The Power of Small States in the European Union: the Case of Finland and the Northern Dimension Policy

Lucie Tunkrova

Abstract: *All EU Member States strive to use EU leverage in order to have their national and/or regional interests implemented in the international arena, but it is particularly important to small Member States, which observe the potential to increase their power internationally. The Northern Dimension Initiative (NDI) is a rather illustrative example of how small states can successfully utilise their coalition potential for pursuing a policy that they consider part of their key national interest. This paper discusses the process of the formation of the policy with special attention paid to the notable role that Finland, supported by the other Nordic countries, played in its institutionalisation and revitalisation in 2006. It concludes with a discussion of sub-regional cooperation as a means of increasing small state influence in an enlarged European Union arguing that Central European countries have a good potential for forming sub-regional cooperation in the future if several requirements are met.*

Keywords: *Northern dimension, European Union, Nordic countries, Finland, national interest, small states, sub-regional integration, V4*

Introduction

All EU Member States strive to use EU leverage in order to have their national and/or regional interests implemented in the international arena, but it is particu-

larly important to small Member States, which observe the potential to increase their power internationally. Acting solely as independent states would leave them with a much smaller possibility of promoting their interests. The Nordic countries have repeatedly attempted to jointly pursue their foreign policy preferences in the EU. Their main objectives have been to influence the outcome of EU foreign policy in line with what is considered the Nordic common interest (Herolf 2000: 132). The Nordic countries represent a very successful example of sub-regional[1] cooperation that "spilled-over" onto the EU level. Their level of collaboration inside and outside the EU could serve as an example to most EU Member States, mainly the newer members, which still struggle with identifying and promoting their national interests in the EU.

The Northern Dimension (ND) is a rather illustrative example of how small states can successfully utilise their coalition potential for pursuing a policy that they consider part of their key national interests. The Initiative was introduced at an international conference, The Barents Region Today, in Finnish Lapland in September 1997. The then Finnish Prime Minister Paavo Lipponen subsequently managed to establish the issue of European relations with its northern neighbours on the EU agenda. It was the first political initiative of Finland as a EU Member State. The policy was presented as an official EU policy in Cologne in June 1999. Finland held the EU presidency in the second half of 1999 and presided at the meeting of the EU and "partner" countries' foreign ministers in Helsinki in November 1999. The European Commission requested there be an elaboration of an Action programme that was finished during the Portuguese presidency of the EU and presented to the Member States in June 2000.

The progress of events could indicate an example of a successful agenda-setting process at the EU level. However, a policy must not only be put on the EU agenda and adopted in its decision-making process but also implemented. The EU does not have an outstanding record of transforming its external policy decisions into tangible results. It often remains only on paper and unless further promoted by some Member States or EU institutions, its implementation falls far behind the proposed goals. The case of the Northern Dimension was no exception. Following its adoption in 1999, the implementation was rather cumbersome. Despite the lack of progress with the relations with the EU's new northeast neighbours, the time might have come for a positive change. The issue at stake here, however, is not the success of the ND or its impact on the EU Neighbourhood policy. This paper is more concerned with the issues of sub-regional cooperation and its impact on the successful imposition of policy on the EU agenda and the applicability of this model for the Visegrad countries. The author discusses here the role of small states in the EU with the example of ND with special attention paid to the notable role that Finland, supported by the other Nordic countries, all considered small states, played in its institutionalisation

and revitalisation in 2006. The author concludes with a discussion of sub-regional cooperation in the enlarged European Union arguing that sub-regional cooperation is one of the possible solutions to the problems and challenges arising from the increasingly heterogeneous nature of the European Union.

Small States and European Integration

The role of the small states will steadily rise as the international system witnesses the growing pressure on the substance of sovereignty and big multilateral organisations such as the EU play an increasingly important role (Joenniemi 1998). The original research examining the small states in the process of European integration was concerned mainly with their foreign and security policies. In the 1990s the focus was redirected to the effects of Europeanisation on their public policies. As most EU Member States today are small states (19 out of the 27 Member States have population under 15 million), this body of research has grown in importance. However, with the growing number of small states, their heterogeneity also has increased posing new problems to researchers. Their relatively small population defines the small states in the EU given that the power of the state in the Council of the European Union is determined by the population size, e.g., Sweden and Finland qualify as small states.[2]

Moosung Lee presents a list of characteristics that define small states. They tend to be open economies due to their dependence on trade resulting from the comparatively small domestic markets. They are also often militarily dependent on others, which in turn generates a preference for civilian power policies and for collective security regimes. As their bargaining power is rather low, they are also more apt to build coalitions and act in a more "flexible, co-operative and informal way" (Lee 2004: 334). The research on coalitions in the Council has shown that large countries tend to be outliers during the voting procedure much more often than small countries. We can find a clear pattern of high level of cooperation among the Nordic countries but also the Netherlands and Austria, much higher than the UK, Germany or France display. This, however, is not caused only by the size of the countries but their domestic tradition of consensus building, even though size should be taken as an important factor here.

