s from Libya Ops', *DefenseNews*, 11 August 2011, <http://www.defensenews.com/article/20110811/DEFSECT01/108110302/Norway-Withdraws-F-16s-from-Libya-Ops>

³⁷ Parts of the manufacturing process for the F-35 fighter aircraft are conducted by Lockheed Martin, in collaboration with Norway's Kongsberg and AIM Norway, among others. Kongsberg has also won orders for military equipment and armament for the US Navy and the US Army.

ensure that American troops are present at the military exercises held in the High North. Finally, to some extent at least, Norway sees its own involvement in NATO operations as a way of shoring up its bilateral relations with the United States.

However, Oslo's goal of increasing the NATO presence in the Norwegian High North and of securing close relations with Washington does have its limitations. Norway does not want to provoke Russia, as evidenced, for example, by the lack of calls from Norway to install NATO military infrastructure in the High North; the scenarios and the areas used for the Cold Response exercises involving large numbers of allies³⁸; and the rejection of the US proposal to adapt and integrate the Norwegian Fridtjof Nansen-class frigates to the Aegis BMD system under the NATO missile defence system. In a similar vein, Jens Stoltenberg's government (with the support of most of the coalition and opposition parties) openly criticised the possibility of military intervention in Syria without a UN Security Council mandate, and argued against Norway's involvement in the operation³⁹. This shows that even in its cooperation with the US, Norway is trying to keep some room for manoeuvre in their policies, and in making decisions about the scope of cooperation in the region and the country's involvement in overseas missions. Furthermore, it appears that Norway does not want NATO to become too politically and militarily involved in the Arctic, not only because of its reluctance to provoke Russia, but also to prevent NATO member states outside the Arctic region from being able to influence political processes in the High North, which would inevitably weaken Norway's standing in the region.

³⁸ The Cold Response exercises have so far followed crisis management scenarios, and have not been held in the region bordering on Russia (Finnmark); instead, the drills were conducted in Troms and Nordland. NATO's 2011 CMX exercise held in Norway was based on Art. 5, but it was not a live exercise.

³⁹ Espen Barth Eide, 'Hodet på plass', *Dagens Næringsliv*, 2 September 2013, http://www.regjeringen.no/mobil/nb/dep/ud/aktuelt/taler_artikler/eide_taler/2013/svar_matlary.html?id=734852

3. Building up Norway's own defence capabilities

The second pillar of Norway's defence policy calls for the maintenance and expansion of the country's own defence capabilities. The importance of security and defence issues for Norway (compared with other NATO countries) can be gleaned from both the level of spending on defence and from the efforts to 'anchor' the Norwegian Armed Forces in society. The tasks, structure, activities, military equipment and armament, as well as the geographical location of military infrastructure in Norway, all illustrate the role that the security of the High North plays in determining the development of the Norwegian Armed Forces. Despite the good reputation enjoyed by the military, both domestically and internationally, some areas of the modernisation and restructuring are facing difficulty.

Since 2008, Norway has been increasing its military spending at one of the highest rates since the end of the Cold War. This stems primarily from the recognition of the need for investment in the country's defence capabilities, but it has also been greatly helped by a healthy state budget. Among the NATO member states, Norway is one of the few countries planning a real (i.e. above inflation) increase in defence spending over the coming years (2013-2016)⁴⁰. Norway's military expenditure per capita is among the highest among NATO member states, although its military spending as percentage of GDP remains between 1.4% and 1.6% (i.e. below the 2% required by NATO). Nominally, Norway also has the biggest defence budget among the Nordic countries: in recent years it overtook Sweden in this respect, despite Sweden's substantially larger population and a higher GDP (see Appendix 3). **Norway is also one of few NATO countries to retain compulsory military service, and is the only NATO country to extend**

⁴⁰ Norwegian Ministry of Defence, 'Norway releases New Defence Plan', 23 March 2012, <http://www.regjeringen.no/en/dep/fd/press-centre/Press-releases/2012/norway-releases-new-defence-white-paper-.html?id=676237>

conscription also to women (since 2013). The intentions behind conscription are as follows: to develop an understanding and acceptance in society of the tasks undertaken by the Armed Forces; to increase a sense of collective responsibility for maintaining the security and sovereignty of the state; and to provide the best opportunities for recruitment into the Norwegian Armed Forces. In practice, however, the Norwegian military service is, and will remain, largely voluntary – due to the relatively small number of individuals conscripted in any given year (in 2012, this was about 8000 out of about the 15,000 men fit for service, and about 6000 women; see Appendix 4)⁴¹.

