

THE CHALLENGES FOR SWEDEN'S DEFENCE AND SECURITY POLICIES: OLD AND NEW

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Resumen: Este artículo explora las políticas de defensa y seguridad de Suecia, en vista de las viejas y nuevas realidades geopolíticas. Una amplia investigación de documentos y entrevistas fueron la base empírica para probar algunas hipótesis: 1) la política interna tuvo pocas consecuencias sobre las políticas; 2) influencia en la seguridad a través de programas innovadores; 3) la cooperación industrial y asociaciones estratégicas mejoraron la base industrial de defensa; y 4) la contribución a la seguridad internacional a través de la participación activa en la ONU, la OTAN y las misiones de paz de la UE. Ambos gobiernos social-demócrata y moderado en cambio, han mostrado un gran pragmatismo. Una nueva administración pública se desarrolló en países que salieran de la esfera soviética. Cooperación y alianzas estratégicas son ahora responsables por un aumento de la capacidad industrial-tecnológica en Suecia y países socios. Una mayor participación en las misiones de paz amplió la influencia de Suecia internacionalmente. El cambio de la neutralidad a el no alineamiento mejor traduce los desafíos geopolíticos actuales en el norte de Europa, el Ártico y las regiones del Báltico. Estos resultados implican que nuevas preocupaciones de seguridad están presentes y deben ser consideradas por los políticos responsables.

Palabras clave: Defensa y Seguridad de Suecia; Política Comun de Defensa y de Seguridad de la UE; Gestión de crisis; Las misiones de paz; Política Exterior y de Cooperación Industrial.

Summary: This article explores Sweden's defence and security policies in view of old and new geopolitical realities. Extensive document research and interviews were the empirical basis for testing hypotheses: 1) internal politics had little consequence over policies; 2) influence on security through innovative programmes; 3) industrial cooperation and strategic partnerships improved defence industrial base; and 4) contributing to International Security through active participation in UN, NATO and EU peace missions. Both Social-Democratic and Moderate governments have rather shown a great pragmatism. A new public administration was developed in countries emerging from the Soviet sphere. Cooperation and strategic partnerships are now responsible for an increased industrial-technological capacity in Sweden and partners. Increased peace missions participation enlarged international Sweden's influence. Changing from neutrality to non-alignment better translates the current geopolitical challenges in Northern Europe, Arctic and Baltic regions. These results imply that new security concerns are present and should be considered by policy-makers.

Keywords: Sweden Defense and Security Policy; EU Common Defence and Security Policy; Crisis Management; Peace Missions; Foreign Policy and Industrial Cooperation.

1. Introduction

This paper seeks to identify the bases for Swedish defense and security policies, including cooperation in the defence industry and markets and on security issues with the European Union (EU) after 1991. Sweden faced a range of radically new internal and international problems with the end of the Cold War. A new post-Cold War political environment restructured these issues, which were exacerbated by the financial crisis in the beginning of the 1990s. If until then successive social-democratic, centrist or moderate governments were adopting full employment and social welfare policies, scientific and cutting-edge technology development (particularly for the defense industry), in 1991 the new Conservative government adopted policies to combat inflation and the financial crisis, which entailed, at the same time, currency devaluation.

In 1994, the minority Social-Democratic government (*sui generis* Swedish institution where the minority party can lead a government provided the opposition cannot form a government or force new elections), imposed significant 10% cuts on defense and security programs between 1996 and 2001, which were fully justified by the financial crisis and budget crunch (The Renewal of Defence Policy 1996).

When Sweden joined European Union in 1995, and subsequently occupied its presidency, there was a synchronization process of Swedish and European policies: Sweden incorporated European defense and security policies, and, at the same time, downloaded its successful defense and security policies. Concepts and practices such as *Crisis Management* were an important Swedish contribution to the European agenda for peace and regional and global security. *Crisis Management* is an arrangement of research and training programme developed in the mid-1990s at the Swedish National Defence College (now called Swedish Defence University) by the founder of the Crisis Management Research and Training Center, Professor Bengt Sundelius and its former director, Eric Stern, shortly after the end of the Cold War.

Concurrently, Sweden participated in the Balkans Conflict with North Atlantic Treaty Organization (NATO) Partnership for Peace (PfP), at operations in Macedonia even without being a mem-



ber of that organization. The new agenda of Swedish international security cooperation was expanded with peace operations in the Democratic Republic of Congo, Liberia and Afghanistan.

On the other hand, Sweden's prominence in technological innovations was an important *driver* of intense economic and defense industry cooperation with major European defence companies through *joint ventures* and merges, or on offset arrangements. Similarly, Sweden also increased its policy of internationalization of defense material production towards South Africa, Brazil, and India reaffirming its ability to adapt to new defense geopolitics and geo-economics circumstances through strategic partnerships and industrial cooperation with emerging countries.

New geopolitical threats posed changes in the political and geographic situation in northern Europe --such as deterioration of Swedish-Russian relations due to Russia's resurgence as an important strategic actor in the Arctic and the Baltic Sea, a new configuration of Finland-Sweden safety organizations, a set of modifications in the Nordic Council, the partial association with NATO, the Russian annexation of Crimea--, all these suggesting that Sweden is preparing to the new geopolitical realities of the 21st century. Thus, the emergence of these threats pose new requirements like the need of expanding military cooperation at the regional and at the global level, implying in changes for its defense and security policies.

2. Political and institutional challenges: internal and external

2.1. Parties and defense and security policy during the Cold War

The Swedish corporatist political culture has given rise to an alliance of interests among government, military, industry, and trade unions around defense questions, and, above all, made it possible for defense problems to enter the political agenda allowing military technology experts and scientists determine the level of the country's military needs (Stenlås, 2008).

During the 23 years (1946-1969) that Sweden was run by the Social-Democratic Party (Sveriges Socialdemokratiska Arbetarparti, S) this country had its greatest expansion of the Industrial-Technological Military Base. The treats of Cold War and the requirements imposed to defend the territory also prevailed among the priorities of then Prime Minister Tage Erlander, who pushed implementation of Swedish progressive social welfare policies. As a result, Sweden had the ability to enhance its independence with regard to NATO or to the Warsaw Pact, and to keep its historic neutrality, while assuring its indigenous military technological development. Direct government investment in Research & Development and large defence acquisition budgets caused Sweden have the highest military expenditures per capita of democratic countries, substantiated by expanding defence industries such as SAAB (Lansen, Saab 37 Viggen, JAS 39 Grippen), submarines and warships at Kokums, anti-aircraft guns and missiles at Bofors, tanks and armored cars at Hägglunds (today associated with BAESystem Hägglunds) were priorities between 1948-1990.

Figure 1 Governments of Sweden, End of World War II to 1991

Prime Minister	Party	Years in Power
Tage Erlander	Social- Democratic	1946-1969 - 23 years
Olof Palme	Social- Democratic	1969-1976 - 6 years
Thorbjorn Falldin	Centre ¹	1976-1978 - 2 years
Ola Ullsten	Moderate ²	1978-1979 - 1 year
Thorbjorn Falldin	Centre	1979-1982 - 3 years
Olof Palme	Social-Democratic	1982-1985 - 3 ½ years
Ingvar Carlsson	Social- Democratic	1985-1991 - 5 years

Author's elaboration

The Swedish corporatism worked with well-oiled agreements between big business and trade unions, with strong consensus among political parties of the Swedish Democratic Left, the bureaucracy, the unions, and the industries. Sweden, like other countries, has "non-competitive interest associations, hierarchically ordered, pigeon-holed by sectors exercising monopolies of representation..." in exchange of controlling choice of leaders and articulation of demands and support (Schmitter 1974: 93-99). Schmitter employs corporatism as a unified interest representation system, hierarchical, whereas trade unionism is defined as system of aggregation of interests. The corporatist model that produced the Swedish Welfare State persists even with the prevailing liberalism since 1990, including industry, political parties, banks, and trade unions.