The small states have always played an important role since the early days of European integration[3] and as their number rises, we need to understand better what their impact on EU policies is. It has often been accepted as a given fact that small states in the EU tend to support strong institutions that would counterbalance the more powerful states in the EU decision-making process. The European Commission has traditionally been viewed as the institution to which the smaller Member States turn

(see for example Lee, Antola or Steinsdorff) but as the power of the European Parliament has grown, it has increasingly become another arena of intensive work of the small Member States.

Esko Antola asserts, "Institutions offer a reliable forum where small states can gain information on the actions and preferences of other states – large and small. Institutions also give small countries an opportunity to influence the compliance of powerful states to joint decisions and rules while emphasizing their own input in common projects" (Antola n.d.[4]). Small states will have a stronger voice as long as they can present innovative initiatives that – which is crucial – will be presented as in the interest of all states/actors involved (Arter 1999). Thus, the Commission as the agenda-setter in the EU served as a natural target of small states´ attention. On the other hand, the growth of intergovernmentalism in recent years favours the Council in the decision-making process, which would also explain the fierce battle over the vote re-distribution during the Nice conference in 2000. As the importance of the Council grows, the negotiating abilities of the small states come to the forefront.

Apart from the skills of the diplomats, the size of the country allows them to have a selected and limited number of national interests that they then seek to defend. Silvia von Steinsdorff clearly illustrates it with the example of the Common Agricultural Policy. While for instance France should defend the interests of farmers from the Mediterranean to the north of France including the mountainous regions and her fishermen, "Denmark, for example, only cares about quotas for pork and milk, while Portugal pursues its own interests primarily in the fields of poultry farming, wine-growing and grain production" (Steinsdorff 2007). While small states take decisive positions on these selected issues, they are willing to compromise on others, which makes them good partners – the basic presumption here naturally is that the small states are able to identify their key national interests and are skilful negotiators.

All states have their peculiar characteristics and many of them differ immensely, which makes it difficult to provide a consistent theory of small state behaviour in the EU. Furthermore, it is also important to note that small states do not represent a coherent group in the EU – other variables have to be taken into account, such as their relative wealth, their position in the North-South divide that many scholars identify as one of the key factors in the coalition-building process in the Council, the ideological aspect (both the ideology of the current governments and the country's position on the supranational-intergovernmental split). Conversely, it can be claimed that small states in the EU share certain features that determine their behaviour, perceptions and expectations on the European level. The relatively limited resources can constrain their potential to affect the EU policies but it does not need to be the case. As Neil Nugent argues, "it is helpful in building into our perceptions and understandings of small states the fact that a state that is small in resource terms may not necessarily be so in influence and power terms" (Nugent 2003).

The EU presidency could serve as an example: smaller EU states give a lot importance to EU presidency, which "helps them to maintain a visible and high profile not only in the every-day practice of the work of the EU, internationally but also domestically… They perform functions of 'honest-broker' and procedural leadership" (Antola n.d.: n.pag.[5]). Similarly, Steinsdorff argues that the limited resources are to the advantage of the small states that can then participate in most decision-making as quiet witnesses while making advantage of the information they gain access to. If their crucial national interest is not being negotiated, when they are "not perceived as a danger to the interests of the main actors, the representatives of the small states often assume the important role of mediator between the conflicting positions of the large members in difficult situations" (Steinsdorff 2007: n.pag.). Such countries and their leaders then receive recognition and respect that they would not be able to receive in other forums.

Thus, their power multiplies greatly if they mobilize the resources and act as experienced negotiators. Pertti Joenniemi even argues that to be a successful negotiator in the EU, you must be a small state as he says that "small could indeed become a synonym for smart in the post-Cold War era" (Joenniemi, qtd. in Steinsdorff 2007: n.pag.). Even on the more general level, integration can give small states many benefits to enjoy powers they would be deprived of in the international system had they acted alone. Roderick Pace confirms this argument when saying, "small European states have a triple interest in strengthening the process of European integration. Participation in the process is materially beneficial to them, giving them greater weight in influencing policies and shaping events to their advantage and transforming them from otherwise ineffectual actors into potentially influential ones" (Pace 2002: 27). *Potentially* is the key word here. The Member States must actively seek to reap the benefits of integration.

Another important factor that small states also take into consideration is security concerns. We mentioned above that small states are often militarily dependent on others, which in turn generates preference for civilian power policies and for collective security regimes. This applies to both traditional (such as military attack) and non-traditional security (e.g. environmental hazards, international crime, terrorism) threats. The case of Finland and the Northern Dimension illustrates clearly how a small Member State might attempt to protect and increase its security from perceived future threats both traditional and non-traditional by creating a wider framework of security arrangement.

What is the Northern Dimension?