The primary task of the Norwegian Armed Forces is to act, both independently and together with its allies, to protect Norwegian sovereignty, national interests and values, as well as to enforce the country's laws across Norwegian territory and all areas under Norwegian jurisdiction. Taking part in overseas operations is regarded as secondary. The Norwegian Armed Forces aim to prevent crises and conflicts, and seek to guarantee security and sovereign state action in the event of political or military pressure⁴². In peacetime, the activities of the Armed Forces focus on the monitoring and policing of the Norwegian land territory, airspace and territorial waters, as well as of all maritime areas under Norwegian jurisdiction (see Appendix 5). They are responsible for customs, policing, environmental control and the monitoring of fishing activity in maritime areas, as well as for maritime and land search and rescue. Other tasks include the protection of the land border between Norway and Russia, the protection of

⁴¹ Forsvaret, 'Tall og statistikk', <http://forsvaret.no/om-forsvaret/fakta-om-forsvaret/Sider/tall-og-statistikk.aspx>. From 2006 women were invited to take a pre-service medical examination, and before 2013 they could volunteer for military service.

⁴² Norwegian Ministry of Defence, 'Et forsvar for vår tid. Proposisjon til Stortinget', Prop. 73 S, p. 12-15, 23 March 2012, <http://www.regjeringen.no/pages/37583840/PDFS/PRP201120120073000DDDPDFS.pdf>

military and civilian infrastructure, and the management of crisis situations in the country.

The modernisation and restructuring of the Norwegian Armed Forces has reflected these priorities and tasks. This refers particularly to the Norwegian High North⁴³, where Norway wants to maintain a constant and visible military presence at sea, in the air, and on land. To address the challenge of protecting Norway's economic interests and bolstering its capabilities for crisis response across large maritime areas, the modernisation of the Armed Forces focused heavily on the development of the Norwegian **Navy and the Coast Guard** (a branch of the Navy), both of which have received new vessels in recent years⁴⁴. Currently, Norway is modernising and restructuring its **Air Force**: Norway has decided to replace its multi-role F-16 fighter aircraft with 52 state-of-art F-35 fighters (armed with JSM long-range, stealth, anti-ship and land-attack cruise missiles), which are expected to enter service gradually from 2018. Norway has also been upgrading its helicopter fleet and has started reforming the structure of its Air Force. In addition, it has launched a gradual restructuring and modernisation programme of its relatively neglected **Army and Home Guard**, aimed particularly at building up its capabilities for operations in Arctic conditions. With that objective in mind, a decision has been taken to transform one of the existing battalions in the Norwegian High North into an 'Arctic Battalion' which will be better suited for operations in polar conditions and

⁴³ Justyna Gotkowska, Olaf Osica (eds.), 'Closing the gap? Military co-operation from the Baltic Sea to the Black Sea', OSW Report, October 2012, p. 38, <http://www.osw.waw.pl/en/publikacje/osw-report/2012-12-10/closing-gap-military-cooperation-baltic-sea-to-black-sea>

⁴⁴ The Navy has received five Fridtjof Nansen-class frigates and six Skjold-class patrol boats, referred to also as coastal corvettes. Both types of vessels are to be armed with Kongsberg's Naval Strike Missiles (NSM). The Coast Guard has 14 vessels, including the Nornen-class (5 new units) and Barentshav-class (3 units) patrol vessels. By 2016, the Coast Guard is to receive a new vessel with a reinforced hull capable of icebreaking, and equipped with a helipad.

will be composed of both conscripts and permanent personnel⁴⁵. Moreover, as part of the restructuring programme, Norway has established Cyber Defence as a new branch of the armed forces, tasked with the protection of both military (and also civilian, in special cases) IT infrastructure and of command & control and communications systems against potential cyber-attacks.

The significance of the Norwegian High North is also reflected in the **geographical location in this region of military infrastructure across Norway**, although this has also partly been shaped by the legacy of the Cold War era. In this context, Norway's northern regions include Nordland, Troms and Finnmark. For financial and operational reasons, the military infrastructure has been reduced and concentrated in recent years. In 2009 Norwegian Joint Headquarters (NJHQ), which is responsible for leading, planning, and conducting operations both in the country and abroad, was moved from southern Norway to the northern town of Bodø (Nordland region). In line with the Long-Term Defence Plan 2013-2016, one of Norway's two main air bases (in Bodø) is to be closed down for infrastructural and political reasons, and the country's main air station is to be located in Ørland, in central Norway (Sør-Trøndelag region). The Ørland Main Air Station is to house the recently ordered multi-role F-35 fighter aircraft as well as other Air Force units. However, the Quick Reaction Alert detachment is to be stationed at Evenes (Nordland region) in order to maintain a fast response time in the High North. Bases in northern Norway also house the country's only fleet of patrol and reconnaissance P-3 Orion aircraft (Nordland region), and its largest helicopter fleet (Troms region). The northern bases of the Norwegian Navy, which is concentrated in the southern city of Bergen, include the Coastal Ranger Command (Kystjegerkommandoen) in Troms region; the Naval Special Operations Unit