Most analysts agree that Sweden had credible defence capabilities upon which it relied for any attack in its territory. For example, Sweden had 320 combat airplanes and 230 territorial defence units in 1990, whereas only 100 jetfighters and O (zero) defence units, in 2009 (International Defence Cooperation, 2014:22, Table 4.1). Sweden has maintained a strong defence and introduced policies to maintain a competitive high-tech national defence industry to supply its forces with materiel in case of a war.

Historically tense, Russia-Sweden relations were all but peaceful during the Cold War, in spite of Sweden's neutrality. The Soviet Union frequently challenged Sweden by intruding in Swedish waters of the Baltic Sea, as close as the Stockholm archipelago.³ But protection was secretly granted by NATO and the US, as later unveiled in the book *Den Dolda Alliansen* (Holmström 2012). Successive governments build a strong Air Force, implementing policies which increased spending in research, technology, and development of innovative aeronautical products.

2.2. Parties and Policies of Defense and Post Cold War Security

2.2.1. Defence Industrial and Technology Policy

The new government led by the Moderate Party (Moderaterna - "moderate") won the elections in 1991. Between 1991 and 1995, Prime Minister Carl Bildt quickly proposed a new Defence Resolution (1991) in which prevailed the idea of a smaller defense, but with more quality. Due to the financial crisis of the early 1990s, defense material acquisitions were made in the market, when there was a surplus of low-price Eastern Europe defence equipment, much accordingly to the prevailing liberal temper at the time (Noll 2007: 16).

1 Center Party - name given to the Agrarian Party with the change of names in 1958.

2 Moderate Party – liberal-conservative party, the largest center-right party of Sweden.

3 "Swedish Navy reports chasing off a submarine with depth charges". AP. Published 9 June 1982.

<http://www.nytimes.com/1982/06/09/world/swedish-navy-reports-chasing-off-a-submarine-with-depth-charges.html>. These skirmishes continued until recently as shown by a Daily Mail report <http://www.dailymail.co.uk/news/article-2799091/sweden-steps-search-crippled-russian-submarine-making-mayday-distress-call-coast.html>. Access 15 October 2016.



Figure 2 - Governments of Sweden, 1991-2014

Prime Minister	Party	Years in Power
Carl Bildt	Moderate	1991-1994 - 3 years
Ingvar Carlsson	Social- Democratic	1994-1996 - 1 ½ years
Göran Persson	Social- Democratic	1996-2006 - 10 years
Fredrik Reinfeldt	Moderate	2006-2014 - 8 years
Stefan Löfven	Social- Democratic	2014+

Author's elaboration

After joining the European Union in 1995, Sweden elected a new minority government led by Göran Persson (Social-Democratic Party, S), which substantially changed defence policies and military capacities internally. From 1996 on, the parties reached a consensus that defence and security were a priority issue for the country in view of the restriction posed on military needs and consequent reduction of military spending, and its effects.

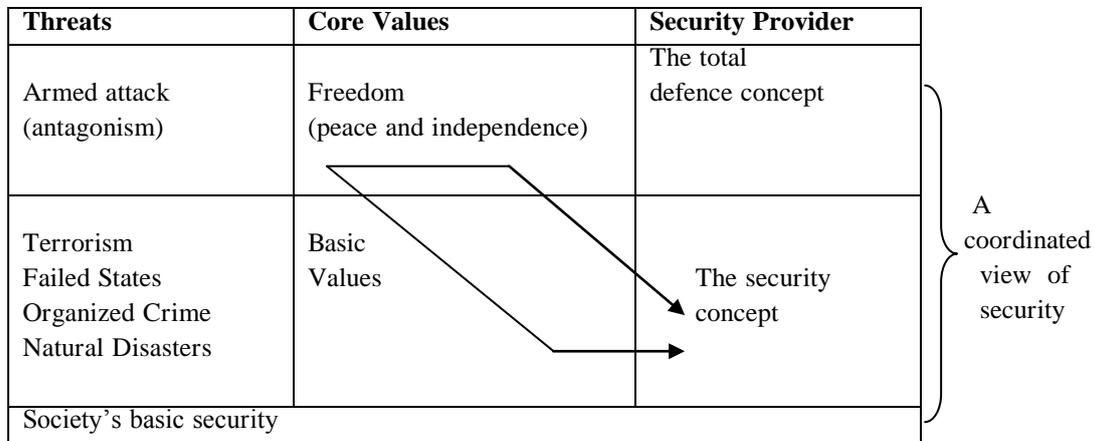
The political changes resulted in a reorganization of the Defence Commission in the Riksdag (Swedish Parliament) to draft a reform in the Defence and Security Policy (The Renewal of Sweden's Defence Policy, 1996). Two main problems have been the object of reform: 1) the system of recruitment by conscription; and 2) the difficulties facing the national defence industry - once so dependent on national government procurement, now smaller because of cessation of threats caused by the Cold War, and due to the financial crisis that brought budget cuts in the defence sector. Under the 1996 budget cuts, the proportion of new defence equipment acquisitions rose from 20% to 50% of defence expenditure. Between 1999 and 2006 it dropped to 45% of defence spending; and after 2006, with the Moderate Government of Fredrik Reinfeldt, this proportion fell further to 30%.⁴

The Defence Resolution 1997-2001 brought a unified view of military and civil defence, a new concept as explained below. *Total Defence* was a concept established in this defence policy covering the entire population with a strategic plan consisting of military defence, civil defence, economic defence and psychological defence (Defence Resolution 1997-2001). It is not unusual that Swedish military installations have a small town dug into the rock of an island, with offices, hospital, restaurants, police, fire department, and repair shops. The Swedish Government, in dealing with the psychological defence, conducted frequent surveys to gauge attitudes in society regarding defence, with results showing 80% or more of the population supporting that Sweden should offer resistance in case of an attack, even though the final outcome is uncertain.

With respect to civil defence, the country can hold more than five million people in refugee camps with anti-gas masks fully supplied. According to the *Total Defence* policy every Swedish citizen between 16 and 65 years of age can be recruited to civil defence service, and in case of war, more than 200,000 Swedes can be part of a civil defence effort. Economic defence, according to this resolution, implies readiness with large stock of fabrics for blankets and warm clothes, semi-finished products and raw materials for textile industry; salt and coal mines in the abandoned caves; oil in underground tunnels. More than 20,000 companies are essential in a war effort and the government requested emergency response plans to each one of them. The Defence Resolution for 1997-2001 stated that a democratic defence system of a nation "should be the concern and responsibility of the entire population" and that Sweden's modern *Total Defence* would create "strength and will to resist" that paid professionals only could not have (Defence Resolution 1996-2001: 15-16). Hence, it has been crucial the participation of Swedish population in the construction and organization of *Total Defence*. This broader definition includes prevention of emergencies and increased participation in international peacekeeping operations and humanitarian actions.

⁴ Personal interview by author, 19 December, 2012, Stockholm.

Figure 3 - Total Defence Concept as formulated by the Swedish Government



Source: *Comprehensive Risk Analysis e Management Network (CRN)*
CRN Workshop Report 2004: 21.