The beginning of the ND can be traced back to the attempts of the Nordic countries to redefine their position as a region in the new world order after the end of the Cold War. The dissolution of the Soviet Union gave them the possibility to become more actively engaged in the region (Bergman 2006). It was also related to the redefinition of Nordism. For example Ole Wæver proposed in 1992 a transformation of the Nordic region into a Baltic Sea region, which would overpass the East-West division in Cold War times Europe. Such region would compose of countries similar in small size. It would represent a new form of non-state cooperation as opposed to traditional intergovernmental cooperation that defined the Nordic model in the past (Wæver 1992: 98).

The Baltic countries expressed broad support to enhanced cooperation with the Nordic countries as their political and security situation was rather unstable in the early 1990s. They were looking for new definitions of foreign and security policies' arrangements. Shared identity with the Nordic countries would boost up their identity as sovereign republics (Wæver 1992: 98). Furthermore, both the Nordic and Baltic countries shared the aspiration to reduce the danger of becoming European periphery.

The Nordic Council of Ministers (NMC) initiated the first official coordinated projects in the Baltic States in 1991, when it established information offices and information centres. The next step was the institutionalisation of regular meetings of ministers of Nordic and Baltic countries formerly known as 5+3 and later renamed to Nordic-Baltic 8 (NB8). The NCM also initiated various projects such as the Nordic Industrial Fund; Nordic Financial Group consisting of the Nordic Investment Bank (NIB), the Nordic Environmental Finance Corporation (NEFCO) and the Northern Development Fund (NDF) offering financial services, networking and know-how; the Nordic Project Fund (NPF) that co-finances studies on new market opportunities as part of the assistance to small and medium size enterprises and many more.

Annika Bergman contends that the relationship between the Nordic and Baltic countries was defined by a close connection between national interest and solidarity and that Nordic national interests were framed by cohesion and moral values (Bergman 2006). David Archer supports her arguments. He claims that the participation of Nordic countries in ensuring security of the Baltics was conditioned by a combination of strategic, economic but also ethical and ideological factors (Archer 1999). John O'Brennan defines their relationship as a rational calculation of costs and benefits, where both material and security advantages could be expected (O'Brennan, cited in Bergman 2006).

The effective rudiment of the ND at the European level was strongly related to the Finnish and Swedish entry into the EU in 1995. Their accession partially diverted

the main focus of EU neighbourhood policy from the Mediterranean region (an interest of Spain, France and Italy) and Central Europe (of interest to Germany) to the North. The greatest credit should be paid to Finland whose government actively lobbied in favour of the ND. Concurrently, it could be interpreted as the common effort of the Nordic countries to place and keep Finland, Norway and Sweden on the map of Europe and in the minds of political representatives in the EU and her Member States. Related to the perceived need to make the North more visible in Europe, there was the need to strengthen the already commenced cooperation in providing aid to the Baltics, which was a vital interest of Finland, Norway and Sweden (Neumann 1996: 423, 424).

Some EU Member States first followed the institutionalisation of the EU relationship with its northern neighbours with suspicion, as they feared that it would lead to the transfer of European funds to the North and, thus, harm their interests. They perceived it as satisfaction of the needs of two new Member States and some other actors that had their interest in the North. Nevertheless, it gradually gained the reputation of a supplementary instrument for preparing the Baltics and Poland for EU membership and for further integration of Iceland, Norway and Russia into the wider European institutional architecture (Filtenborg et al. 2002: 397). The major change occurred during the Finnish, Swedish, and Danish EU presidencies in 1999, 2001 and 2002 respectively. The original idea, however, came from Finland, which perceived it as a regional project pursued at the EU level with the help of (not together with) its neighbours and other actors.[6]

The role of Finland for putting the ND on the EU agenda

The origins of the ND go back to the Cold War and the following sudden and substantial change in the structure of European security that led to significant geographical and economic alterations in the European continent. From the Finnish view, three major factors played a crucial role: the security arrangement in Northern Europe known as Nordic balance was shaken; Finnish membership in the EU gave the country sufficient assurance of its Western identity; and Finland became politically and economically peripheral country standing at the border between democratised and democratising countries in Europe, between affluent and impoverished Europe. Russia's domestic developments and political and economic instabilities were not as urgent an issue for other EU Member States as for Finland.

In its efforts to put across the ND, Finland endeavoured to "denationalise" the platform by referring to the benefits for the entire Union brought by consolidation of its external role. The Union would become a key actor in the region improving its image in Russia and strengthening the transatlantic dialogue. The Finnish Prime

Minister, Paavo Lipponen, declared in September 1997 that the EU needed a coherent Northern dimension that would support the EU's active role in the region. It would strengthen the security of its northern border and reduce the immense difference between the EU's and post communist Russia's standards of living (Lipponen, qtd. in Arter 2000: 685). The Finnish delegation to the EU also drew attention to the fact that the Northern dimension would support the EU accession process of Poland and the Baltics because it would focus on the support of the new and extension of existing accession programmes that would decrease the total costs of the Initiative (Ojanen 1999: 16–17).