⁴⁵ Trude Pettersen, 'Norway establishes Arctic Battalion', *BarentsObserver*, 29 March 2012, <http://barentsobserver.com/en/topics/norway-establishes-arctic-battalion>

(Marinejegerkommandoen) in Nordland region; and the headquarters of the Norwegian Coast Guard in Sortland, Nordland region. In addition, northern Norway also houses the Brigade Nord headquarters (the only brigade in the Norwegian Army) as well as the following Brigade Nord battalions: the motorised infantry battalion; the artillery battalion; the battlefield surveillance, intelligence gathering & electronic warfare battalion; the combat engineer battalion, the armoured battalion; the signal battalion; the logistics battalion, and the medical battalion (in Troms region). Furthermore, the town of Kirkenes on the Norwegian-Russian border (Finnmark region) houses the border guard battalion.

Although Norwegian management of the financing, recruitment, operation, restructuring and modernisation of the Armed Forces is well designed, **there are deficiencies in some areas**, which have been subject to public debate in Norway since spring 2013⁴⁶. The current problems are mainly the result of inadequate financing regarding the needs and difficulties in recruiting personnel. The public discussion has highlighted the limitations of the current conscription model for the operational readiness of the Norwegian Armed Forces⁴⁷. The country's military consist of 16,000 military and civilian personnel and approximately 8000 conscripts (see Appendix 4). Conscripts only supplement the professional Navy and Air Force personnel, and serve mainly in the Army. Consequently, the level of operational readiness of the battalions composed of conscripts – who form the core of the land troops in the High North – is quite low. The battalions composed of professional soldiers (Telemark, special forces units), which have also taken part in overseas operations, are stationed in the south

⁴⁶ The debate was triggered by the publication of a report on the status of the Norwegian Armed Forces by the former director of the Norwegian Defence Research Institute (FFI), Nils Holme. See Nils Holme, 'Forsvarspolitikken ved et veiskille', Civita-Rapport, April 2013, <http://www.civita.no/publikasjon/forsvarspolitikken-ved-et-veiskille>

⁴⁷ Gerard O'Dwyer, 'Norway's Former Defense Chief Blasts 'Dysfunctional' Conscript-based Military', 30 September 2013, *DefenseNews*, <http://www.defensenews.com/article/20130930/DEFREG01/309300031>

of the country. However, staffing is also a big problem for the modernised Navy; despite receiving five new Fridtjof Nansen-class frigates, the Navy currently has only three sets of crew to operate them. The Air Force is facing similar problems: of its 57 multi-role F-16 fighter aircraft, only 15-16 aircraft could be used in 2010 due to technical problems. Norway also lacks the necessary resources for adequate equipment and training of its Home Guard. Other criticisms refer to Norway's reluctance to carry out military exercise in areas close to the Russian border (northern Troms and Finnmark) – that is, in those parts of the country where crisis situations are the most likely⁴⁸. Furthermore, although the government has announced plans to increase Norway's defence budget, the very costly purchase of 52 multi-role F-35s may mean that over the next few years other planned purchases may be suspended, or that the number of military exercises could be reduced, thereby lowering the operational capabilities of the Norwegian Armed Forces as a whole.

4. Cooperation across Northern Europe

In addition to the measures proposed within NATO, and the steps taken to boost Norway's own military capabilities, Oslo's defence policy also calls for greater cooperation on security and defence across Northern Europe, both with other NATO member states as well as with Sweden and Finland. Norway has been one of the main advocates of intensifying Nordic defence cooperation; it has developed a strategy of cooperation between other North Sea countries, and has supported the idea of political and military cooperation within the Northern Group. Through these initiatives, Oslo hopes to boost defence capabilities both at home and across the region, in response to the changing security context. The changes relate to the modernisation and reform of Russia's

⁴⁸ Sveinung Berg Bentzrød, 'Vi aner ikke hva Forsvaret kan klare', *Aftenposten*, 3 May 2013, <http://www.aftenposten.no/nyheter/iriks/--Vi-aner-ikke-hva-Forsvaret-kan-klare-7188615.html#.UgOZ9dj-Qyl>

military capabilities against the background of increasing strategic importance of the High North, on the one hand; and to the uncertainty about the future development and political cohesion of NATO, and about the degree of Washington's involvement in Europe on the other. **In Norway's view, political and military cooperation between the Nordic countries and with major European allies has a deterrent effect against Russia. Its aim is to raise interoperability, to build closer military ties, and to increase the presence of Norway's partners and allies in the country.**

