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Defense Orientation Conference Association



Estonia & Finland Executive Summary

August 2015

DOCA members met in the picturesque city of Tallinn on August 10th to start a ten-day program to Estonia and Finland. Both countries are keeping a wary eye on their eastern neighbor as the Russian intervention in Ukraine continues and, as expected, Putin's intentions vis-à-vis the Baltics and Finland were a major topic of discussion.

Our program began Monday evening with a presentation by the American Chamber of Commerce in Tallinn. Overall, the business climate is very good, with exports accounting for 75% of the country's GDP. International sanctions on Russia have had some impact, primarily on the pork and dairy industries, but they have had no impact on the stock market. After the presentation, Chamber representatives stayed for a DOCA-hosted reception to answer questions.

The next morning we were up early to travel to the U.S. Embassy and meet with Ambassador Jeffrey Levine and members of the Country Team (senior staff). Estonia was, of course, occupied by the Soviets after World War II and absorbed into the Soviet Union. The United States never recognized USSR rule and always regarded Estonia as an independent, occupied nation. Throughout the Soviet era, Estonia was the only Soviet state that had access to western radio and television, other than Radio Free Europe, since the Soviets inexplicably did not jam the signals. In 1991, this nation of 1.3 million people gained their independence and is today a loyal NATO ally. Despite their small size, they are committed to providing the 2% of GDP to NATO that the alliance requests of all its participants. Their military is small but well trained and equipped, and the U.S. and other NATO partners are providing rotational troops and fighter jets. Estonia is very energy independent, although their abundant supply of coal has a high carbon footprint. They are also a leader in cybersecurity, particularly since 2007 when they were a victim of a Russian cyber attack. About 90 % of their banking transactions, and much of their daily lives and commerce, is online. Despite the apparent risk of being so cyber dependent most Estonians today feel secure against cyber threats.

After our meeting at the Embassy the remainder of the day was devoted to the Ministry of Defense and the Estonian Defense Forces. It was reported that Russia has boosted its defense spending by about 50% since 2007, and Estonia is devoting considerable resources and attention to its own defense. Their basic philosophy is that "it is better to be defended than to be liberated," and their military boasts a strong reserve component. They are grateful for NATO's support but would like to see more prepositioning of NATO military equipment in their country. Russian military aircraft violate Estonian airspace several times each year, and the Russian navy has become more aggressive – conducting live fire exercises near Estonian ports and shadowing NATO ships much as they did during the Cold War.

On Wednesday we drove out to the town of Tapa to observe firsthand some of the support that NATO is providing. We had the opportunity to meet with elements of the U.S. 173rd Airborne Brigade, a unit whose headquarters we met with in recent years at their base in Vicenza, Italy. We also visited U.S. Army Corps of Engineers Soldiers who were working to upgrade facilities at the Estonian armed forces combat training area. After a lunch of MREs with the engineers we then drove back to Tallinn to visit the Tallinn Technical University. This high-tech facility provides education and training from kindergarten to university level, as well as conducting military research.

Thursday began with a visit to the Ministry of Foreign Affairs. Although there is no anticipation of an imminent Russian intervention there is clearly a heightened sense of risk given what has happened in Ukraine.

The risk is mitigated by NATO's presence in the country, and Estonia is focusing on long term deterrence measures versus short term assurance. They are also cooperating closely with the other Baltic states, (and Nordic states), not only in defense but in energy, transportation and other areas, and they are bidding for a seat on the UN Security Council in 2020. As mentioned earlier, Estonia is energy independent. They import natural gas from Russia, but that represents only about 10-15% of their energy needs. Most other sectors of their economy were reoriented to the West even before Estonia joined the EU. The country enjoys a very low debt level, which served them well during the economic downturn of 2008 and 2009, and the public supports a generally austere approach to debt and spending. After a tour of the historic Parliament building, we met with the Estonian Defense League (EDL), an organization similar to our own National Guard but made up of unpaid volunteers and therefore more akin to a militia. Most of their funding, however, does come from the Ministry of Defense and tasks are assigned by the Chief of Defense. The EDL is divided into 15 districts and is made up of 15,580 members. Our day concluded with a reception during which we had the opportunity to engage in follow up discussions with our Embassy hosts.

On Friday, our last program day in Estonia, we met with the NATO Cooperative Cyber Defense Center of Excellence (CCDCOE). This 50-person organization is made up of 14 NATO nations and other nations are welcome to join. Although it is not technically a NATO organization, their requirements and tasking come from NATO and funding comes from the participating nations. It was noted that, as of today, seventeen nations have a *declared cyber offensive* capability. Our final stop for the day was at the E-Estonia Showroom to learn about Estonia's E-governance system. Internet access is considered a social right, and 3G or 4G access is available everywhere within the country. 95% of tax declarations are made, and 30% of votes are cast electronically. Every citizen is issued a national identity card along with a PIN at the age of 15, and these cards are used for everything from buying a snack to filing taxes.

On Sunday, about half of the group made the short flight to Helsinki while the others enjoyed the ferry ride across the Gulf of Finland. Monday morning we once again started off with a Country Team briefing hosted by Deputy Chief of Mission Susan Elbow at the Embassy. Our new Ambassador in Finland, Charles Adams, Jr. joined us toward the end of the briefing and then spent two hours or more with us at our reception the following evening. From the Country Team we learned that Finland's economy is in dire straits. They are in their 4th year of recession and youth unemployment is at 20%. Despite economic challenges, however, the quality of life in Finland is generally good. Their traditional emphasis on contributing to peacekeeping efforts on the other hand is being impacted by budget constraints. Their military is small but well trained and includes a couple of F-18 squadrons as well as a small littoral navy. Their lack of strategic airlift or a blue water fleet means that they have no real power projection capability but they are very focused on interoperability with NATO – even though they are not part of the alliance. As they plan to increase defense spending over the next five years, their two biggest priorities are cyber defense and replacing their F-18 squadrons, possibly with the F-35. The Finns generally have a very favorable attitude toward the U.S. and much of our foreign policy. Later that morning we visited Arctia Shipping and met with the firm's CEO who described their ship building capabilities. He personally led us on a tour of one of their newest ice breakers, where we also enjoyed lunch before moving on to the Finnish Institute of International Affairs. There we discussed Nordic-Baltic security from the Finnish perspective, the Europeanization of Finland's foreign and security policy, the EU's Eastern Partnership and EU policies towards Russia.

Tuesday consisted of a very diverse schedule including visiting Silverskin Information Security, (a cybersecurity firm), the American Chamber of Commerce, the Association of Finnish Defense and Aerospace Industries and Neste Corporation, an oil and gas firm where we learned about energy security, renewable diesel and arctic energy requirements. Each of these organizations and more also met with us later that evening at our reception at the home of the U.S. Naval Attaché.

Wednesday was focused on defense resources, starting with meetings with the Ministry of Defense, the Finnish Defense Forces and the National Defense Courses. We then proceeded to the Guard Jaeger Regiment, who hosted us for lunch and provided us with a live fire demonstration. At our wrap-up dinner that evening all expressed admiration for the resolve shown by both the Finns and the Estonians to maintain their commitment to the West and to stand firm against Russian influence.