The figure of Paavo Lipponen was crucial for the successful introduction of the Northern dimension onto the EU agenda. He referred to the positive experience with the Barcelona process, lobbied the European Commission, visited Moscow to discuss the issue emphasising the key role of Russia for the successful implementation of the Initiative, and visited USA in June 1997 in order to highlight the Euro Atlantic dimension of the ND. He also lobbied other Nordic countries accentuating the importance of Nordic cooperation for the built-up of the Baltic region as an area of cohesion and a model of growth and stability (Lipponen, qtd. in Arter 2000: 687). In line with these activities, Paavo Lipponen stated at the Barents Region Today conference in Rovaniemi in 1997: "With the accession of Finland and Sweden, the European Union now extends from the Mediterranean to just a few kilometres from the Barents Sea. The Union has thus acquired a natural 'northern dimension'. My thesis this morning is: we need a policy for this dimension, too" (Lipponen, qtd. in Dubois 2004: 2). According to Jeroen Dubois, he purposefully mentioned the Mediterranean region, as Lipponen believed that good relations with the countries in southern Europe would ensure the success of the Northern Dimension. He aimed at proving that Finland sheltered the interests of the entire Community and hoped the other Member States would do the same (Dubois 2004).

The Finnish president Martti Ahtisaari and Finnish MPs in the Nordic Council, European Parliament and Council of Regions were also actively employed in the lobbying of the representatives of the other Nordic countries. The Danish and Swedish representatives first perceived the Finnish activity negatively as they felt that Finland sidetracked them without sufficient consultations in the early days of the initiative setting. Sweden perceiving itself as a power in the Nordic region believed that the initiative should have been pre-discussed in the Nordic Council and only then presented to other countries (Arter 2000: 687–688).

Norway supported Finland from the very beginning, which could be attributed to the shared border with Russia. Norway pursued the policy of convincing Europe that it had needed an active policy for northwestern Russia ever since the break-up of USSR but due to its non-membership in the EU it was restrained in its ability to push its ambitions through to the EU level. The Finnish activity allowed Norway

to slowly see its interests promoted at the EU level and supported Finland in the remaining forums in order to provide it with greater leverage in the EU agenda setting process *vis-à-vis* the other actors.

The ND should have also served as the counterbalance but not competition to the Barcelona process for southern and south-eastern neighbours of the EU. Finland attempted to pinpoint that it would not be solely the Nordic countries benefiting from the ND but all Member States and the EU as a whole. Their argument stemmed from the assessment that the EU membership of the Baltic countries would form a potential to build up an economic centre supporting not only entrepreneurship but also political stability.

The Finnish 2006 EU presidency: perfect timing for a new NDI impetus?

The Northern Dimension became over time part of the EU neighbourhood policy. When Denmark presented its EU presidency programme in June 2002, the ND was described as part of the EU's overall strategy towards its eastern neighbours. The Second Action plan for the years 2004 to 2006 referred to the changes related to the accession of the Baltics and EU enlargement in general. It articulated the need to redefine its goals and instruments so that they would reflect the new situation. The close relationship built between the Baltic and Nordic countries did not end with implementation of various common projects and regional cooperation in the Baltic Sea area. In December 2006, a new right-wing Swedish government under Fredrik Reinfeldt (liberal conservative Moderate party) expressed its will to see closer cooperation between Nordic and Baltic countries in the European Union as well. They saw the most natural sphere of cooperation in promoting shared interests regarding Russia but also the future "new" Northern Dimension (Close Nordic Baltic cooperation). This could possibly establish a more customary collaboration between the two in other areas too.

Unlike the Nordic-Baltic cooperation, one can assess the performance of the Second Action programme in strengthening relations with Russia as a limited success – rather very limited. Most was achieved in the area of environmental cooperation, which was established in 2002 and introduced new financial management of environmental issues.[7] The social and health care policy, on the other hand, seemed to exist only on paper despite a secretariat established in Stockholm. The Nordic countries continued their talks on the future of the ND promoting the new and more sophisticated agenda in line with the EU's Mediterranean policy and the neighbourhood policy in general. The EU ministerial meeting in November 2005 decided that the ND should be transformed into a common policy of the EU, Iceland, Norway

and Russia. The time-restricted plans would be replaced by a more permanent framework document that should be prepared in the upcoming months under the Finnish presidency. The programme of the Norwegian presidency of the Nordic Council in 2006 also mentioned the ND as a central instrument in promoting collaboration with its closest neighbours. Norway committed itself to further expansion of the ND in 2006 – in cooperation with the Finnish EU presidency (Det Nye Norden 2005).