Norway's involvement in the Nordic Defence Cooperation (NORDEF) initiative⁴⁹, alongside Sweden, Finland and Denmark, aims to strengthen the defence capabilities of the region through joint military exercises and training, as well as the joint procurement of armament and military equipment. Working together, the Nordic countries are able to achieve more, and any savings generated through collaboration can be spent in other areas. In addition, for Sweden and Finland, which remain outside NATO, sustained cooperation with Denmark and Norway enables them to adopt NATO standards more efficiently. It increases interoperability not only between the Nordic countries, but also with NATO – both within the region and beyond it. However, Nordic cooperation should not restrict Norway's sovereignty in political decision-making, nor is it seen as a potential alternative to NATO in the region. Norway treats NORDEF as a useful format for the implementation of Nordic projects, such as 'pooling & sharing' and 'smart defence'; and in the event of joint military involvement overseas. The initiative is used as a branding exercise for the region in the UN, NATO and the EU. Although NORDEF has been at the core of Norway's military cooperation, due to the relatively small defence capabilities of the Nordic countries, Norway does

⁴⁹ See Justyna Gotkowska, 'Smart Defense Nordic Style', CEWEEKLY, 19 September 2012, <http://www.osw.waw.pl/en/publikacje/ceweekly/2012-09-19/smart-defence-nordic-style>

not want to limit this type of international co-operation solely to links with its immediate neighbours. Oslo prefers cooperation involving major NATO allies in case it offers greater political, military or economic benefits.

Norway's military cooperation with the North Sea countries is seen in exactly these terms. The very presence of these countries in the Norwegian High North, as well as military-technical, and even economic cooperation with **the United Kingdom, Germany and the Netherlands**, bolsters Norway's standing in its relations with Russia. All of these states are NATO members with the biggest military capabilities in the region; and in addition, they are also major importers of Norwegian oil and gas⁵⁰. The strategic nature of cooperation with these countries has been emphasised in the Norwegian North Sea Strategy initiated by the Ministry of Defence in 2003/2004. So far, Norway has developed the closest links with the UK, as exemplified by an agreement on bilateral defence cooperation signed in March 2012⁵¹. The outcomes of this agreement have included Royal Marines commando training in the Norwegian High North⁵². Meanwhile, in April 2013, Norway signed an agreement on military cooperation with the Netherlands; this document envisages joint training programmes and cooperation between individual branches of the countries' armed forces as well as between their defence industries⁵³. In the future, Germany is likely to become an equally important partner

⁵⁰ In 2010, the United Kingdom imported 52% of Norwegian oil, followed by the Netherlands -with 18%, and Germany -with 5%. In the same year, Germany purchased 30%, UK 27%, and the Netherlands 8% of the Norwegian natural gas transported via pipelines. US Energy Information Administration, 'Norway', <http://www.eia.gov/countries/cab.cfm?fips=NO>

⁵¹ Norwegian Ministry of Defence, 'Skrev under samarbeidsavtale med Storbritannia', 7 March 2012, <http://www.regjeringen.no/en/dep/fd/whats-new/News/2012/skrev-under-samarbeidsavtale-med-storbri.html?id=674220>

⁵² British Ministry of Defence, 'Defence Secretary visits Royal Marines commandos in Norway', 2 March 2013, <https://www.gov.uk/government/news/defence-secretary-visits-royal-marine-commandos-in-norway>

⁵³ Altair Aviation Agency, 'Norwegian-Dutch cooperation agreement', 3 June 2013, http://www.altair.com.pl/news/view?news_id=10585&q=Skjold

for Norway, mainly due to Germany's increasing importance in the European Union, and Germany's good relations with Russia. Germany's economic and/or military presence in the Norwegian High North would thus have a stabilising effect on the entire region. Currently, the military cooperation between Norway and Germany has been limited to links between the Brigade Nord and the I. German-Dutch Corps. Every few years, German and Dutch ground troops conduct joint military exercises in Norway⁵⁴. The involvement of German companies in the Norwegian petroleum sector, including the extraction of deposits on the Norwegian continental shelf in an area close to the Russian border, has been equally important for Norway⁵⁵.

Furthermore, Norway has been highlighting the need to explore the possibility of **political and military cooperation and dialogue across Northern Europe within the framework of the Northern Group**, which includes the Nordic and Baltic countries, the UK, the Netherlands, Germany and Poland⁵⁶. The Northern Group format merges all existing formats of military cooperation led by Norway: the Nordic format, the Nordic-Baltic format, as well as the North Sea Strategy, with Poland's participation. It also gives Sweden and Finland the opportunity to participate in talks held by NATO member states about regional challenges and threats. Norway treats the Northern Group as a forum for strengthening existing collaboration and exploring new forms of working together. However, the practical dimension of this cooperation remains to be seen.

