



# ***Finland and the case of a Northern dimension for the EU: Inclusion by bargaining or arguing?***

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## Abstract<sup>1</sup>

In 1997, Finland presented a major foreign policy initiative labelled the 'Northern Dimension' (ND) that was quickly included as a part of the EU's external relations. Many analysts seem to argue that the EU's foreign policy is a big power concert where intergovernmental bargaining either results in a compromise, where none of the three big states get exactly what they want, or the negotiations break down because of conflicting interests. However, this paper suggests that the big states sometimes acquire new or change existing preferences as a result of "well" argued proposals from the small states, i.e. that learning takes place.

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## Introduction

In 1997, Finland presented a major foreign policy initiative labelled the 'Northern Dimension' (ND) for the EU's external relations. By launching the Northern Dimension initiative, Finland sought to attach the EU to broad regional goals including immigration and asylum, fight against crime, border control, social welfare, labour protection and the development research networks (Archer, 2001; Arter 2000:685). The Northern Dimension aimed at drawing attention to these particular problems in the Northern part of Europe close to the border with Russia by intensifying co-operation among the EU and the neighbouring countries, including non-EU members and other regional organisations. This ND-proposal was quickly accepted in the EU's common framework. It became part of the EU agenda in the subsequent European Councils in 1997 (Luxembourg) and 1998 (Cardiff), and the Vienna European Council in December 1998 approved a report from the Commission on the Northern Dimension (Heininen 2001:29-30).

However, at first the initiative received criticism from several actors, and other actors were not particularly interested in further development of the ND-concept. Within the Union there was scepticism not only in the Commission and some of the southern member states. In addition, "natural" partners, such as Sweden and Denmark, were to a certain extent critical of Finland's launching of the proposal in 1997 (Novack 2001; Heurlin 1999; Haukkala 2001). Even outside the EU, some of the partner countries, such as for instance Latvia and to some extent Estonia, were suspicious of Finland's motives (Ojanen 1999; Arter 2000:688). Latvia regarded the proposal with suspicion due to concerns regarding possible competition in the energy market, and Estonia, although positive, hinted that this was really about Finland trying to shed its old image of *Finlandisation* (Arter 2000:688). France, for its part, asked what kind of role the US was supposed to play in the Northern Dimension, as it included both the US and Canada as partner countries (Haukkala 2001:40-41). Russia welcomed the ND

informally from the outset, but did not take a formal position. Given this initial opposition, how can we then explain that Finland was able to get the Northern dimension included as part of the External Relations? How did Finland convince these actors that the EU should implement such a policy? Decision making in the EU's foreign policy is usually considered to be a *domaine réservé* for the large states (Ifestos 1987, Pijpers 1991, Wagner 2003, Moravcsik 1998). How then could a *small state* like Finland influence the external policy of the EU by introducing a new issue to its agenda?

This Finnish example of influencing the EU's foreign policy agenda matches a growing number of empirical findings that also small states are able to pursue initiatives within the EU's external policy (Jørgensen 1999, Ojanen 2000, Tonra 1997; 2001, Coolsaet and Soetendorp 2000:137).<sup>2</sup> This stands in contrast to the 'traditional' focus on the big powers and their interests in European foreign policy.<sup>3</sup> However, these empirical findings have not yet been fully explored within a properly developed theoretical framework. One example of this is the Finnish initiative that actually has gained a lot of attention from scholars (Ojanen 1999; 2001, Arter 2000, Haukkala 2001; 2004, Dubois 2004, Joenniemi 2003, Catellani 2001, Browning 2001), but these studies are *under-theorised* as they seem to only *implicitly* rely on rational choice assumptions about strategic bargaining. Two influential studies of the Northern Dimension, Arter (2000) and Ojanen (1999) analyse the Finnish initiative of a Northern Dimension for the EU as a case of small state influence within in the EU. However, both Arter and Ojanen seem to suggest that Finland succeeded in promoting this initiative because it would not cost

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<sup>2</sup> Jørgensen (1999) and Ojanen (2000) point to the Swedish-Finnish initiative on crisis management (the Petersberg tasks) which was included in the Amsterdam Treaty in 1997 as an illustration of 'successful' small state influence within the EU. Romsloe (2004) has explicitly analysed this initiative within a deliberative and an intergovernmental theoretical framework. The empirical material shows that inclusion of the Petersberg tasks can neither be assessed by exclusive reference to the cost - benefit calculation of the fixed interests to France, Germany and the UK, nor with reference to intense preferences for Sweden and Finland or possible threats of veto. The insights from the Swedish Finnish initiative reveals a better fit between the empirical data and the expectations derived from a deliberative perspective.