The diagram above represents a summary of the evolution of the concept of *total defence* as a new concept for the security of a society and crisis management in the twenty-first century, according to Michael Mohr, who was secretary of the Defence Commission in the Swedish Parliament at the time of this policy formulation. The purpose of this coordinated security strategy is to structure the visions of threats and Sweden's security objectives. It also involved the managing of resources, actors and methods for effective and rational use for the prevention of all types of national or international threats.

The Reinfeldt Government (Moderate) inherits, from 2006 on, the previously Social-Democratic determined policy in 2004 - *Our Future Defence* - where the priority was still "help manage and prevent crises in the immediate vicinity", that is, in the Baltic region and in the Northwestern Europe. At the same time, policies proposed increased military capacities to defend the territory from armed attacks and to protect civilians, safeguarding the most important functions of society in the event of a war (Our Future Defence 2004: 10). In so doing, Sweden implemented its most rooted traditions of a small country that wants to keep their autonomy and sovereignty.

In general, the debate between the Red Left and the Gray Left⁵ inside the Social Democratic Party (S) reflects, up to today, the divide between those who give more priority to education, health and housing, and those who are pro-industry jobs and profits, including the defence area. Håkan Juholt, Social-Democracy leader between 2010 and 2011, sought to write and speak on the issues that united the party, forging a new defence policy. Stefan Löfven, Social-Democracy leader (in opposition until 2014) and Prime Minister from October 2014, has his life linked to the Union METALL (Swedish Metalworkers' Union). Löfven worked in Hägglunds company producing military vehicles, tanks and large transmission systems in the north of the country, thus becoming an important union and political leader, very active in the defence field. Now, as a Prime Minister, he is signing, among other things, the implementation of the important Sweden-Brazil Agreements on Fighter Combat Airplane, JAS Gripen NG Brazil to be built between the two countries and companies involved.

2.2.2. Participation in Peace Missions

Sweden sent troops to peacekeeping missions in the Balkans together with NATO in the *Partnership for Peace (PfP)* and performs various international cooperation activities in research and training (Crisis Management) at first bilaterally in the Baltic countries (Estonia, Lithuania and Latvia) even having a smaller budget to deal with. After Sweden joined the European Union in 1995, the

⁵ Ideological divide inside Social-Democratic Party indicating more support to social policies or more support to labor and industrial capital.



training and research programs were carried out under the umbrella of European Union (EU) and United Nations Development Programme (UNDP) to countries recently incorporated by the organization.⁶

The Swedish Government has also engaged in greater international cooperation, even without belonging to NATO, by increasing in over five months the conscript training time to include international operations. Other proposals and actions taken were the improved recruitment and employment of a 750-1000 soldiers battalion in Afghanistan, and, at the same time, a "downsizing"⁷ of 25% in the number of military soldiers and to reduce by half number of officers, totalling no more than 2,500 (Our Future Defence 2004: 15-16).

3. Defense policy and security: new initiatives post-cold war.

Before the end of the Cold War Sweden's foreign, defence and security policies were marked by two overriding characteristics. The first, a small state realistic policy where the issue of "national survival" and the concept of sovereignty are paramount. Included in this overriding policy are neutrality and the presence of a powerful army of conscripts to defend the territory, in addition to a strong, independent high-tech arms industry. The second feature, embodied by the typical Swedish concept of "doing good", was an adherence to liberal internationalism to defend human rights, and press for freedom and democracy⁸ (Aggestam 2007).

While in the middle of the Cold War Northwestern Europe had been a strategic area in the balance of power between the US (United States) and the former USSR (Union of Soviet Socialist Republics), military non-alignment of Sweden (and Finland) was critical to increase stability and mutual trust between the two power blocs. Being outside NATO, Sweden was concurrently prevented to be a full member of the so-called European Community. But the Swedish policy of security cooperation was exercised mainly through the Conference for Security and Cooperation in Europe (organization established in 1973, governed by the 1975 Helsinki Agreement), signed by 35 European countries (except Albania), by the US, and the former USSR, which allowed Sweden to perform external actions of security policy and cooperation on disarmament and arms control, human rights, freedom of the press and free elections.

This explains in part why the transfer of support for NATO and the European Union after the end of the Cold War took place without any major controversies with big European powers, Britain and France. Only after the end of the Cold War, Sweden joined the European Union, but has not yet adopted the Euro as its currency. Of the Nordic bloc only Finland has adopted that currency in 2002.

3.1. Relations with NATO and the European Union after the Cold War: Europeanization of Sweden and the Common Defence Policy

3.1.1. Sweden and Cooperative Security and Common Defence Policy. The Summits on Security and Defence and Sweden's role. Crismart

The entry of Sweden in the European Union (EU) in 1995 led to series of initiatives which demonstrated that Sweden was not a "free-rider"⁹ in Europe: it actively participated with troops in the Balkan War (Kosovo and Bosnia Herzegovina). It also started to export to Europe the complete *Crisis Management Research and Training* system developed by the National Centre for Crisis Management Research and Training of the Swedish National Defence College (now Swedish Defence University), together with Uppsala University (Stern and Sundelius 2002, 1998).

Crisis Management, one of the main sectors of Sweden's performance in this period, is a *cognitive-institutional* strategy to contextually analyze the process of crisis, "where it facilitates reconstruction, dissection and analysis of specific crises cases." (Stern and Sundelius, 2002: 72). Crisis

6 All 42 volumes of CRISMART Series published by the Center Crisis Management Research and Training of the Försvarshögskolan (Swedish Defence University) are available at the site <http://www.fhs.se/en/research-centres-and-programmes/crismart/articles/crismart-series2/#content>

7 "Downsizing" means decreasing the size of effective soldiers in the Swedish Armed Forces.

8 Sweden was considered a "humanitarian giant" having received several thousand refugees from the Southern Cone military regimes during the 1970s, particularly from Chile. More than 67.000 from ex-Yugoslavia, 59.0000 from Bosnia-Herzegovina and 50.000 Kurds (Iran, Syria, Turkey, and Armenia) are examples of political asylum provided by Sweden in that period.

9 "Free rider", term originated from Mancur Olson (The Logic of Collective Action, Cambridge, Mass: Harvard University Press, 1965/1971, 2002 (20th printing), means receiving benefits from a policy without paying for its costs.

Management deals with new threats intrinsic to the transnational social, economic, political, ecological and technological processes arising during the post-Cold War period. To illustrate, the Europe emerging from Soviet Union collapse faced several challenges and contingencies:

"epidemics, terrorism (kidnappings, plane hijackings, bombings), ethnic conflict, nuclear accidents, aircraft accidents, political murders, floods, large-scale fires, environmental contamination, and political scandals." (Stern and Sundelius 2002: 72).

This research and training programme Crisis Management Research and Training (CRISMART) initially focused in the Baltic countries, but has widened its focus throughout Southeast Europe and the Balkans. New contingencies required decision-making capabilities and coordination actions (communication among actors at different national or local administrative levels), which were non-existent and/or not observed by Swedish researchers. CRISMART tried to emphasize public managers training to provide effective responses to the crises described above.