⁵⁴ Such as the Cold Challenge 2011 drills, or the planned Noble Ledger 2014 exercise.

⁵⁵ Trude Pettersen, 'Norway and Germany talk energy', *BarentsObserver*, 20 February 2013, <http://barentsobserver.com/en/energy/2013/02/norway-and-germany-talk-energy-20-02>

⁵⁶ This format was initiated by the United Kingdom. The Group's first meeting was held in Oslo in 2010 at the level of defence ministers and secretaries of state.

III. NORWAY AND THE BALTIC SEA REGION

For a number of reasons, Norway would seem to be a natural partner for Poland and other countries in the Baltic Sea region seeking closer cooperation on the bilateral, regional, and NATO levels. Although Norway does not see itself as a member of the Baltic Sea region, as a result of its intense political and military cooperation with Sweden and Finland, Oslo does pay close attention to changes in regional security environment. Just like the states in the Baltic Sea region, Norway also sees Russia as a country with an unstable domestic policy, an unpredictable foreign policy, and as a state harbouring imperial ambitions and having sufficient means (and military capabilities) to try to realise these ambitions, at least in its immediate neighbourhood. Like Poland and the Baltic states, Oslo is in favour of strengthening NATO's collective defence, but at the same time has been increasingly emphasising the need for a regional dimension of military cooperation.

Despite sharing similar interests, Norway has been rather cautious in its approach to cooperation with allies from the Baltic Sea region with regard to NATO's collective defence. This has been the case for two reasons. First, Norway sees Poland and the Baltic states as competitors in its efforts to attract the allies' attention, win security guarantees, and ensure their military presence in the Norwegian High North. These concerns seem particularly relevant at a time when the defence budgets of NATO member states are being cut and the US is redirecting its attention and military resources to the Asia-Pacific region⁵⁷. Second, Norway is concerned that the growing tensions between NATO and Russia in the Baltic Sea region or in Central Europe may have a detrimental effect on Norwegian-Russian relations. Consequently,

⁵⁷ Norwegian Ministry of Defence, 'Et forsvar for vår tid. Proposisjon til Stortinget', Prop. 73 S, p. 25, 23 March 2012, <http://www.regjeringen.no/pages/37583840/PDFS/PRP201120120073000DDDPDFS.pdf>

Norway's military or political involvement in NATO activities in these regions - which Russia sees as hostile - could have repercussions for the High North. Oslo's concerns might explain the country's small presence (limited largely to staff officers) at NATO's Steadfast Jazz 2013 exercise hosted by Poland and the Baltic states. Steadfast Jazz 2013 was a field training exercise based on Article 5 of the Washington Treaty (i.e. practising a response to an armed attack on NATO territory). At the political level, the position of the Norwegian government became particularly clear during the Russian-Georgian war in 2008. Norway blamed the outbreak of the hostilities on Georgia, although it also argued that Russia acted in violation of international law. During the conflict, Norway was among the group of countries which unofficially claimed that Russia's actions had been provoked, amongst other things, by the declaration adopted at the NATO summit in Bucharest; the document officially announced NATO's open door policy for Georgia's and Ukraine's future accession, and was passed with strong support from the US and several Central European countries. Throughout the conflict, Norway called for dialogue and cooperation with Russia within the framework of the NATO-Russia Council⁵⁸.

Despite Norway's distanced position, the countries in Baltic Sea region can still find areas for cooperation based on similar interests within NATO - although the principle of reciprocity ought to be a key element when dealing with Oslo. Norway's calls for the refocusing on NATO's collective defence deserve to be supported. The implementation of specific projects should take place not only in the High North, but also on NATO's eastern periphery. In order to improve the interoperability of the armed forces across Northern Europe, it is of interest to other countries to take part in Norway's national military exercises (e.g. Cold

⁵⁸ 'Norway among those splitting NATO', *Views and News from Norway*, 14 February 2012, <http://www.newsinenglish.no/2011/02/14/norway-among-those-splitting-nato/>

Response). However, this should be done with the proviso that Norwegian military increases its presence at national exercises held in Poland and in the Baltic Sea region. Norway's conservative government may prove more open to the idea of joint NATO exercises and to closer cooperation with countries in the region. The new cabinet might perhaps be more inclined to accept the argument that any actions undermining NATO's security guarantees, or allowing Russia to exert military pressure on any NATO member in the Baltic Sea region or Central Europe, would automatically also undermine NATO's credibility in the High North.