<sup>3</sup> According to some scholars (Pijpers 1991, Wagner 2003) an efficient external policy for the EU is only possible when the three large states have common interests.

anything for the EU or entail the forming of new institutions. Moreover Ojanen and Arter point to the possibility that Finland pursued national economic and security interests when launching the ND, but these self-interests were cleverly referred to by Finnish policy-makers as being in the interests of the whole Union. Hence Ojanen and Arter conclude that the initiative was accepted as a result of the strategic and pragmatic manner in which Finland framed its proposal on the EU agenda. In this paper, an explanation based on such a realist perspective is explicitly compared with an explanation drawing on the analytical tools provided by deliberative theory. I apply a deliberative approach as a mode of interaction in action-theoretical terms; it must not be confused with (normative) deliberative democracy theory.

This paper is structured as follows: first, I briefly discuss the theoretical assumptions of an intergovernmental approach and a deliberative perspective. In the second part I proceed by examining the two different hypotheses related to the case of the Northern Dimension. In this section I ask if the initiative was included due to a process of strategic bargaining or arguing. I argue that there has been a process of preference change; and this was not a result of strategic maximising or adjustment of national interests, but rather a consequence of an open arguing process where different validity claims from a number of actors resulted in a mutual consensus on including the ND as a part of the EU's external relations. Finally, the conclusion states that it is hard to explain how Finland introduced the Northern Dimension to the EU agenda without drawing on the analytical toolkits informed by deliberative theory.

## A successful agenda-setting initiative

The Finnish initiative was both open and partner-oriented and it has also been analysed within the emerging literature on cross-border co-operation and transnational governance (Scott 2004) and network governance (Filtenborg, Ganzle and Johanson 2002). Moreover, several studies have evaluated whether the initiative should be deemed a success or a failure (Haukkala 2001; Joenniemi

2003:222–226). I do not intend to discuss whether the initiative can be considered to be a success or a failure. A complete assessment of the initiative’s “success” would require an analysis of the implementation phase in the EU’s external relations. Rather I am focusing on the initial phase of Finland’s introducing the concept and aiming to understand how a small state managed to influence the EU’s agenda in external affairs by launching an initiative of this magnitude. In line with Arter (2000), Ojanen (1999) and Antonsich (2002) who point to Finland’s success in getting the initiative adopted by the EU agenda, it is fair to say that at least the initial agenda-setting phase illustrates how small states may “successfully” pursue initiatives within the EU’s external relations. Moreover, the then EU Commissioner Chris Patten evaluated the Northern Dimension in a highly positive manner at the Ministerial Meeting of the Council of the Baltic Sea states:

*The Northern Dimension has undeniably made a difference to EU activities across the region. (...) The importance of the Northern Dimension can only grow as the context of the region changes, and as four more Baltic countries become members of the EU.*

*(Patten 2002)*

In addition, the Commission has recently presented a second action plan for implementing the Northern Dimension over the period 2004–2006.<sup>4</sup>

## Theoretical framework: Bargaining or arguing?

In order to explain the above, two alternative hypotheses are examined. The “intergovernmental” hypothesis would suggest – as most of the above mentioned interest-based studies of the ND implicitly do – that Finland pursued national interests and bargained strategically by offering side payments in return for the other actors’ support (both within and outside the EU). Moreover, based on a more “realist” interpretation, one could imagine that the Northern Dimension was accepted because Finnish national interests were shared by other actors’ national preferences. On the other hand, a “deliberative” hypothesis would

assume that Finland's initiative was included because it aimed at creating a mutual understanding of the initiative. Consequently, this paper examines if the proposal was accepted as a result of decision making process where Finland provided reasons and arguments in a way that mobilised the actors to reach *consensus* on the inclusion of the Northern Dimension. If the latter is the case, then we would expect the actors who initially lacked interest, and the actors who were sceptic, to have changed their preferences due to learning and arguing processes. The data is collected from a number of sources, including several in-depth interviews that were conducted with Finnish policy makers in March/April 2003. The interviews have been cross-checked with soft primary sources (legal documents, reports, public statements) in order to reach valid and empirically reliable conclusions.

## An Intergovernmental Approach

Intergovernmentalism remains attractive for its 'parsimony, formal nature and predictive force', as Eriksen (2003:160) puts it. Expressed in a more detailed way, liberal intergovernmentalism consists of three essential elements: Number one is the assumption of rational state behaviour; the second element is a liberal theory of national preference formation, and the third is an intergovernmental analysis of interstate negotiation (Moravcsik 1993:480). According to this theory, we would expect utility-maximising actors, engaged in interstate strategic bargaining, and the outcome of the negotiations would be determined by the most powerful actors.

