

# Nordic Synthesis

Implications from Global Strategic Trends 7





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Implications from Global Strategic Trends 7



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# Executive summary

Although the Nordic countries have different historical experiences and strategic cultures, it is rare to find five nations elsewhere in the world that share such a notable level of common interests and cultural connections. United by democratic principles, shared values and a commitment to sustainability, the Nordic countries collectively prioritise a rules-based international order, multilateralism, open trade and regional stability. Nordic governance is characterised by robust, resilient states built on transparency, the rule of law and equitable welfare, which form the foundation of their collective strength and cohesion.

However, these fundamental interests face mounting pressure from a set of global trends and assertive actors. Russia's brutal actions in Ukraine directly undermine the rules-based international order and regional stability. The proliferation of disinformation erodes transparency and trust, while the evolving multipolar landscape tests the economic robustness of five open and relatively small economies. Hostile actors, both state and non-state, seek to sow distrust, weaken alliances and disrupt trade.

Simultaneously, the Nordic region faces multifaceted internal challenges. The demographic shift towards ageing populations places increasing strain on the Nordic welfare model and productivity, while depopulation in the strategically significant northern areas emphasises the need to interpret demographic changes through a national security prism. If left unaddressed, the implications of organised crime, political polarisation and widening inequalities risk undermining the trust traditionally placed in the state and society, a hallmark for which the Nordics have long been esteemed globally.

In response to these challenges, the Nordic dimension of security and defence policies is entering a new era. The recent North Atlantic Treaty Organization (NATO) memberships of Finland and Sweden signify a crucial turning point, solidifying formal mutual security commitments among the five Nordic nations for the first time in history. This shift not only fosters enhanced regional collaboration within the Nordics but also facilitates deeper engagement with allies in the Baltic Sea region, as well as with Canada, the United Kingdom and the United States.

This *Nordic Synthesis* report fuses insights from national analysis and collective workshops held in Stockholm and Helsinki. Over 30 strategic planners and analysts from Denmark, Finland, Iceland, Norway and Sweden were involved, using *Global Strategic Trends: Out to 2055* (GST 7) as a guiding framework.

The scenario-based discussions centred on examining how evolving global dynamics could reshape the Nordic strategic landscape in the coming decades, adopting a holistic perspective that extends beyond traditional security and defence concerns to encompass broader societal aspects. Workshop participants firmly believed in pursuing comprehensive integration between the Nordic countries in defence and security across multiple fronts. To leverage economies of scale and reinforce the security of

Europe, the Nordic countries should strive to streamline defence collaboration through harmonisation and pooling of resources. A more strategic prioritisation of investments and a common Nordic approach to long-term defence planning within the framework of NATO interoperability will make the region – and by extension, the broader Alliance – collectively stronger on all fronts.

Framing discussions around the Nordic region, rather than individual national agendas, can transcend traditional small-state mentalities. Despite their modest size individually, the five Nordic countries collectively boast a gross domestic product (GDP) that ranks them among the world's wealthiest nations, akin to that of a Group of Ten (G10) economy. This collective strength highlights the potential for significant influence in shaping regional and global developments. Recognising the shared values, interests and outlooks of the Nordic nations underscores their potential to wield influence beyond their individual capacities, ensuring a resilient and secure future for decades to come.

To leverage the strengths of Nordic cooperation, a number of recommendations are offered. These are detailed below.

- Bolster Nordic Defence Cooperation (NORDEF) as a central mechanism for coordinating Nordic defence efforts within NATO, the European Union and other regional security frameworks.
- Cultivate a unified 'Nordic perspective' on regional defence and security issues by allocating resources and expertise to conduct a thorough cross-Nordic assessment of security threats and vulnerabilities, thereby contributing to both regional cooperation and input to broader NATO analyses.
- Promote a collective understanding of enduring security concerns extending beyond the Nordics and the immediate Arctic region, including those concerning China and the Indo-Pacific region, Africa, the Middle East, climate change and transnational organised crime.
- Explore the potential to add a new Cooperation Area (COPA) for total defence to NORDEF, which would thereby enable civilian authorities to plan and coordinate effectively within existing cooperation frameworks.
- Leverage expertise from across the Nordics to analyse societal resilience within the context of regional conflict scenarios and interdependencies, looking specifically at vital societal functions, cross-Nordic vulnerabilities, current projects and future priorities.
- Establish direct communications channels between the Nordic countries' strategic crisis management organisations to allow for cohesive responses during situations that fall below the threshold of major conflict.
- Foster a shared Nordic perspective on infrastructure priorities to enable an uninterrupted flow of resources and Allied reinforcements, and collaboratively identify and invest in projects that have the greatest collective benefit.