In recent years, the bilateral dimension of relations between Norway and Poland has created greater opportunities for cooperation. The most promising of these have been the pragmatic military-technical collaboration, which may benefit the armed forces and the defence industries of both countries, but which has not a distinctive political character and will not cause controversy in Norway's relations with Russia. In its security strategy adopted in 2012, Norway mentioned Poland for the first time as a potential partner for such cooperation⁵⁹. The rise in the significance Poland has for Norway is a consequence of the planned modernisation of the Polish Armed Forces enabled by a rise in military spending. In addition, Poland has recently purchased Norwegian armament and military equipment. For example, the acquisition of the coastal artillery system equipped with Naval Strike Missiles (acquired by the Polish Navy from the Norwegian company Kongsberg Defence Systems in cooperation with several Polish companies) offers opportunities for exchange

⁵⁹ Norwegian Ministry of Defence, 'Et forsvar for vår tid. Proposisjon til Stortinget', Prop. 73 S, p 28, 23 March 2012, <http://www.regjeringen.no/pages/37583840/PDFS/PRP201120120073000DDDPDFS.pdf>. This was further emphasised during an unprecedented visit to Poland made in 2012 by Norway's royal couple, the Defence Minister and the Foreign Minister. The agenda contained an important point on military-technical cooperation. National Security Bureau, 'Norwegian Royal Couple visits Poland', <http://en.bbn.gov.pl/en/news/247,Norwegian-royal-couple-visits-Poland.html?search=7634118>

of experience and joint exercises with the Norwegian Navy (the NSM are to be carried by Norwegian frigates and corvettes also)⁶⁰. Norway is also interested in Poland as a potential partner in collaboration between the special forces⁶¹. Norway is currently restructuring its Special Operations Forces (SOF)⁶², while Poland's SOF already constitute a separate branch of the armed forces and are the country's strongest asset in NATO. In exchange, Poland could benefit from Norwegian SOF's experience in protecting critical infrastructure (such as energy infrastructure, especially sea-based and coastal infrastructure). Meanwhile, cooperation between the countries' air forces could focus on the operation of the multi-role F-16 fighter and of the C-130 military transport aircraft, which (in various versions) are used by both the Polish and Norwegian Armed Forces. Finally, Poland might also be interested in learning more about Oslo's policy on Russia and about its experience of engaging in military cooperation with Moscow.

This research paper was completed in October 2013.

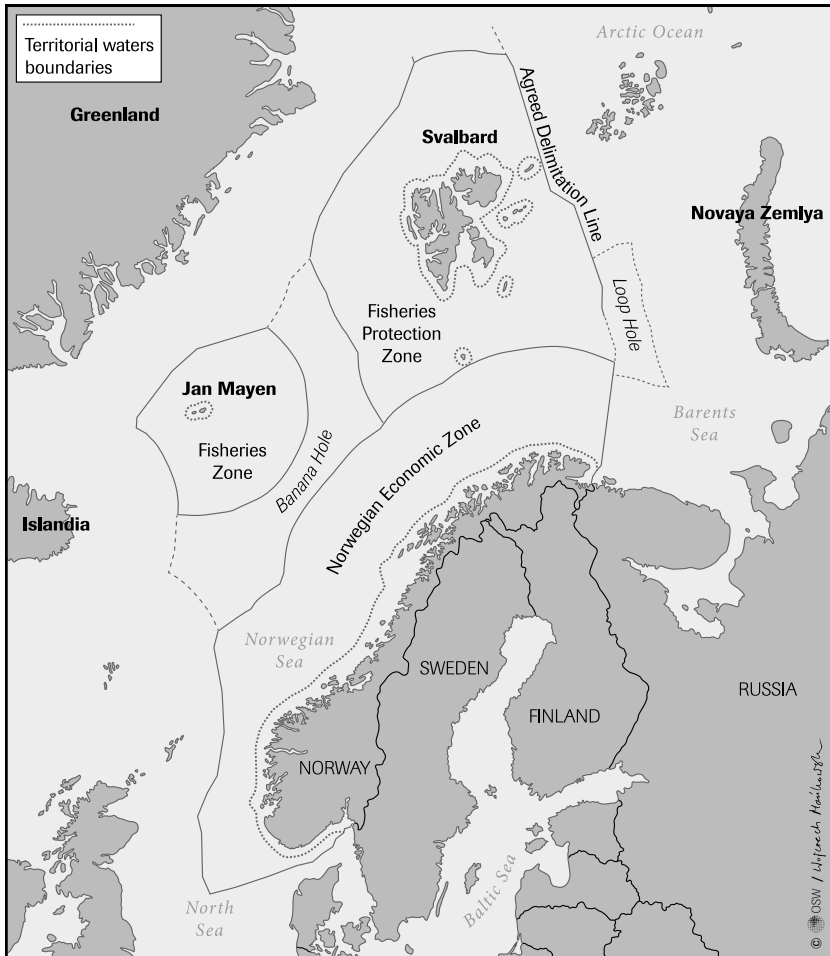
⁶⁰ In the past, cooperation between the two countries' navies focused on Poland's acquisition in 2002 of five Kobben-class submarines withdrawn from service by the Norwegian Navy. Four of the vessels are still in operation.