These theoretical elements suggest that the actors within the EU are rational in the sense that they seek to maximise self- (national) interests. The actors would be engaged in strategic bargaining. Elster characterises this type of communication as follows:

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<sup>4</sup> Available at: <[http://europa.eu.int/comm/external\\_relations/north\\_dim/index.htm](http://europa.eu.int/comm/external_relations/north_dim/index.htm)>.

*to bargain is to engage in communication for the purpose of forcing or inducing the opponent to accept one's claim. To achieve this end, bargainers rely on threats and promises. Statements asserted in a process of bargaining are made with a claim to being credible, in the sense that the bargainers must try to make their opponents believe.*

*(Elster 1992:15)*

The actors might reach a positive outcome, *compromise*, where none of the actors get exactly what they want, but where an agreement is considered better than no agreement at all.

According to several scholars, the EU's institutions reflect the member states' interests and their powers (Pijpers 1991, Antola 2002:80, Wagner 2003, Moravcsik 1998; 1999). Thus, according to this analytical perspective one would not expect a small state like Finland to have the necessary bargaining power to influence policy processes in the EU's external policy.

It is, however, possible to imagine that even in the EU's external policy, the power of the 'better' argument is fundamental when actors reach common policies. If we assume that actors are able to provide rational arguments aimed at reaching common solutions, it would follow logically that less materially powerful actors, such as small states, may influence decision making processes disproportionately to their power resources.<sup>5</sup>

## A Deliberative Approach

I propose to analyse the actors in EU foreign and security policy-making by at least theoretically assuming that 'actors are rational when they are able to justify and explain their actions and not only when they seek to maximise their own interests', which is how Eriksen and Weigård (1997) define communicative rationality. There is a growing body of literature in international relations theory that argues that we need a conception of actors as communicatively rational (Lose 2001, Müller 2001; 2004, Risse 2000, Sjursen 2003; 2004, Bjola 2005), but these assumptions

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<sup>5</sup> This point is also made by Risse (2000:19) and Sjursen (2003:46).



have not yet been substantiated empirically on the EU's foreign policy.<sup>6</sup> This is surprising, not least since a growing number of *policy-makers* in small states recognise that they have possibilities to influence decisions (Tonra 1997; 2001, Danish Ministry of Foreign Affairs 1998) as well as observations claiming that small states are 'successful' in promoting initiatives in the external policy of the EU (Jørgensen 1999, Ojanen 2000, Arter 2000).<sup>7</sup> Tonra's in-depth interviews reveal some interesting statements from small state policy-makers regarding their influence in the EU framework:

*if a (minor) state has a case and if they have prepared themselves they can often have a great deal of influence over the debate...a small state has to work harder and of course the substance of the position has to be convincing, but the point is that you have a possibility which is not available if you are not at the table.*

*(Tonra 1997:195)*

Similarly, a report from the Danish Ministry of Foreign Affairs (1998) on the CFSP after the Amsterdam Treaty stated that:

*A small member state has good possibilities to influence decision making with the right arguments. The experiences demonstrate this. A concrete example is the large influence Denmark has exerted on the determination of the EU's international human rights policy. (Author's translation)*

These statements point to *arguments* as a central feature for influencing decisions. This is the reason why this paper wants to examine if Finland succeeded in adding the ND-initiative to the EU-agenda through arguing.<sup>8</sup>

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<sup>6</sup> Review of International Studies (2005: 127-209) has its own forum section with several articles on IR and Habermas.

<sup>7</sup> The small states have *formal* and *informal* possibilities to influence decisions within the external policy of the EU. Formally, the small member states are 'at the table', having formal presence. In addition, most of the decisions are made by consensus, thus providing each actor a *de facto* right to veto. I label this a *passive* and *formal* form of influence that can be related to institutional development of the EU's external relations and policy content. Small states may also more *actively* pursue initiatives in this common framework.

In Eriksen's (2003:162) words 'deliberation designates the process of reaching collective decisions through reason-giving'. The hypothesis of a deliberative approach would thus suggest that the ability of small states to present *convincing arguments* will compensate for their limited bargaining resources compared to the great powers within the foreign and security policy field. A deliberative approach outlines a more flexible and dynamic conception of preference change and formation. Inspired by Habermas' notion of communicative rationality, Risse suggests that:

*arguing implies that actors try to challenge the validity claims inherent in any causal and normative statement and to seek a communicative consensus about their understanding of a situation as well as justifications for the principles and norms guiding their action.*

*(Risse 2000:7)*

Hence, the actors are open to be convinced by the better argument, while power hierarchies recede into the background.