Over one hundred cases were analyzed by CRISMART in more than a dozen European countries, including Sweden's cooperation with international or regional organizations and the European Union training programs covering five major objectives:

1. Develop analytical tools to study and learn from the concrete crises experiences
2. Promote the development of crises studies as knowledge able to improve crisis management capacity in Sweden and other countries
3. Encourage academics and administrators of the new European democracies and vulnerable (particularly the Baltic Sea) to document, analyze, compare and share knowledge from their crises experiences
4. To promote national and transnational dialogue between academic communities and crisis managers in Europe for training and workshops and thematic conferences
5. To promote the building of trust and develop policy / operational cooperation capacity among governments and international organizations in the region.¹⁰

The Swedish initiative to export this defence tool to the Baltic republics was meant to strengthen the civil institutions of Estonia, Lithuania and Latvia and improve relations between society and post-Soviet democratic governments. It was not enough for these republics joining NATO, it was necessary that the environment of the Baltic contained a new regional security. With Sweden funded research and training, students, academics, professionals and local government officials carried out case studies analyses in each country. The knowledge generated remained in the countries with the education and training of a whole generation of Estonians, Latvians and Lithuanians. In Tallinn, Estonia, the training took place directly with the National Security Coordinator. Positions in the offices of the prime ministers of these countries were occupied by young adults of 20-25 years of age, after three years of training.

Sweden was invited by the EU to expand the Crisis Management program to be able to apply it in cases of Poland and Russia, involving far more extensive and complex aspects. In the case of Russia, the Swedish Civil Contingencies Agency¹¹ was responsible for research and training. The gateway to this country was through the Minister of Civil Defence, Emergencies and Natural Disasters (EMERCON), Sergey Shoigu (1991-2012). The situations of Chernobyl (1986), the Kursk submarine (2000), the earthquake in Neftegorsk (1995), and the Karabash ecological disaster were studied and thoroughly analysed to define the decision-making process of crisis management¹² (Porfiriev and Svedin 2002).

Furthermore, a new contract with the United Nations Development Programme took *Crisis Management* to Southeast European countries (Romania, Bulgaria, Albania, Slovenia) with the same goal of training staff for the new post-Soviet governments focusing on analysis and crisis resolution in civil defence emergencies of the populations, but without the same previous results of the Baltic republics.¹³

10 The Center of Crisis Management Research and Training of the Swedish Defence University offers courses in: a) International Crisis Management; b) Senior Course in Crisis Management and Civil emergency Planning; c) Senior Course in Security Policy of New Europe. Research reports are available at <http://www.fhs.se/en/research/research-centres-and-programmes/crismart/about/>

11 MSB - Myndigheten för samhällsskydd och beredskap is its Swedish name. It was created in 2009 reorganizing three different agencies dealing with issues of homeland security.

12 Kursk, a nuclear submarine of the Russian Navy, sank at the Barents Sea in 12 August 2000. Subsequent investigations have shown that the submarine had two explosions, which killed all 118 people onboard. At the moment of the accident it carried no nuclear weapons. Karabash is recognized by UNESCO as one of the most polluted places in the world. Located in the Urals, this Russian industrial city had gold and copper mining cycles, joined by large scale smelting without any environmental provision. It became a huge ecological disaster in recent decades.

13 Personal interview by author, 10 December, 2012, Stockholm.

With respect to Common Defence and Security Policy it is important to observe that the concept of *Europeanization* was a process of mutual interaction between internal individual country's policies and European public policies at large. According to Wong, the downloading of EU policies that affect the politics, economics, and society of Sweden was called "Brusselisation", i.e. the convergence of domestic policies with those of Brussels (Wong 2005: 145, apud Lee-Ohlsson 2009: 125). Because it is a mutual process, it is an uploading process of internal policies of states to the EU, making them protagonists in the actions and policy practices (Wong 2005: 137, apud Lee-Ohlsson 2009: 125).

This does not occur unreluctantly. For example, the Swedish Prime Minister, Göran Persson (S) was critical when he pronounced to the Riksdag that the objectives of the European Security and Defence Policy (ESDP) were only the detection and deactivation of "mines in Bosnia and training of border guards in Macedonia and police officers in Albania." (see Lee-Ohlsson 2009: 128)

In other words, the Prime Minister criticized the ESDP in the sense that Sweden could offer innovative proposals to Europe. It must be remembered that Persson's Social-Democratic Government depended notwithstandingly on the support in Parliament of two Eurosceptic parties (Green Party and Left Party) and contained internal divisions over the ESDP and the EU in general.

From the Helsinki European Council (December 1999) on, Sweden becomes more involved in European defence and security matters, what signifies the importance of the European Security and Defence Policy (ESDP). It was the Swedish tradition of prioritizing and promoting the Civilian Crisis Management that made Sweden notable. With the Swedish Presidency of the EU in the first half of 2001, impetus was given to *Civilian Crisis Management*. With this policy many diplomatic successes ensued, up to the point that even the actual military issues were widely discussed at the Gothenburg Meeting of the European Council (June 2001) still under the Swedish Presidency, where issues of conflict prevention and militarization of the ESDP were agreed upon.¹⁴

The ESDP consolidation came about with the creation of the European Defence Agency in 2003 capping a sequence of actions in which Sweden actively participated in the period 2001-2004, namely:

- Military Operation of the European Union – Implementation of Ohrid Peace Agreement – CONCORDIA/FYROM (Former Yugoslav Republic of Macedonia). March 2003.
- Operation Concordia (January 2003) - first joint military operation of the ESDP; the EU replaces NATO; Sweden also participated in the Berlin Plus - the Stabilization Plan of Bosnia-Herzegovina in 2004
- NATO - Partnership for Peace (PfP) in Afghanistan with 500 soldiers, together with the US army
- MONUC - UN Mission to the Democratic Republic of Congo (2004); Sweden sent 90 to the military air base
- Operation Artemis in the Democratic Republic of Congo. First use of troops outside the EU zone with France / EU
- Operation UNMIL - Liberia - had 240 Swedish soldiers in mechanized rifle company.

These were significant results which fuelled Sweden's greater influence in the EU, not just in the European Security and Defence Policy but also in the wider pillar of the European Union, the *Common Foreign and Security Policy* (CFSP).¹⁵

The armed forces of Sweden became proactive in EU military operations and have been crucial in creating the *European Union Battalion Group* (EUBG), with 1,500 soldiers set up as a rapid reaction force together with Finland, following France and the UK, which caused a real reform in the Swedish Armed Forces after the end of the Cold War.

The civil dimension was the largest Swedish contribution to the European Security and Defence Policy (ESDP) shaping and influencing it with traditional Swedish thinking on foreign policy and security, while internally the Eurosceptic parties, the Parliament as a whole, and the Swedish government have adapted to the ESDP. Internal changes in the Swedish Security Policy by "down-

¹⁴ Personal interview by author, 17 December, 2012, Swedish Riksdag, Stockholm.

¹⁵ During this period Sweden was governed by the Social-Democratic Party (S) having as prime-minister Göran Persson, who chose Björn von Sydow (1997-2002) and Leni Björklund (2002-2006) as ministers of Defence. Von Sydow became Speaker of the Riksdag (president of the Swedish Parliament), between 2002 and 2006.

loading" were due to the fact of fully belonging to the EU and less as consequence from the European Security and Defence Policy (ESDP).

Membership of the European Security and Defence Policy constituted the biggest change in 500 years of Sweden's Armed Forces, serving as an important tool to process reforms in national defence, as an adaptation and convergence of European public policy into Sweden.