Finland held the EU presidency in the second half of the year 2006. Its major objective – together with the other Nordic countries – was to ensure an extensive revision of the ND at the brink of the anniversary of its launching 10 years ago and at the end of Second Action plan programme for 2003 to 2006. Finland put this activity in line with its effort to improve and strengthen the relations between Russia and the EU. During its previous – and first – presidency in 1999 it fought to prove that it belonged to the "European family" as a full time and valuable partner, which was reflected in Paavo Lipponen's high support for European integration and Finland's active role in the process. This time, however, the situation was different. Finland had a reputation of a small but wealthy and stable partner in the EU. Membership was not a new thing anymore and the Finnish PM Martti Vanhanen was no European visionary but rather a practical politician. The EU membership did not have high support among the Finnish public while the political and economic elites maintained their quite positive stance. The public accepted EU membership but showed more pragmatic than passionate support (Heikkila 2006). The programme of the presidency was equally realistic. Finland announced her will to revive the ND in light of preparing a new framework programme for the ND and EU-Russia relations. The ND programme and relations with Russia had a prominent place on the agenda. The timing was ideal. The question was whether the results would be equally perfect.

The Second Action programme did not include Russia as an equal partner of the ND, which the Finnish representation planned to change in the future. Successful cooperation on the environmental challenges represented one of the key areas to be accentuated in order to pursue this goal. The Finnish presidency was drawing on support from the Nordic Council office in Saint Petersburg, as Minna Hanhijärvi became its head as of September 2006 (New Head 2006). Apart from environmental protection, the Finnish presidency also declared its determination to promote higher levels of cooperation in the energy sector and economic cooperation. Finland's final goal in the promotion of economic cooperation was a gradual establishment of a free trade area between the EU and Russia.

The first high priority meeting of EU foreign ministers on the issue took place in Lappeenranta in September 2006. In November 2006 during the EU-Russia summit a separate meeting was organised by the Finnish presidency with leaders of the EU, Russia, Norway and Iceland. As a result of the meeting, the documents

for the revised Northern Dimension were issued: the Political Declaration on the Northern Dimension Policy and Framework Document. The Political declaration evoked the guidelines adopted in 2005: it declared as basic principles good neighbourliness, equal partnership, common responsibility and transparency. It proposed the establishment of Northern Dimension Partnership on Transport and Logistics based on the positive experience with Northern Dimension Environmental Partnership (NDEP) and the Northern Dimension Partnership in Public Health and Social Well-being (NDPHS).

The most important resolution adopted was stated in the Framework Document: the ND should be a joint policy run on equal footing by the EU, Russia, Norway and Iceland and not solely an EU policy. This marked an important change in the Plan, which was not to be part of the EU external policies anymore but a common policy of these four equal partners. Not only the countries but also the various Councils, mainly the Baltic and Nordic Councils helped to formulate the policy and its objectives because cross-border cooperation of local and regional authorities was recognized as one of the most thriving tools of the policy. Their experience with grass roots projects provided valuable background for further development of the programme. The Finnish Presidency could declare success in reforming the ND. It managed to form a permanent setting of the policy and included it into the wider EU-Russia cooperation framework with full participation of Norway and Iceland. In order to ensure continuity, a permanent steering group was set up and the declaration included tangible proposals for future extension of the activities (transport and logistics).

The Finnish initiative was to be further followed up by the Finnish presidency of the Nordic Council in 2007 under the leadership of Erkki Tuomioja as the new president of the Nordic Council. Finland was planning to utilise the situation to bind European integration and Nordic cooperation still more. Already in January 2007 the Finnish presidency organised in the framework of Northern Dimension a conference including the EU, Norway and Russia, where environmental issues and climate change stood high on the agenda. In the same month, Finland also hosted a seminar for the Border Regional Project Baltic Euro regional Network (BEN), which discussed the possibilities of the regions to turn the reformed NDI into reality. The BEN has recently been extended to BEN-EAST to include Russia and Belarus.

The reform of the NDI can be considered a success – on paper. Much remains to be seen how the proposals would be translated into real projects and how these projects would attain their goals. The two main documents remain rather vague. The inclusion of the regional Councils and the non-EU Member States in the decision-making and implementation processes highly increases the chances of success – compared to the original set-up of the policy.

Sub-regional integration: a new model for the future?

The example of the Northern Dimension and the cooperation of Nordic countries in promoting and implementing national interests on the sub-regional level show that small EU Member States can affect the agenda-setting process and the final outcome of European integration. Even a state with a relatively small number of votes in the Council can determine EU legislation. As European law is superior to national law, once adopted, the legislation is implemented in all EU Member States. The power of the state multiplies in this process. On the other hand, none of the EU Member States is protected from the opposite impact of integration.

The Nordic example is, however, specific. The countries have a decades-long tradition of cooperation where formal and informal links have been established and later "exported" to the European Union. Research has shown that in the Council and the Coreper, officials from these countries tend to contact their Nordic counterparts before the other Member States. The ND example also shows that there needs to be one country promoting the objective while securing the interests of the entire sub-region and support of the other countries in the area. Furthermore, it has to be a permanent factor of the national interest of all countries in the sub-region so that the policy can develop further and accommodate to the changes. A link of other formal and informal initiatives needs to be set up in order to provide for the grass-root experience and feedback.