In particular, empirical studies of EU Committees show that in these institutional arrangements, where the actors from the national and the EU-level get together repeatedly in meetings and preparations, a deliberative mode of interaction seems to be more prevalent than merely strategic bargaining processes (Joerges & Vos 1999, Joerges & Neyer 1997, Eriksen and Fossum 2000). It is therefore surprising that the possibility for communicative rationality and deliberation has not yet been explored empirically in studies of the EU's external policy. Consequently, I suggest that we need an action-theoretical framework that considers language as action in addition to the intergovernmental approach outlined above.

What is more, empirical studies of the EU's foreign policy suggest that the common framework, such as the legal rules and treaties, has led to socialisation processes of the national foreign policy elites. Jørgensen (1997) and Glarbo (2001)

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<sup>8</sup> For the sake of simplicity I assume that states are *unitary* actors, implying that they act 'as if

argue that national foreign policy-makers have developed a *co-ordination reflex* in the EU's foreign policy, implying that national positions in foreign and security policies are quickly co-ordinated with common stands through the EU framework. Hence, it is not necessarily far-fetched to assume that confidence and non-hierarchical relations could be important factors in the interaction between the actors in the EU's external policy. I make the assumption that a small state like Finland could be able to convince others – and influence decisions – through argumentation.

One could of course claim that since the small states lack economic, political and military resources compared to large states they are obliged to rely on arguing strategies that appeal to the common good. One methodological challenge in order to empirically grasp what is “really” going on is that we cannot enter the actors' heads to find out what their ‘real’ intentions are. This is said to be a particular challenge to a deliberative perspective: What counts as the better argument, and how do we know if an actor is convinced by a better argument? Schimmelfennig (2001:63), for instance, labels the possibility for strategic use of norm-based arguments in pursuit of one's self-interest as *rhetorical action*, whereas Elster (1991:4) informs us that actors may use communicative behaviour in a strategic manner – that is if actors have other ‘real’ intentions than those referred to in their arguments. In other words, an actor may refer to a set of common values and norms, but self-interests may be the real motivation behind it.

However, as Eriksen (2003:173) writes: “deliberative theory is not about the nature of the motives or preferences of – whether they are egoistic or altruistic – but about their legitimacy, i.e. whether they can be defended from an impartial point of view or be deemed to be in the common interests”. In other words, an argument is valid as long as everybody can agree upon it, and in an institutionalised setting it is the *mobilising force* of an argument that is expected to count, and not necessarily whether it represents the self-interests of the actors or not. Consequently, we do not have to enter into the actors' heads. As Risse

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with a single voice on the European level, see Moravcsik (1998:22).

(2000:18-19) suggests, we have probably witnessed a process of arguing when “powerful governments change their minds and subsequently their behaviour, even though their instrumental interests would suggest otherwise, or when materially less powerful actors such as small states or nonstate actors carry the day”.

It is also possible to distinguish analytically between a bargaining and an arguing process by comparing the outcomes of the process. According to Eriksen and Weigård (1997:229) a *compromise* is the positive outcome of a decision making process conducted by strategic bargaining. In a process where actors have been able to provide arguments aimed at reaching a common solution, the outcome would be *consensus*. Eriksen and Weigård suggest that we can distinguish between these two outcomes by comparing the reasons the actors give for complying with an agreement. The actors would give different reasons for accepting a compromise; on the other hand they would give similar reasons for reaching a decision by consensus. However, a consensus in this strict term hardly occurs in empirical cases, so Eriksen (2003:202) introduces a ‘weaker’ form of consensus which is labelled *working agreement*, ‘i.e. a conclusion resting on different, but reasonable and acceptable grounds’ Eriksen (2003:202).

Thus, to sum up, a deliberative approach outlines a more flexible and dynamic conception of preference change and formation than the intergovernmentalist approach, which would expect stable preferences during the interaction. The determinants for the outcomes of the decisions would be the better argument in an understanding-oriented process, whereas the intergovernmental approach would expect that the actors’ relative power and resources count in an instrumental-oriented process (Eriksen 2003:162). The assumptions of the two perspectives can briefly be summarised in the following table:

*Table 1: Assumptions from intergovernmentalism and deliberation.*

	<i>Liberal intergovernmentalism</i>	<i>Deliberation</i>
<i>“Influence” of small states</i>	Marginal	(Possibly) Significant
<i>Process</i>	Goal: maximise interests through strategic bargaining Cost-benefit calculation	Goal: reach a common understanding through arguments and reason (alt: reasoning)
<i>Determinants for outcome</i>	Degree of power and resources	Better argument
<i>Outcome</i>	Positive: Compromise (different reasons for complying) Negative: no agreement	Rational consensus (identical reasons for complying) Working agreement (reasonable reasons for complying)
<i>Preference formation</i>	Stable, self-interests from national level (exogenous)	Dynamic (endogenous)
<i>Preference change</i>	Unlikely, but if new strategic information occurs	Probable due to better arguments, learning