But also Sweden influenced significantly the European Security and Defence Policy by "uploading" its own characteristics and policies. Sweden contributed 7.1% of the personnel involved in the operations of the European Security and Defence Policy (ESDP), the fifth largest supplier of staff. It had a clear influence on the civil dimension where a mix of civilian and military operations defined as considerably important by the Swedish government for the country participation in the ESDP. Today, Sweden is considered one of the European powers next to Germany, Britain, France and Italy, particularly in the policy-making process of the *Council of Foreign and Security Policy* (CFSP), the highest body of the European Union. Corroborating this view, Sweden in 2015 competes with Italy for a place in the UN Security Council (non-permanent members) for the 2017-18 period.¹⁶

The European Security and Defence Policy (ESDP) also lends itself as a platform for the Swedish and European foreign policy - an independent and active foreign policy, with a long tradition of participation in UN peace maintenance operations, which facilitated its entrance on ESDP and UN operations. It has been proven that UN and NATO interventions in the Balkans were not the best way to deal with this conflict. The ESDP, with a strong Swedish influence in *crisis management*, proved more appropriate especially where there is involvement of an unprotected civilian population (Von Sydow 2000).

3.2. New Global Issues: terrorism and immigration

3.2.1. Terrorism and Sweden

Sweden does not have a war in its territory for over 200 years. During the Cold War period terrorism only sporadically occurred: the assassination of the Yugoslav ambassador Vladimir Rolović, in 1971, by Croatian National Resistance; the street murder of Prime Minister Olof Palme in 1986, and the deadly stabbing of Foreign Relations minister, Anna Lindh, in 2003. Following 9/11/2001 attacks on New York World Trade Center, and the killing of Anna Lindh Sweden's stance on counterterrorism changed.

Sweden counterterrorism policies interact with other priorities, policies, and programmes within governmental actions. Perception of real threats and institutional reorganizations affect policies and programmes governance at the national and at the international level. As such, the international terrorist events during the years 2000s played an important role in counterterrorism policy changes in Sweden. They represented a convergence towards European Union and United Nations acts, resolutions, declarations, strategies, as shown by Strandh and Éklund (2015) and summarized below.

¹⁶ Personal interview by author, 24 February, 2015, Stockholm.



Figure 4. A Selection of International Events and policies, laws, institutional changes in Sweden, since 2001

	International Events	New policies and institutions affecting Sweden
2001	11 September attacks at WTC, Pentagon in the US	.UNSC Resolution 137 .UN Resolution 1269 combating international terrorism .UN convention of suppression of financing of terrorism
2004 2005	Terrorist attacks in Madrid Terrorist attacks in London Decentralization and radicalization of Islamic circles in Europe and Sweden	.European Declaration on combating Terrorism .EU-Counterterrorism Strategy .First meeting of the Swedish Counterterrorism Co-operative Council
2007	Lars Vilks's "Muhammad drawings" published, protests	.A National Strategy for Combating Counterterrorism (Skr 2007/08:64)
2009	Swedish EU presidency	. The National Centre for the Assessment of Terrorist Threats . Act on Money Laundering and Terrorist Financing (2009:62) . Establishing the Swedish Civil Contingencies Agency replacing Rescue Services, Emergency Management and the National Board of Psychological Defence in Sweden.

Source: Summarized and adapted by author from Strandh and Eklund (2015: 365).

The establishment of new cooperative arrangements with European initiatives on counterterrorism set the tone on Sweden's massive commitment to international initiatives against terrorism, particularly after 2005, when greater emphasis on the interaction between mitigation and prevention was present.

Following the Swedish tradition of small ministries with several agencies, the country created a complex arrangement of 14 different agencies interrelated to the Sweden Security Service dealing with terrorism prevention and mitigation, observing a multi-level governance at the internal, regional (EU) and international (UN) levels, multi-sectoral activities and multi-sites (land borders, sea borders, airports, ports, business concerns, infra-structure, etc).

During the two decades of post-Cold War the concept of security was gradually increased from purely military matters to international conflicts: terrorism, endemic social issues (hunger), and even climate change have become a matter of international security. However, in recent years there has been return to the original bed where security issues are more related to military conflicts and development (Ashton 2010).

In this sense it is good to remember the two main security priorities of Sweden:

a) HOMELAND SECURITY

- a.1 - defence of the national territory - Cold War / 300 years of wars with Denmark, Finland, Norway and Russia
 - The Nordic countries are now friendly countries
 - Ceased the threat of the former Soviet Union after 1991: "a strategic timeout", according to Björn von Sydow
- a.2 - Corporate Safety, same concept of "homeland security" adopted in the US
 - The Swedish Society has to work
 - Functional safety of society has to operate even with difficulties
- a.3 - Back in 2013, the traditional concept of territorial defence with Putin advances in the Baltic Sea and the Arctic, in combination with the reactivation of the military industrial complex in Russia.

b) PEACEKEEPING MISSIONS UNITED NATIONS

b.1 - "Peace enforcing" UN-EU Democratic Republic of Congo

b.2 - Since 2006 --with a very high priority-- Sweden maintains a presence of 500 soldiers in Afghanistan at a cost of one million Swedish Kronor per year per soldier = 500 million SEK / year (US\$ 85 million annually).¹⁷

3.2.2. *Immigration Issues: Sweden absorption of refugees, 1995-2010*

Sweden has been a champion on humanitarian, altruistic, and democratic policies to refugees and immigrants in general. Thousands of political refugees from South American military regimes, Middle East, Former Yugoslavian Republic, and African countries have sought asylum in Sweden, which also received a large economic migration. Recently, between 2008-2014, Sweden absorbed 5% of illegal immigrants to Europe, as shown in a study with data collected on National shares apprehensions of illegal immigrants in the period done by Eurostat (Figure 5, Orrenius and Zavordny 2016:6).

While the destination of unauthorized immigrants was low in Scandinavian countries, Germany, France and Sweden concentrated 53% of all asylum applications to European countries. Sweden alone received a 12% share of EU asylum applicants in that same 2008-2014 period. This is a reflection of strong economy with low unemployment rates, generosity of asylum and welfare policies to economic migrant of the past decades (Figure 6, Orrenius and Zavordny 2016: 6 ff).

The same authors state that Sweden is one of the most permissive state on less-skilled economic migrants following a 2008 reform which allowed third country labor migration for the first time in decades. However, Sweden imposes severe restrictions on irregular immigrants once asylum is barred, limiting severely their access to the welfare and public services system (Orrenius and Zavordny 2016: 8-11).

The most recent developments will be presented in a subsequent section (4.1).

3.3. *Industrial Relations with NATO and the European Union*

3.3.1. *On Defence industry and markets. Industrial and technological cooperation policy. Offsets and cooperation*

At the end of the 1990s and early 2000s began a period of strong international cooperation when a *Framework Agreement Concerning Measures for Facilitating the Restructuring and Operation of the European Defence Industry* was signed by six members that comprise 90% of the production of armaments in Europe: France, Germany, Italy, Spain, Sweden and the United Kingdom.¹⁸ It should be noted that the process of integration in this policy area occurred between governments, not supra-nationally. A number of recommendations from the European Parliament and from the European Commission were made towards the creation of a market for the production and trade of weapons, to increase research and facilitating legally EU member states on military acquisitions. This liberalization was intended to promote cooperation between several European countries to increase the economy and trade of the defence industries. (Britz 2010: 178)

But it was only with the establishment of the European Defence and Security Policy (ESDP) and the decision to create the European Defence Agency (EDA) in 2003/2004 that advances were made towards the European defence market. Nevertheless, member states have only partially used defence procurement on an internal European market, in view of the reliance on Article 346 TFEU (old 296 of the Treaty) establishing the European Community to make the majority of their purchases on a national basis. The "birth of an European market for defence equipment" only occurred with the signing of a *Code of Conduct for the Trans-Border Competition in the Market of Defence Equipment* in 2005.¹⁹ The Code made possible more efficient military procurement and promoted research and development of joint projects and innovative technologies, as well as structuring investment mechanisms for joint ventures. (Britz 2010: 180).