With the accession of new states and the growing heterogeneity of the EU together with deepening economic and political integration, sub-regional cooperation gains more importance. Moving away from the concept of concentric circles, the model of the Olympic rings receives increasing attention. In this model, the sub-regions of the EU are seen as circles that are not based on the nation state basis but are all connected and partially overlapping like the five Olympic rings. The issue here is simple – if states in the EU learn to cooperate with other countries in promoting their national interests, the agenda setting and decision making processes could become more transparent and the countries could more easily promote their national interests in a heterogeneous EU of 27 Member States while securing the interests of the Community. For the countries of Central Europe such a notion is particularly appealing. Small Member States can successfully manage their roles in promoting their national interests and further integration if they focus on key issues and join existing blocs or form their own. Their relatively low political power forces them to actively seek practical and stable partnerships. During their learning process, they discover which countries share similar positions in individual policies. Then, they must develop sensitivity to compromise in key areas.

When looking at the case of Central European countries, we could easily see them as having a good potential for forming sub-regional cooperation modes in order to

multiply their power in the EU. They are approximately the same size (except for Poland), they entered the EU at the same time, share many economical, social and political challenges, and have a tradition of cooperation through the Visegrad group (V4). The potential can be unleashed only if several negative factors are eliminated or stabilised: the frequent changes in government and presence of political parties that aim at promoting their particular interests at any cost lower the chances of finding a working compromise. The lack of knowledge of how the EU environment works, partly caused by the short history of membership and to a degree by the frequent government changes that often lead to changes in ministerial posts and the bureaucracy, the tendency to use the EU arena for domestic political battles, thus, fail to build a reputation as trustworthy partners and mediators. The rather bad record of the sub-regional integration that was mostly forced on the countries by the EU and never found wide public or elite support, and the tendency of Poland to impose its leadership on the group keeps the V4 from achieving its full potential.

One possible policy where the cooperation could be tested is the Eastern dimension (ED) proposed by Poland and endorsed by all V4. There is, however, a long way from declarations to actions as we have witnessed many times before. Already during the accession negotiations the statements on V4 coordinated activities remained largely on paper and the countries were often trying to achieve their goals by climbing up their neighbours' backs. Competition and suspicion have up until now defined their relations better than cooperation and trust not only in political terms but also economically as the Visegrad partners perceive each other as economic competition for FDI and EU assistance as well. The countries are ill with cynicism, lack of self-confidence and pessimism, which hinders the full development of their civil societies, and consequently, the sub-regional development of contacts and cooperation based on civil society dialogue.

Central Europe could become one of the EU Olympic rings if, as Ferenc Miszlivetz argues, it is (re)invented. The efforts to "invent" Central Europe should include more than the cooperation of the elites, it should be built of cooperation between "cities, open institutions, universities and research centers" (Miszlivetz 2006) and the success of these efforts would help to promote the final transition from post-communist states to modern democracies. This cooperation already exists but must be reinforced and dynamically promoted on political, economic, social and cultural levels. The general public should see it not only as a continuation of the path initiated in the 1990s but also as a material and strategic benefit of stronger economic ties and security advantages. Defining the set of shared values to be promoted in the EU but also outside of it could provide the building bloc for the redefined – or "reinvented" Central Europe in the enlarged EU and the globalising world.

The countries of Central and Eastern Europe have a prospective to create a framework similar to that of the Nordic countries even though on quite a different basis.

They lack the history of cooperation and the network of collaboration settings, but they could provide information peculiar to the region and use EU institutional opportunities to put their needs on the table. If they learn how to act strategically, they can create an advantage for themselves that the large states do not have. For that the key step is to formulate the vital issues to promote – both on the national and sub-regional basis and revitalise sub-regional cooperation that is fundamental for undertaking most of the grass-roots activities. We cannot, however, expect a robust development in any near future. There are still too many legacies of distrust, images of old enemies, bad habits, language barriers and "opposing interests of their operating authorities, […] derelict infrastructure and the backwardness characteristic of peripheries" (Miszlivetz). The countries must overcome the negative past and formulate – or should we say construct – some shared values as a basis of solidarity and their identity. The experience with membership could provide sufficient memory to seek partners and to realise that our very neighbour can quite often be our best friend. More than simply perceived as value added, strengthened cooperation among the Visegrad countries should be viewed as a must if the countries are to fully enjoy the benefits of EU membership. Andrey Makarychev notes that sub-regional cooperation starts with the presentation of ideas and a public debate, which allows for the emergence of common values (Makarychev 2004: 301). The next step is then the formulation of the goals and their active promotion by the concerned actors. The example of the round of seminars on the V4 and the ED commenced in 2006 shows that the first steps have been taken. Hopefully, more will follow in the foreseeable future.

Conclusion

The ND is an example of a successful agenda setting activity and active building of coalition in the EU. The Nordic countries have played a key role in the process of establishment and implementation of the EU Northern dimension. They have substantially contributed to its development and attempt to outline clear directions for its future shape. All Nordic countries that are members of the EU realise that they can better pursue their goals together and with the EU than as individual countries or even exclusively as the Nordic bloc. That is particularly valid for their relations with Russia (Antola 1998: 159, 163).