In the following section, I will investigate the explanatory power of two hypotheses derived from the assumptions of an intergovernmental and a deliberative approach respectively. The empirical data is for the most part based on interviews with Finnish policy-makers, conducted in Helsinki March/April 2003, as well as on official documents from the member states and the EU.<sup>9</sup>

<sup>9</sup> Nine Finnish policymakers who were involved in the framing of the initiative were interviewed in Helsinki in March and April 2003. Their institutional affiliation was respectively the Ministry of Foreign Affairs, the Parliament and the Prime Minister’s Office. I have also used the EU Commission’s web-page on the Northern Dimension in order to find official EU documents, speeches and statements ([http://europa.eu.int/comm/external\\_relations/north\\_dim/index.htm](http://europa.eu.int/comm/external_relations/north_dim/index.htm)).

## The inclusion of a Northern Dimension for the EU's external relations

### *Inclusion by strategic bargaining → utility-maximising?*

First, it is fair to claim that the initiative reflected several Finnish interests (Joenniemi 2002:16). As the then prime minister, Paavo Lipponen, openly stated in 1997 during his official introduction of the plan:

*Finnish national interests are very much involved... [Our] industry and the whole economy, including our regions can benefit Finland will be developed as business centre for the region, with global opportunities.<sup>10</sup>*

Finland tried to link the initiative to special climatic and demographic conditions in its northern parts in order to obtain financial support from the EU's structure and agriculture funds. This was clearly expressed by Lipponen in the same speech:

*Finland expects that the special conditions in the North – cold climate, sparse population, proximity to Russia – will be given due consideration in the internal policies of the EU.*

*(Lipponen 1998: 127)*

In the early process of elaborating the policy content of the initiative it is thus possible to detect that Finland acted in accordance with the assumptions of a strategic, utility-maximising actor. National interests were, as the quotes from Lipponen indicate, used as justifications for launching the initiative. Finland promoted its particular agricultural interests, and the socio-economic co-operation was also anticipated to be beneficial to Finland. Moreover, in line with a more “geopolitical” – or “realist” – interpretation, Finland sought to convey a message to Moscow that the EU was an emerging powerful actor in this region

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<sup>10</sup> Paavo Lipponen presented the Northern Dimension initiative in a speech called ‘The European Union Needs a Policy for the Northern Dimension’ at the ‘Barents Region Today’ conference in Rovaniemi, Finland in September 1997. The speech is available in Heininen (1998).

(Arter 2000). However, Russia had to be reassured that Finland's membership was not detrimental to its national interests, quite the opposite: it could in fact be beneficial. Finland also wanted to put North-West Russia on the map in Brussels and to sensitise the huge gap in living standards. Thus, Russia was indeed an important partner country within the initiative, but the cooperative elements of the Northern Dimension was stressed from the Finnish side (interview 2003).

Finland was successful in putting the harsh conditions for agriculture and the low population density in Northern parts of Finland on the agenda during its membership negotiations in 1992-1994. Finland obtained financial support both from the EU's structural and agricultural funds, but during the AGENDA 2000 reform of the EU this support was questioned (Arter 2000:683). Thus, as part of the AGENDA 2000, at least partially, the Finnish initiative was a 'lobby concept' aimed at putting Finnish interests on the agenda in Brussels (Arter 2000:683). Moreover, Ojanen (1999) has suggested that the initiative also contained a domestic dimension. Ojanen has interpreted the Northern Dimension as a way of 'customising the EU', implying that it was aimed at making the EU more similar to Finland (Ojanen 1999:14). The Northern dimension concept, she argues, was then a strategy for the Finnish elites to make Finland's EU membership more acceptable to domestic public opinion.

However, already in this original initiative there was a concern that the Northern Dimension was too narrowly focused on Finnish national interests. In his speech from Rovaniemi, Lipponen (1998:128) therefore stressed that the Northern Dimension would benefit the whole Union. Lipponen's argument was particularly linked to an assessment that most of the future energy consumption of the EU would stem from Russian resources (ibid.).

### *Inclusion by strategic bargaining → overlap of national interests?*

In order to explore the intergovernmental hypothesis we need to ask whether the concept of a Northern Dimension was accepted because *Finnish national interests* overlapped other (powerful) actors' preferences in these issues, and secondly, whether Finland bargained strategically by offering side payments for the other member states (especially the southern states' support) and the Commission's support.

First of all, the empirical data shows that it is problematic to argue that the ND was accepted because Finland's national interests overlapped with other actors' preferences. In fact, the initiative was met with suspicion and did not achieve support from the two natural cooperation partners Sweden and Denmark. Finland did not consult the other Nordic countries about their proposal, and this Finnish unilateralism was perceived as a break with the tradition of Nordic cooperation and solidarity (Forsberg & Ojanen 2000:124; Haukkala 2001:41).