17 Personal interview by author, 9 January, 2013, Swedish Riksdag, Stockholm.

18 Signing this Agreement was due to the lack of action on the part of the WEU (Western European Union) and of the WEAG (Western European Armaments Group). Also the ad hoc POLARM Working Group of the EU was little effective in actions.

19 Personal interview by author, 27 January, 2013, Stockholm.



Even with this institutional instrument at hand it was essential to maintain a strong Defence Technology and Industrial Base (DTIB) at the European level in view of the diminishing budgets at the national level to keep technological advance, exports competing in international markets, and thousands of specialized employment positions in most European countries. The member-states Defence Ministers agreed in 2007 that an European Defence Technology and Industrial Base should include:

- Capability driven Industry – supplying what the military asks for, while sustaining European and national operational sovereignty
- Competent - rapid exploitation of best technologies, second best is not enough in combat equipment
- Competitive – what is produced must be affordable in Europe and abroad. (EDA 2007:2)

Defence industries are typically dependent on government investments, acquisitions and regulations. In this sense the tools agreed in Brussels were keen in shaping the future years to come on European defence industry and dealt with:

- Establishment of clear priorities by Armed forces and Defence Ministries on their future military capability needs, including shared programmes and collaborative matches
- Investment in research and development – ”spend more, better and spend more together on Defence Research and Technology” (Defence ministers Steering Board, Brussels, 2006)
- Cooperation – collaborative R&D and armaments programmes to increase mutual assurance of supply
- Competition - (considering article of the Treaty to protect national security interests) (EDA 2007: 3 ff)

Another important issue regarding European defence industry and markets is related to offsets. Some EU members required that defence imports be accompanied by compensations in purchases or investment to provide infant industries to acquire *know how* and *know why* thus being capable of successfully competing on international markets. An analysis done by the Swedish Defence Research Agency (FOI) stated:

In brief, it is indicated that the companies receiving offsets deals containing substantial technology development are more successful on the international market than companies receiving manufacturing offset deals. (Eriksson, 2007: 59)

According to the research, the Member States “are becoming ‘more European’ in their defence trading patterns.” (Eriksson 2007:3). But considering approximately € 200 billion of defence expenditures in Europe, in 2007, still only around 2% would be the result of offset agreements, i. e., an offset volume of € 5.6 billion, distributed 40% to direct military offset, 40% indirect military offset, and 20% indirect civil offset. (Eriksson 2007:4)

Out of this study of offset and defence related trading patterns it is important to highlight three major findings by Eriksson and his associates:

- France e Germany do not accept offset... their export is globally oriented and imports increasingly European.
- Italy, the Netherlands, Sweden and UK is a group of net exporter with considerable import. As a group their import patterns have a strong transatlantic orientation while, in contrast, their export has a strong European tendency. Indirect military offset is their typical form of offset. This indicates a striving for defence industry specialization and a pattern of mutual interdependencies, perhaps, however, more in a transatlantic context than a European one.
- Finland, Greece, Poland, Portugal, and Spain are the big European defence equipment importers. Some are also significant exporters. Their offset seems to be direct to a high degree. This may indicate some risk for duplication. (Eriksson 2007:77)

According to Ulf Hammarström²⁰, after a decade of activities on the European defence industry is still dominantly national markets, which in general have been shrinking, although showing an upsurge in recent years. A major achievement was the launching of Electronic Bulletin Board operated by EDA which displays contract related to the Intergovernmental Regime on Defence procurement, to enhance cross-border competition of sensitive items covered by Article 346 TFEU (Treaty on the Functioning of European Union).

On the other hand major defence industries are looking globally for partnerships and sales rather than consolidating an internal or a regional European markets. It so happened with France and Brazil in the Submarine Development Programme (PROSUB) involving the construction and development of four conventional submarines and a nuclear propelled submarine with a Brazilian Navy-developed nuclear power plant. With the recent changes, SAAB, which sold 70% of its revenue in the domestic market in 2002, started to have 60% of its sales revenue in international markets in 2011. As a result of this policy, a cooperation and development of military fighters contract with Brazil, the FX2 Gripen NGBR SAAB-Embraer programme, has become one of the most ambitious development programme sought after by the Swedish Government, being this project a major strategic partnership, with large technology transfer (Hammarström 2016) .

3.4. The concept of neutrality unveiled.

The tradition of Swedish neutrality in defence and security policies arises from the fact that it lost a large part of its territory during the Napoleonic Wars in the early nineteenth century. Including, Sweden lost Finland to Russia, which was established as an autonomous region in 1809. Since 1812 - with the establishment of the current Bernadotte dynasty-- Sweden has adopted a policy of not taking initiative in wars, until more recently where Sweden actively operates in peace keeping missions and crisis management programs in Kosovo, Congo and Afghanistan. With the entry into the EU, approved by a referendum in 1995, the principle of neutrality was impaired, but not abolished.

However, this Stockholm and Helsinki Cold War neutrality should be critically evaluated. It was not as great as it was touted to be. Sweden and Finland were neutral. Although professing *non-alignment* and criticizing openly Washington for the war in Vietnam, Sweden was formally, along with Finland (this informally), secretly allied with NATO, with secret agreements often through other Scandinavian countries members of NATO - Denmark, Norway and Iceland. As the coast of the Soviet Union (Kaliningrad enclave)-Lithuania was only 100 km of the islands of Gotland and Fårö,²¹ the threat was face-to-face. Hence the secret alliance, wrote Mikael Holmström (2012), a correspondent on defence and security for the *Svenska Dagbladet*.²²

Despite neutrality not originating from a treaty or a formal legal document that instituted it, it embodies a declared Sweden's ambition to be not aligned in peace and neutral in the case of war.²³ Notwithstanding, Sweden did not stop producing fighter jets, tanks and submarines developing even more its defence industry, particularly during the Cold War.

This concept was then gradually transformed into *non-alignment* and freedom to engage or not in war. In 2004 Sweden transformed its defence of protection against invasions to a "mobile defence, operationally flexible " (Our Future Defence 2004: 5), and soon after passed in Parliament the proposal of international participation in the Nordic Battle Group reinforcing the European Policy Defence and Security. The Chief of Staff of the Swedish Armed Forces, Lieutenant General Mats Nilsson, stated that from 2007 the Swedish forces were present on three continents in UN, EU and NATO international operations. This and other actions between 2001 and 2004 mentioned above clearly show the gradual inclination of the Swedish political elite and decision-makers for a conceptual shift from neutrality to greater cooperation with international military forces (Basset, 2012, p. 46). The minister of Foreign Relations, Carl Bildt, in his first speech to Parliament clearly admits that "... Sweden broke with a tradition [of neutrality] that originated in 1812." (Bildt 2007) In opinion polls made shortly after, 52% of Swedes saw as positive for the country's safety to join the European Union; fifty-two percent also saw the Swedish participation in the Common Foreign Security Policy (CFSP) of the EU as positive for the Sweden security, and 49% approved the Swedish missions in the European Security and Defence Policy (SIPRI 2010). This also shows a gradual change in Swedish society regarding neutrality and involvement with the European Union in international security activities.