The country that has mostly contributed to the introduction of the ND on the EU agenda was Finland. Finland's strategy proved to be beneficial as Finnish representatives actively lobbied both member and non-member states of the EU and regularly accentuated the importance of the Northern Dimension for the future of European integration and its connection to other EU policies. After receiving sup-

port of the Nordics, the group jointly followed with previous Finnish activities and cooperated in putting the proposal through during Council negotiations, in gaining support for its adoption and for its subsequent implementation including sufficient financing for its individual goals.

Despite its successful adoption, one has to look at its prospects of further development in the future as its potential will be materialised only if there is continuous support of and cooperation with EU institutions and Member States to continue in its implementation. The EU decision-making process is – despite the efforts to rationalise it – rather slow machinery that in the implementation of laid-out objectives often falls behind the official rhetoric. It is characterised rather by empty declarations on the "successful pursuit of the policy despite some setbacks that would be targeted in the future" than concrete steps ensuring its meaningful endurance.

We have seen that European integration might expand the power of small states if certain conditions are met. The small Member States should not only have a limited set of key national interests but also sufficient negotiating skills and understanding of the political environment in the EU. One of the possible ways to increase their power is through building coalitions with other EU Member States. Especially new EU Member States generally look for partners first among countries, with which they share some history of cooperation from the past. Thus, despite some original claims, European integration does not necessarily destroy sub-regional cooperation; it can on the contrary revive it by providing new issues and arenas. Sub-regional cooperation should not lead to building permanent inflexible coalitions and voting blocs in the EU. Its main objectives should provide easier orientation in the broad network of structures and processes of European integration, make its operation more transparent for the national governments and their citizens at the time when the number of Member States has grown substantially and as a result also the heterogeneity of interests in the EU. Its much desired side-effect could then be a reduction in the democratic deficit led from the bottom-up. The small Nordic countries managed in the case of the Northern Dimension to promote their national interest but also to redefine their position in regional affairs and strengthen their identity in the globalising world.

Notes

[1] As the process of European integration is known as one of regional cooperation, the collaboration of groups of Member States will be referred to in this paper as "sub-region".

[2] Alternatively, the literature on small states in international relations also examines the area and gross domestic product. A state can be small in population but large in area and wealth such as Norway (has total area slightly larger than Germany and second highest GDP per capita among OECD countries, 65 % higher than the

average) or small in area and population but economically strong, for example Luxembourg (wealthiest of all OECD countries).

[3] Already the nucleus of European integration could be traced back to the Benelux customs union and understood as "the attempt to protect the relatively small neigbouring neighbouring states from a possible new quest for hegemony by the relatively large Federal Republic of Germany" (Steinsdorff 2007).

[4] Not dated.

[5] Not paged.

[6] NDI became part of a research study called Alternatives of Finnish Nordic Policy for the years 1996–1999 elaborated by the Arctic Centre of Lapland under the supervision of Lasse Heininen. The research question was: "How active does Finland want to be in forming the EU policies?"

[7] One example of such successful implementation of new financial management was the construction of a sewage plant in Sainkt Petersburg in autumn 2005 that represented a substantial relief for the Baltic Sea region (Heikkila 2006).

References

Antola, Esko (1998) 'The EU as a Community of Solidarity and the Future of the CFSP: A View from Finland', in Mathias Jopp and Riku Warjovaara (eds) *Approaching the Northern Dimension of the CFSP: Challenges and opportunities for the EU in the emerging European security order*, pp. 155/168. Helsinki and Bonn: UPI/IEP.

Antola, Esko (n.d.) 'What kind of a Union for Small States?' Available at: http://vanha.soc.utu.fi/jean-monnet/tutkimusprojektit/What%20kind%20of%20a%20Union%20for%20Small%20States.pdf (Accessed on 15 anuary 2008).

Arter, David (1999) *Scandinavian Politics Today*. Manchester: Manchester UP.

Arter, David (2000) 'Small State Influence within the EU: The Case of Finland's Northern Dimension Initiative', *Journal of Common Market Studies* 38: 677–697.

Bergman, Annika (2006) 'Adjacent Internationalism: the Concept of Solidarity and Post-Cold War Nordic-Baltic Relations', *Cooperation and Conflict* 41: 73–97.

Cremona, Marise (2005) 'Variable Geometry and Setting Membership Conditionalities: A Viable Strategy?', in *Konrad Adenauer Stiftung South Africa*. Available at http://www.kas.org.za/Publications/SeminarReports/SAIIA/cremona.pdf (Accessed on 29 November 2005).

Det Nye Norden: Fornyelse og samarbeid i Nord-Europa (2006). Dubois, Jeroen (2004) *The Northen Dimension as Prototype of the Wider Europe Framework Policy.* Liverpool: University of Liverpool.