However, the initial scepticism from Sweden was not only due to lack of consultation. Swedish authorities had emphasised that regional co-operation in North-eastern Europe should be conducted through the Council of the Baltic Sea states and not through the EU (Novack 2001). Denmark did not react to the Finnish initiative with much interest when it was launched. The Danes were already strongly involved in the Baltic Sea region (Riddervold 2002), and they did not see the 'value added' of the original and rather abstract Finnish proposal (Heurlin 2000:164-165). However, both Sweden and Denmark became more supportive and involved in the Northern Dimension after it became an official EU policy. In fact Nordic cooperation was intensified in the period before the upcoming presidencies of Sweden in 2001 and Denmark in 2002 (Arter 2000:692). During both their presidencies both Sweden and Denmark put a lot of effort into promoting the Northern Dimension, although in somewhat different directions than the original Finnish focus on the arctic area and on Russia. Geographically, Sweden directed the Northern Dimension towards the Baltic Sea



region, with a particular emphasis on the upcoming enlargement to the Baltic states and Poland (Novack 2001:102-103; Haukkala 2001:41). During its Presidency in 2002, Denmark tried to fill the policy content of the Northern Dimension with the concrete transmission problems related to the Russian enclave, Kaliningrad (Miles 2003). To sum up, the interests of the two other Nordic EU member states did not overlap with Finland's focus in the original initiative, however there has been a growing consensus that the Northern Dimension is useful for building soft security in North Eastern Europe, and that the EU is a relevant actor for doing so (Archer 2001:189; Arter 2000:681).

Several other actors were also initially sceptical to the original Finnish initiative, so the intergovernmentalist hypothesis of overlapping national interests provides limited explanatory power. Some of the partner countries, especially Latvia, regarded it with suspicion because of a potential competition in the energy market, and Estonia, although positive from the outset, expressed some concern that this was really about Finland trying to get rid of its old image of *Finlandisation* (Arter 2000:688, Ojanen 1999:17). Within the Union there was scepticism coming mainly from the Commission and from some of the southern countries, such as Spain and Italy. Germany welcomed the initiative – in particular the efforts to integrate the Baltic States into the EU without alienating Russia. Germany also emphasised the value added of the initiative by drawing on the EU's existing frameworks, INTERREG, PCA and the TACIS and PHARE-programmes.<sup>11</sup>

Indeed, this is not to claim that the initiative was without support in the early phase; the non-EU member state Norway, along with Portugal, Luxembourg and the European Parliament were among the early supporters. The

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<sup>11</sup> The TACIS-programmes (Technical Assistance to the Commonwealth of Independent States, CIS) were established in 1990. The programmes' main aims were to assist the Central and Eastern European countries in the transformation to market economy and democracy. The PHARE-programmes (Pologne, Hongrie, Assistance à la Réstructiation Economique) were launched by the G7-countries in 1989. The programmes have been the main instrument for directing financial support to Poland, Hungary and the Baltic States among others. The EU

point here is, however, that we cannot explain the inclusion of the proposal only by searching for overlapping national interests. So, the other suggestion from the intergovernmental perspective would then be that Finland would engage in offering threats or promises when bargaining for the initiative. This hypothesis gains some support in the sense that Finland, to a certain extent, offered side payments to the southern member states by for instance arranging a conference in Helsinki in 1997 on the Mediterranean dimension of the EU. Finland actively supported the Barcelona process, not necessarily because of its policy content, but with expectations of future support for a similar regional policy initiative.

Moreover, some studies suggest that the Commission sometimes is in need of adding extra administrative and technical resources to its policy programmes (Filtenborg et. al 2002:392). One could therefore argue that Finland, by engaging many national experts in so-called inter-sectorial network groups for elaborating the policy content of the ND, would have additional resources to offer the Commission when putting the proposal on the EU agenda. The Finnish expertise on environmental issues in this area of Europe was also warmly welcomed by the Commission. In fact, the Commission expected benefits from Finnish expertise on Russian and northern affairs after the accession in 1995 (Heinien 1998:33). So, in this case, the Commission and Finland had mutual benefits, but at the same time the Commission was quite sceptical to several elements of the proposal, especially the inclusion of non-EU members as partner countries.