20 Personal interview by the author, 19 October 2016, Niterói.

21 Island where famous filmmaker Ingmar Bergman lived and filmed part of his movies.

22 Personal interviews by author, 19 December, 2012, 10 January, 2013, and 9 January, 2013.

23 Even if neutrality were a principle for Swedish defence and security, for all effects during World War II Sweden surreptitiously provided iron-ore to Nazi Germany through occupied Norway. At the same time, Sweden received 8,000 Jews and hundreds of anti-fascist activists from Denmark and Norway occupied by the Nazi regime, placing them under the protection of churches and Christian families during the war.



4. New challenges of defence policy and Swedish international cooperation in defence and security.

4.1. Shifts on recent migration policies

In the past four years 2012-2014 Sweden has granted 31.771 asylum applications to Syrians alone. (Ostrand, 2015, p 270) There was a significant upsurge in immigration and asylum seekers in the recent years --160.000 in 2015, and expecting another 150.000 in 2016--, what poses a challenge in view of the changing "political, cultural and social environment in which there is no place for political naivety and ideological blindness" (Gholam Ali Pour 2016).

Notwithstanding reports showing important revenues increases caused by consumption by refugees and thousands of small business established by immigrants in Sweden, adequate responses are yet to be found by politicians, and society at large. On the other hand, Eger studied the effects of immigration and ethnic heterogeneity in Sweden on support for the welfare state, showing a gradual erosion of public support for universal spending on social welfare (Eger 2010). This is corroborated by the fact that Sweden accepts more refugees relative to its small population (9.5 million, 32.000 asylum granted in 2012-2015, 1.5 million non-Swedes) than any other country, and does a competent service of providing protection, but their integration into Swedish schools, housing system and healthcare is hesitant, as Lifvendahl (2016) points out.

Sweden's tradition of rule of democracy and justice should hold strong against shifts in the political parties and political groups requiring severe restrictions on immigration and refugees, even requiring turning thousands of them back out of Sweden.

4.2. Sweden-Finland and Baltic Sea cooperation in new times

In front of new security and defence challenges, Sweden finds itself facing the options of maintaining the rule of non-aligned status and concomitantly increase its defence spending or to join NATO. Even with other options, like deepening Nordic cooperation or even an expansion of the Sweden-Finland military cooperation towards a full military alliance, this is part of a general assessment presented by the Defence ministers of Sweden and Finland in May 2014, and of the public debate about the challenges in the Baltic and Arctic new geopolitical environment.

Finland and Sweden, already partners in bi-lateral defence cooperation and in multilateral organizations - NORDIC Defence Cooperation (NOREFCO), European Union, NATO and UN - , are seeking to avoid redundancies in their forces and increased communication between ministries of Defence and greater coordination between their Armed Forces. While the Navy and the Air Force of the two countries work towards greater long-term planning, with a common set of infrastructure and combined equipment units, interoperability and operational control transfer of units, the Swedish and Finnish Land Forces focus in common exercises, training and education of the troops (Final Report 2014).

4.3. Sweden-Russia relations since 2011.

The new strategic and geopolitical picture in the Baltic Sea region and in Northwestern Europe after 2013 put forward an end of the "strategic timeout" of the post-Cold War period, according to von Sydow (2013). International geopolitical conditions - where excel the annexation of Crimea and the Ukraine crisis - indicate the possibility of use of force in the Nordic region. During the Cold War, Sweden and Finland served as a shield of neutrality between the former USSR and NATO. Now, conflicts and crises in Eastern Europe can directly and indirectly affect those countries and can potentially lead to armed conflict in Northern Europe. Russia and Sweden relations have been marked by wars and conflicts, historically. When Russia acted upon the Ukraine crisis with the annexation of Crimea peninsula where a majority of Russians lived, Sweden followed European Union and United States sanctions and all but froze commercial relations with Russia causing a 45% drop on trade between the two countries. Diplomatic relations between Sweden and Russia have cooled off after a decade of increased investment and trade.

Russia is the geopolitical dominant power of Northern Europe, and as such economic and military interest converge on the Baltic Sea and the Arctic profitable new economic activities of extraction of energy resources, maritime transport and fishing are a growing reality bringing along many uncertainties and challenges. The construction of the Nord Stream pipeline between Russia and Ger-

many arised ecological, economic, political, as well as military challenges. Baltic Sea security vulnerabilities were already demonstrated by Larsson (2007), since the pipeline crossed Swedish continental shell. It also means by-passing Ukraine on its way to Germany, what signifies loss of revenue to that country. The re-emergence of Russia as a military power -- having gone through a complete defence modernization by virtue of the surplus funds raised under an intense exploitation and marketing of oil and natural gas to Europe--, brings new challenges which may lead to the use of force in the region. (Gotkowska 2013)

Similarly, recent events in the Middle East and North Africa indicate shifts in terms of international security. All three factors point that additional preparation and operational capability of the armed forces is necessary. Geographically, the island of Gotland and the city of Stockholm are two key strategic areas that require greater naval presence in the Baltic, a larger logistics and rapid response systems.

During the preparations for the 2015 Defence Bill the Defence Commission of Swedish Government stated that Russia and Sweden had different views on the Nordic and Baltic Sea security and the risk of military incidents were rising:

The Nordic and Baltic Sea region is characterised overall by stability, dialogue and cooperation. The policies pursued by Russia, on the other hand, are unpredictable and destabilising. It is inconceivable that a military conflict in our region would affect only one country. A separate military attack targeting Sweden remains unlikely. However, crises and incidents – including those involving military force – may also occur and in the longer term the threat on military attack can never be ruled out. Russia's aggression towards Ukraine demonstrates that the risk of this has increased, also in our region" (Sveriges Delegation Nato- Försvarsberedningens rapport, 16 maj 2014)

Due to this situation, the Defence Commission of the Swedish Government (Regeringkansliet, Summary 2014) recommended increasing air defence military capabilities from 60 to 70 units of the new Gripen JAS 39E. The Defence Commission recommended Swedish Navy to operate with more units, thus increasing its defence capacity. As most of the Swedish Army combat forces are made up of reservists, the Defence Commission recommended that two or three battalions combat teams should be composed of full soldiers, professionals, and recommended organization in brigades (including mechanized ones) and intensive training.

In this new context, the Swedish defence policy of reduction of the armed forces and lower investment in military weaponry (seeking new strategic partners such as South Africa, Brazil and India) has become a problem. Having crossed the path *from neutrality to non-alignment*, Sweden remains free to stay out of military alliances and freely choose its policies during wartime. But with the entry into the EU in 1995 and its twin-track integration with the European Defence and Security Policy, coupled with the limitations imposed on expenditure on armaments and contingents of the armed forces, Sweden is placed at a dangerous crossroads and works a redesign of the defence and security policy in the new Social-Democratic government since October 2014.

Sweden unilaterally declared solidarity with the Nordic countries and the European Union since 2009, which also shows a reverse expectation of solidarity in the event of a natural disaster or an armed attack affecting Sweden (according to the EU - Lisbon Treaty, Article 42).²⁴ This proved to be politically and militarily unfeasible to solve the security dilemma of Sweden. Public debates on collective defence and mutual assistance stem from the criticism that Sweden may not be able to defend itself in case of a war, even insisting on the status of non-military alignment (Nuelist 2013).