⁶¹ Poland's Ministry of Defence, 'Meeting of Polish and Norwegian Special Forces Commanders', 23 February 2013, <http://www.mon.gov.pl/en/artykul/12484>

⁶² Gerard O'Dwyer, 'Norway revamps Special Operations Capacity', *Defense News*, 11 May 2013, <http://www.defensenews.com/article/20130511/SHOWS-COUT01/305110011/Norway-Revamps-Special-Operations-Capacity>. In Norway, Special Forces do not constitute a separate branch of the armed forces; separate units are subordinated to the Navy (Marinejegerkommando) and the Army (Forsvarets Spesialkommando / Hærens Jegerkommando).

Appendix 1. Norwegian Maritime Boundaries

Norwegian High North: the Norwegian Territorial Sea and parts of Norway's northern regions (Nordland, Troms and Finnmark); Norway's 200-mile Exclusive Economic Zone in the Barents Sea and the North Sea, as well as claims to the continental shelf beyond the 200 nautical-mile limit in selected areas of the Arctic; the Svalbard Archipelago and the Island of Jan Mayen.



Source: http://www.regjeringen.no/upload/UD/Vedlegg/Folkerett/20121002_FMGT_OVERVIEW_NORGE_NORDOMRaaDENE_NORWEGIAN_MARITIME_BOUNDARIES_7,5M_H61xW52_P_JB_ED04_UGRADERT_300dpi.pdf

Appendix 2. Norway's participation in international operations⁶³

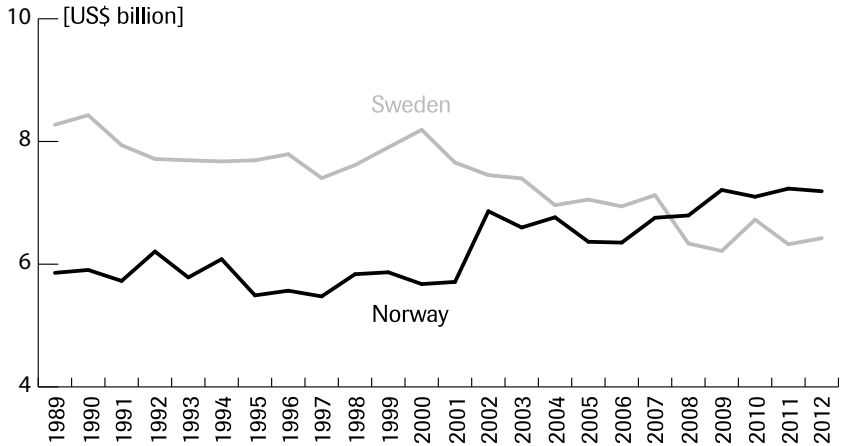
Operation / No. of troops / Year	2009	2010	2011	2012
Afghanistan				
- UNAMA (ONZ)	2	2	1	3
- ISAF (NATO)	510	526	535	628
Kosovo				
- UNMIK (ONZ)	1	1	1	1
- KFOR (NATO)	6	4	3	3
Bosnia and Herzegovina				
- EUFOR	21			
- NATO HQ	3	2	1	1
Sudan				
- UNMIS/UNISFA (ONZ)	22	20	11	19
Congo				
- MONUC/MONUSCO (ONZ)	1	1	1	1
Chad				
- MINURCAT (NATO)	154			
Horn of Africa				
- Atalanta (UE)				
- Ocean Shield (NATO)	4		39	39
Middle East				
- UNSTO (ONZ)	13	14	12	13
Sinai Peninsula				
- MFO (ONZ)	6	3	3	3

⁶³ Source: Norwegian Ministry of Defence, 'Facts and Figures. Norwegian Defence' from the years 2010-2013, <http://www.regjeringen.no/en/dep/fd/documents/Handbooks-and-brochures.html?id=2126> as well as Forsvaret, Operasjoner i utlandet, <http://forsvaret.no/operasjoner/internasjonalt/Sider/default.aspx>

Operation / No. of troops / Year	2009	2010	2011	2012
Lebanon - UNIFIL II (ONZ)	5			
Libya - OUP (NATO)			108	
Total	avg. of approx. 800 troops	avg. of approx. 700 troops	avg. of approx. 650 troops	avg. of approx. 700 troops