European Commission (2006) 'Northern Dimension Policy Framework Document', November, pp. 1–8. Available at: http://ec.europa.eu/external_relations/north_dim/doc/frame_pol_1106.pdf (Accessed on 18 December 2007).

European Council Presidency Report (2001) 'Full Report on Northern Dimension Policies', June, pp. 1–20. Available at: http://www.eu2001.se/static/pdf/eng/nd_fullreport_gbg.PDF (Accessed on 29 July 2006).

Filtenborg, M.S., S. Gänzle and E. Johansson (2002) 'An Alternative Theoretical Approach to EU Foreign Policy. "Network governance" and the Case of Northern Dimension Initiative', *Cooperation and Conflict* 37: 387–407.

Finland's EU Presidency (2006) 'Prime Minister Matti Vanhanen's address to Parliament', June, n.pag. Available at: http://www.eu2006.fi/news_and_documents/speeches/press/en_GB/1150877429794/ (Accessed on 7 October 2007).

Heikkila, Markku (2006) 'Europa-Rysland – viktig fråga i finsk politik', . *Analys Norden*, April, n. pag. Available at: http://www.analysnorden.org/analysnorden/artikkel.asp?id=404 (Accessed on 29 July 2006).

Herolf, Gunilla (2000) 'Inside and Outside Nordic Cooperation' in Alfred Pijpers (ed) *On Cores and Coalitions in the European Union*, pp. 121-140. The Hague: Netherlands' Institute of International. Relations.

Joenniemi, Pertti (1998) 'From Small to Smart: Reflections on the Concept of Small States', *Irish Studies in International Affairs* 9.

Lee, Moosung (2004) 'The Small State Enlargement of the EU: Dangers and Benefits', *Perspectives on European Politics and Society* 5: 331–355.

Makarychev, Andrey S. (2004) 'Where the North Meets the East: Europe's "Dimensionalism" and Poland's "Marginality Strategy:', *Cooperation and Conflict*, 39: 301–315.

Miles, Lee (2002) 'Reflections and Perspectives', *Cooperation and Conflict*, 37: 227–231.

Miszlivetz, Ferenc (2006) 'Why Should We Reinvent Central Europe?', January, pp. 1–5. Available at http://www.talaljuk-ki.hu/index.php/article/articleview/443/1/22/ (Accessed on 24 July 2008).

Nehring, Niels-Jørgen (2001) 'The Special Case of Denmark' in Alfred Pijpers *On Cores and Coalitions in the European Union. The Position of Some Smaller Member States*, pp. 152–168. The Hague: Netherlands' Institute of International. Relations.

Neumann, B. Iver (1996) 'Nordic Security Cooperation in a Homogenized Political Setting', *Cooperation and Conflict* 4: 417–432.

Nikolaev, M. (2007) 'New Northern Dimension', *International Affairs: A Russian Journal of World Politics*, Diplomacy & International Relations, 2007 53: 81–89.

Norden i veckan (2006) 'New head of St Petersburg Office', June, n.pag. Available at: http://www.norden.org/norden_i_veckan/ (Accessed on 7 October 2007).

Norden this week (2004) 'NB8 and National Parliaments', November, n.pag. Available at: http://norden.ee/indexen.php?ID=28 (Accessed on 7 October 2007).

Norden this week (2005) 'More efficient meetings in the future', May, n.pag. Available at: http://norden.ee/indexen.php?ID=28 (Accessed on 7 October 2007)

Norden this week (2006) 'Ny fase af EU's nordlige dimension', June, n.pag. Available at: http://www.norden.org/webb/news/news.asp (Accessed on 7 October 2007).

Norden this week (2007) 'Potential for Northern Dimension, May, n.pag. Available at: http://www.norden.org/webb/news/news.asp?lang=6&id=6963 (Accessed on 22 October 2007).

Norges program for formannskapet i Nordisk Ministerråd 2006. København.

Ojanen, Hanna (1999) 'How to Customise Your Union: Finland and the "Northern Dimension of the EU' in *Northern Dimensions*. Forssa: The Finnish Institute of International Affairs.

Steinsdorff, Silvia von (2007) 'The small EU Member States: Engines of integration?' *Eurotopics* March, n.pag. Available at: http://www.eurotopics.net/en/magazin/politik-verteilerseite/grenzen_der_erweiterung_2007_01/kleinstaaten_motoren_integration/ (Accessed on 15 January 2008).

The Top of Europe (2006) 'Close Nordic Baltic cooperation', December, n.pag. Available at http://www.norden.org/topofeurope/ShowIssue.asp?lang=en-gb&issue=67#story873 (Accessed on 8 January 2008).

Vahl, Marius (2005) 'Models for the European Neighbourhood Policy. The European Economic Area and the Northern Dimension', February, pp. 1–12. Available at: http://www.ceps.be/Article.php?article_id=17 (Accessed on 24 July 2008).

Wæver, Ole (1992) 'Nordic nostalgia: Norden Europe after the Cold War', *International Affairs* 68: 77–102.