To sum up so far: We cannot explain the inclusion of the ND as the outcome of overlapping interests (between Finland and the (larger) member states). Furthermore, Finland did not make any 'threats', most likely due to its limited bargaining power (material resources). However, there are certain indications of attempts at side payments. This is particularly so vis-à-vis some of the southern countries, as well as the Commission. As Ojanen (1999:16-17) and Arter (2000:685) point out, Finland tried to denationalise the initiative and to

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created in addition the so called Partnership and Co-operations Agreements (PCA) with Russia and Ukraine, see <<http://europa.prosjekt.net/>>

refrain from legitimising it by referring to the already existing Mediterranean policy. Hence, as Ojanen indicates there was some learning involved from Finland's side:

*Rather impressively, Finland has learned not to invoke these reasons too loudly. Instead, it has found three matchless marketing strategies: the stressing of the common good, building on the Union's own premising and using its vocabulary, and appealing even to the most economical of minds.*

*(Ojanen 1999:16-17)*

Arter (2000:691) makes a similar point claiming that Finland had '[l]earnt the art of negotiation'. In addition, there was a perception among some EU actors that the ND represented an implicit criticism of the policy that the EU already conducted in the region (Arter 2000: 689). However, at the same time, Finland's 'bargaining' strategy seemed to be to stress the importance of the "value added" of the ND, i.e. that it did not require new resources or new institutions (Ojanen 1999). Most importantly, both Ojanen and Arter suggest that Finland was eventually successful in promoting the initiative because it was able to present a national initiative as being in the interests of the whole Union. This might mean that Finland simply "used" such arguments strategically, in order to satisfy a "given" set of preferences.

However, in the next section I argue that there has been a process of preference change; not as a result of strategic adjustment of preferences. Hence, I suggest that the initiative was included rather as a result of a process of arguing aimed at creating a common understanding of the particular situation of the Northern Europe.

### *Inclusion by arguing → convincing arguments?*

There was a certain lack of interest in the initiative from the other member states, partner countries and EU actors, so Finland had to convince these actors of the relevance of the initiative. This process that ensued had deliberative qualities to it. First of all, the initiative was vaguely formulated, and Finland openly tried to

implicate the other states and the Commission by encouraging them to make a proposal regarding the policy-content of the ND. It is in this process that it is possible to detect arguing as the mode of interaction. Finland invited the other member states, the EU Parliament and the Commission, affected third countries such as the seven partner countries and the US and Canada, on an equal basis to present their preferences. In fact the ND was deliberately formulated quite abstract and wide, and the idea behind this was a wish to include other parties in the definition of the concrete policy content. However, everybody seems to have accepted the Finnish reasoning behind the initiative; that the EU, with the accession of Finland, needed a coordinated policy towards the North-eastern parts of Europe, especially including Russia. As one Finnish diplomat who was central in framing the initiative put it:

*[i]t was important that they [i.e. the other member states] could present their ideas as well ...so Finland didn't come to the capitols with already made policy-concepts, but it was based on a dialogue and a mutual interest, so the actors were not only the Commission, but also 15 member states and 7 partner countries. That is why the concept appears as an unclear mixture of different angles and interests, and it was very important that everybody could agree upon the ideas of the concept. (Interview 2003)*

In other words, irrespective of who would profit the most from the ND, Finland succeeded in gaining acceptance for its proposal by referring to the EU-solidarity and to the relevance of the ND for the Union as a whole:

*[s]mall states have to build the EU-solidarity when introducing new initiatives, and this means more footwork. And then you have to have an analysis which everybody agrees on, with the Northern Dimension we introduced a concept by arguing that it is in the interest of an enlarging European Union to build a comprehensive policy vis-à-vis North Western Russia. The idea was that every country in the EU must see this as an important concept for the whole Union, not only for Finland as a neighbouring country to Russia, but for the whole Union. (Interview 2003)*

In order to achieve the mutual recognition for the case of the NDI, Finland invested considerable resources; among other things Finnish representatives visited all EU capitals twice and also arranged several meetings with Russian authorities. Hence, the initiative included all affected parties of the EU's Northern Dimension. This strengthens the deliberative hypothesis.

This is not least due to Finland's introduction of the so called partner countries, thus inviting third states also to have a say in the development of the Northern Dimension. Above all, Finland wanted to include Russia as early as possible, but the non-EU states Norway and Iceland, as well as Poland, Estonia, Latvia and Lithuania were also included. Further, Finland wanted the US and Canada to be committed to the Northern Dimension and in the action plan presented by the Commission at the Feira European Council in June 2000, the US and Canada are referred to as 'co-partners'.