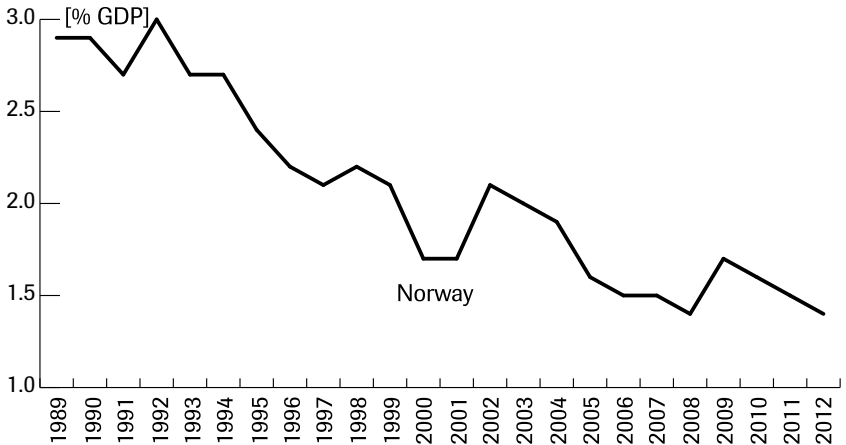
Appendix 3. Military Expenditure

Military expenditure in Norway and Sweden between 1989-2012 (in US\$ billion)



Source: SIPRI Military Expenditure Database, Stockholm International Peace Research Institute, figures from 2012 in US\$, http://www.sipri.org/research/armaments/milex/milex_database/milex_database

Military expenditure between 1989-2012 (as a percentage of GDP)



Source: SIPRI Military Expenditure Database, Stockholm International Peace Research Institute, http://www.sipri.org/research/armaments/milex/milex_database/milex_database

Appendix 4. Norwegian Armed Forces: Personnel strength and categories

Strength of the Norwegian Armed Forces (2012)⁶⁴ – military personnel, civilians and conscripts

Norwegian Army	4550 + 4802 conscripts
Royal Norwegian Navy	2426 + 2277 conscripts*
Royal Norwegian Air Force	2811 + 1158 conscripts
Logistics	2813
Home Guard	534 + 54 conscripts
Cyber Defence	1089
Other	2778
Total strength:	16,991 civilian and military personnel 8000 conscripts + approx. 45,000 reserve personnel

* including Coast Guard 360 (+339 conscripts)

⁶⁴ Forsvaret, Forsvarets årsrapport 2012, 22 March 2013, <http://forsvaret.no/om-forsvaret/fakta-om-forsvaret/publikasjoner/rapport2012/Documents/Forsvarets%20%C3%A5rsrapport%202012%20ofullstendig%20oversjon.pdf>

Personnel categories in the Norwegian Armed Forces (2012)⁶⁵

Military personnel - permanent personnel (<i>Y-befal</i>) - under contract up to age 35 (<i>A-befal</i>) - under temporary contracts of up to 3 years (<i>Vervede</i>)	6754 3655 1241
Conscripts (mandatory draft) <i>19-month compulsory military service with 12-month initial service, and 5 months allocated to the revision training or training with the Home Guard</i>	approx. 8000
Civilian personnel	approx. 5300

⁶⁵ Forsvaret, Forsvarets årsrapport 2012, 22 March 2013, <http://forsvaret.no/om-forsvaret/fakta-om-forsvaret/publikasjoner/rapport2012/Documents/Forsvarets%20%C3%A5rsrapport%202012%20ofullstendig%20oversjon.pdf>

Appendix 5. Norwegian Armed Forces: Domestic Activity

Norwegian Air Force – Air Policing Activity⁶⁶

	2008	2009	2010	2011	2012
No. of flights	32	38	36	34	41
No. of identified aircraft*	87	77	39	48	71

* No distinction is made between those identified aircraft which only approached Norway's airspace and those which actually crossed it. The identified aircraft were mostly Russian military craft.

Norwegian Coast Guard – Number of Patrol Days in Northern and Southern Norway⁶⁷

	2010	2011	2012
Northern Norway	2112	2226	2137
Southern Norway	1375	1373	1469

⁶⁶ Quick Reaction Alert of the multi-role F-16 aircraft. 'Forsvaret, Kampfly: klare på 15 minutter', <http://forsvaret.no/operasjoner/norge/Sider/Kampfly.aspx>

⁶⁷ Forsvaret, Forsvarets årsrapport 2012, 22 March 2013, <http://forsvaret.no/om-forsvaret/fakta-om-forsvaret/publikasjoner/rapport2012/Documents/Forsvarets%20%C3%A5rsrapport%202012%20ofullstendig%20oversjon.pdf>