4.4. The future of security and defence in Sweden

The future of defence and security in Sweden is inextricably connected to multi-lateral cooperation involving UN – regarding global peace and development. Being a full member of EU, Sweden cooperates with actions to enhance democratic and peaceful developments in the region, particularly in view of current threats. Under a partial cooperation with NATO Sweden is capable of developing military capabilities, as well as contributing to crisis management operations, one of Sweden's best capacities.

However, not all is so clear cut. Russia's Foreign minister, Sergey Lavrov, recently interviewed in Moscow by Dagen Nyheter reporter, Michael Winiarski, stated:

²⁴ Among other things, Lisbon Treaty introduced: (1) altered the denomination European Security and Defence Policy (ESDP) to Common Security and Defence Policy (CSDP); (2) introduced a mutual defence clause; (3) instituted a solidarity clause; (4) increased the scope of missions; (5) enlargement of the domain of Reinforced Cooperation; (6) creation of Permanent Structured Cooperation; (7) strengthening of the role of European Defence Agency, EDA; and (8) concession of juridical personality to the EU.



If Sweden decides to join Nato, we don't believe for that matter the Swedes will attack us. But since the Swedish military infrastructure in that situation will be subordinate to NATO's high command, naturally we will take necessary technical-military measures at our northern borders, since on the other side there is a military political block that regards Russia as a threat and attempts in every way to hold her back... (Q. What concrete measures?) ... That is not my job, it is a matter for our military forces, the defence ministry and the Russian general staff. (2016, Russia foreign minister S. Lavrov interview).

Recent Swedish reports on security and defence point to a worsening of the Baltic region security situation. All recommendations contained in previous Defence Commission Reports (2014, 2015) were reaffirmed in the political agreement regarding defence policies orientations for the future signed by Sweden's major political parties -- the Social Democrats, the Green Party, the Moderates, Centre Party and Christian Democrats (Försvarspolitisk inriktning 2016 töl 2020, 2015).

Their recommendations specifically indicate where Sweden can have an important role in cooperative agreements at the Baltic and European security concerns: a) a credible defence forces better trained, in cooperative bi-lateral (Finland, Poland, Germany), Nordic, EU arrangements; b) increased air defence, terrestrial and naval presence in the Baltic Sea and in the Island of Gotland; c) planning for a new civil defence capability, including modern psychological warfare defence; d) enhanced cyber capabilities for hybrid threats, and long distance precision control abilities. (Försvarspolitisk inriktning 2016 töl 2020, 2015)

5. Final considerations

This paper analyzed the major challenges to Swedish Defence and Security briefly during the Cold War, and in the period after the Cold War. Looking at how different government, irrespective of their ideological stance, have led to foster an independent foreign policy it was shown mechanisms and drivers towards an autonomous defence industry, including the dimensions of *total national defence* and regional and international security cooperation. Among this, the *crisis management* policy instrument clearly stands out for its training and management capability building on Eastern European countries after the fall of the Soviet Union.

One of the sectors where foreign policy and defence and security policy intersect is the defence industry. In Sweden, this combination is particularly important because of the indigenous development of its defence industry in terms of sophisticated technological autonomy and innovations. After the end of the Cold War, Sweden followed major changes in the European defence industry. What used to be one closed system per country, State-Industry relations evolved in the direction of a European Defence Technological and Industrial Base, which introduced the principle of "marketization" (Britz 2010) and of "liberalism" in acquisitions.²⁵ The General Agreement signed by six countries comprised 90% of European defence companies, Sweden's included. As such, state-owned defence enterprises were able to act as market economy companies enjoying subsidy reduction, deregulation, corporate organization, privatization, *mergers, takeovers*, etc. These actions led to a restructuring of the European defence industry, which operates in current times in a very different base resulting from mergers and acquisitions that took place during the 1990s and 2000s (European Defence Agency, 2005). A complex arrangement of government institutions, universities or research centres, private companies and research institutes evolved since this restructuring in Sweden towards a highly organized defence industry.²⁶

Neutrality, that Sweden adopted from the end of the Napoleonic Wars and the Congress of Vienna in 1815, served to keep the country out of Cold War conflicts. It also served during the Second World War to maintain Swedish territory free of military occupation, even if for two times the Kingdom of Sweden allowed the Nazi army to cross its territory to invade and occupy Norway, particularly Northern Norway where iron ore shipments from Swedish mining towns of Kiruna and Malmberget were taken to Narvik, a Northern Norway fjord harbor.

For many years Sweden has cooperated bilaterally to promote research and training of public managers in crisis management in the new republics emerged with the end of Soviet rule in the Baltic Sea, in Southeast Europe, Russia and Poland. With the post-Cold War changes and the new post-11 September, 2001 international context, Sweden's position gradually changed. If in the 1990s and early twenty-first century the main concern was with the management and resolution of crises of different nature resulting from the abrupt changes in the international system.

²⁵ Personal interview by author, 23 January, 2013. Kista, Sweden.

²⁶ Personal interviews by author, 11 December, 2012, Stockholm; 11 January, 2013, Stockholm; 18 December, 2012, Bromma, Sweden; 22 January, 2013; 23 January, 2013, Kista, Sweden.

Now, in the middle of the second decade of the twenty-first century, the Swedish perception of geopolitical changes in the Baltic Sea and Northern Europe indicate the occurrence of possible instabilities and crises on the periphery of NATO and the European Union. Politically, new formats of collective action in cooperation for regional security are substantiated in the Northern Group.²⁷ In the military dimension, Sweden seeks to improve interoperability between its Armed Forces and NATO, participating in the Rapid Response Force in the *Connected Forces Initiative*. The cooperation also overlay to energy security and cyber security, as well as the critical infrastructure of the Northern Europe region. The adaptation of the Swedish Armed Forces to the international context included a new development strategy for future capabilities - the search for strategic partners that contribute to the development and implementation of defence and security policies. However, these Swedish actions may develop into more challenges as Sweden-Russian relations become cooler have not ceased to be tense, particularly if Sweden decides to be a full member of NATO.

All of these actions imply in the transformation of the concept of *neutrality* into gradual *non-alignment*, but maintaining close cooperation with Armed Forces of multilateral arrangements with the UN, NATO, and the Nordic Group, addition to bilateral cooperation with Finland. These are uncertainties that translate themselves into a stronger defence.

But none of these defence and security policy is simple to put into practice. None of the parties, Moderate or Social-Democratic, or the smaller coalition parties, can implement its defence and security policy smoothly. Even developing greater Nordic cooperation and increasing its military expenditure, Sweden probably will not fully engage in NATO. Changes in Sweden's defence policy can bring a strengthening of regional security in the Baltic Sea. Military and political cooperation serves as prevention and are presented as deterrence measures, indicating faster and more coordinated responses in the event of a crisis, particularly with Putin's Russia.

In conclusion, the party that was in power until 2014 (Moderaterna) is a center-conservative party of small and medium traders and liberal businessmen, intellectuals, scientists and engineers connected with the private defence industry who understood the need for high level of resources to defence.²⁸ But only with the return of the Social-Democratic party to power the new realities of defence and security, internal and external, can induce sharper policy design in Sweden.

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27 Created in 2010, the Northern Group counts with 12 members, three Nordic countries NATO members (Norway, Denmark, and Iceland), two Nordic countries non-NATO member (Sweden and Finland) and seven non-Nordic other countries from the North of Europe, full NATO members (United Kingdom, Germany, The Netherlands, Poland, Latvia, Estonia, and Lithuania). This is a supplement to NATO and the Nordic-Baltic Security System, including new forms of cooperation among them. (Dahl, Järvenpää, 2013, p.106)

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