The inclusion of partner countries was somewhat criticised, not only by EU actors, but also by the partner countries themselves. Both Heinien (2001:42) and Arter (2000:688) mention the Latvian case where Finland was openly criticised. However, during the process, as Heinien (2001:42) claims: "[t]he attitude of partner countries has changed into either a general support or even concrete proposals for the ND, and especially the Finnish government has interpreted that the partner countries support strongly the ND". Thus by including affected parties Finland seems to have gained more support for the proposal, and this strengthens the relevance of the deliberative hypothesis. What is more, it was also unorthodox for the EU to include Russia in the elaboration of the policy content. However, also in this case a mutual understanding seemed to be the result. In the words of one of the key Finnish actors, the then Prime Minister, Paavo Lipponen (1999): "[t]he co-operation between the Union and Russia evoked some surprise but after discussions people have gained a better insight and understanding of the concept". This quote further supports the idea that learning and preference change took place through arguing rather than as a result of "strategic adaptation".

Moreover, at a conference in Ireland in November 1997, the Finnish minister for European Affairs, Ole Norrback (1998:7) stressed that the initiative was consistent with European values '[s]uch as human rights, democracy, the rule of law, market economy and welfare ...(.). and that '[T]he concept envisages a broad scale of measures that will increase stability and social economic development in the area. These arguments are consistent with the foundational ideas of the EU, namely securing peaceful relations by integration. In fact, as Browning claims, the Northern dimension draws on the principles of liberal democratic peace theory:

*rather than relying on traditional military strategies the Northern Dimension argues that security will be better provided by integrating Russia and the Baltic States into European security structures and international norms of acceptable behaviour.*

*(Browning 2001:5)*

It may of course be that the arguments used by Finland were simply used strategically. But, as Eriksen and Weigård (1997:233) note, '[t]he lesson learned from rhetoric is that a person who does not believe in their own arguments can hardly be expected to have too much success in convincing other people'. However, Finland convinced the EU, the member states as well as the partner countries that Northern Dimension should be implemented. Evidence suggests that the mode of interaction was closer to a "deliberation" than bargaining process. The other actors changed their positions from initial scepticism to a more favourable attitude. The Conclusion of the Northern Dimension conference in Helsinki in 1999 is indicative of this:

*The European Union and its partner countries Estonia, Iceland, Latvia, Lithuania, Norway, Poland and the Russian Federation, conceive the Northern Dimension concept as useful in enhancing European security, stability, democratic reforms and sustainable development in Northern Europe as well as in identifying and promoting European wide interests.*

*(European Commission 1999)*

Even though the ND initiative matches Finland's interests, the other actors would most likely not have accepted the initiative for this reason alone, as Finland's interests in this region did not overlap with those of the larger states. Further, Finland's material bargaining power was limited. Hence, it is more likely that Finland succeeded in achieving support for the proposal through reason-giving. The empirical evidence presented here goes a long way to substantiate such a hypothesis.

Furthermore, most of the issues of the Northern dimension - such as the 'macro agenda' concerning stability, soft security, environmental co-operation as well as the more concrete, micro agenda on reducing illegal immigration, international crime - have a normative dimension. Decisions on "what to do" with regard to such issues can hardly be made by strategic bargaining alone. Eriksen and Weigård (1997:237) mention for instance green conflicts as one type of collective problem solving that need argumentation rather than bargaining: "[s]uch conflicts need argumentation rather than negotiating because there is no agreement on the standards be applied in the contended cases". The empirical evidence provided in this part thus supports the hypothesis that Finland's initiative was included because Finland aimed at creating a mutual understanding of the particular situation in Northern Europe, by giving reasons and arguments for the proposal.

## Conclusion

The success of the Finnish initiative is surprising. Most analysts seem to argue that the EU's foreign policy is a big power concert where intergovernmental bargaining either results in a compromise, where none of the three big states get exactly what they want, or the negotiations break down because of conflicting interests. The case of the ND suggests that other dynamics are at play even in this area of "high politics". It suggests that the big states sometimes acquire new or change existing preferences as a result of "well" argued proposals from the small states, i.e. that learning takes place.

In the EU-25 all the new member states, except Poland, are small states. In such a context, research on the role of small states becomes even more important. The findings in this paper suggest that the analytical value of deliberation is significant for grasping how small states may actually facilitate and even strengthen the EU's coordination by actively making arguments that other actors listen to. As it has been suggested in this paper, the inclusion of the Northern Dimension cannot be assessed by relying only on the assumptions of intergovernmentalism. These findings are in line with a growing body of literature that criticises both the predictive and explanatory power of liberal intergovernmentalism when testing its assumptions on the empirical record of the EU.<sup>12</sup> In fact more studies emphasise the distinct character of decision making in the EU since it cannot make use of the traditional means of coercion and power. Rather, the EU is based on voluntary cooperation. Hence there is a great potential for further exploration of the role of small states in the EU's foreign policy informed by the concepts of deliberative theory.

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<sup>12</sup> See for instance Forster (1998) and Lieshout, Segers and van der Vleuten (2004).



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