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- Collaborate on concepts for Nordic deterrence and defence and foster complementary capabilities to ensure a cohesive and robust approach to defence strategy across the Arctic and the Baltic Sea region.
  - Use strategic foresight and guided scenario discussions to enhance understanding of common long-term challenges, and for aligning priorities on national level and among the Nordic defence leadership.
  - Craft a cohesive Nordic narrative on security and defence that underscores shared values, sustained commitment to collective defence, cost-effectiveness and Allied solidarity.
  - Promote cultural collaboration and exchanges among Nordic civil societies to strengthen cross-Nordic cohesion and resilience against external pressures.
  - Consider the informal nature of this report as an opportunity to stimulate open dialogue and exchange of ideas among citizens, policymakers and stakeholders across the Nordic region.







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# Introduction

In recent years, the world has faced a series of geostrategic shocks: a devastating global pandemic, rampant disinformation, rapid technological advances and the war in Ukraine, alongside regional unrest and disputes. These developments have intensified geopolitical tensions, making the possibility of large-scale conflicts with worldwide ramifications increasingly plausible. Against this backdrop of escalating international tensions, another significant shift in global power dynamics is occurring as non-state actors gain substantial influence. This diffusion of power is unfolding alongside broader transitions in global energy and economic frameworks, changing demographics, rapid technological advances and escalating climate change impacts. While the trajectory of the long-term future remains uncertain, one thing is clear: those who can adapt better to these evolving circumstances are more likely to achieve greater success.

The seventh edition of *Global Strategic Trends: Out to 2055* (GST 7) describes a strategic context for security and defence looking out to the middle of the century. It takes a comprehensive view of the future derived through research led by the United Kingdom Ministry of Defence's Defence Futures organisation (formerly the Development, Concepts and Doctrine Centre). In a collaborative effort, representatives from the five Nordic countries – Denmark, Finland, Iceland, Norway and Sweden – undertook an analysis of GST 7 with the aim of cultivating a nuanced understanding of how global trends and domestic developments might influence the Nordic strategic landscape in the forthcoming decades.

Bound by shared geography, cultural ties, core values and a commitment to robust international institutions, the Nordic nations are closely intertwined with one another and global developments. The Russian invasion of Ukraine and Finland and Sweden's subsequent decisions to join the North Atlantic Treaty Organization (NATO) as full members mark a turning point in Nordic security dynamics. This development underscores the importance of aligning political agendas and cultivating a shared strategic culture, paving the way for enhanced Nordic cooperation and integration within the NATO framework.

This report summarises insights from two workshops convened in Stockholm and Helsinki in February and March 2024. Engaging over 30 strategic planners and analysts from across the five Nordic countries, these workshops provided a platform to dissect the challenges, opportunities and uncertainties that lie ahead for the region. Further details on the workshops and method can be found in Appendix A.

Beginning with an examination of the key global drivers outlined in GST 7, the report assesses the potential impact of long-term strategic trends on the Nordic region over the coming decades. Furthermore, it leverages a guided scenario discussion, which outlines three alternative futures for world order projecting towards 2055 to discern critical strategic implications for Nordic security. Concluding with policy proposals aimed at nurturing Nordic cooperation and integration within the NATO framework, the report maintains an overarching goal of strengthening security and preserving the cherished values of freedom and life.

 Ministry  
of Defence

Global Strategic Trends  
Out to 2055

Seventh Edition



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## Part 1

# Global Strategic Trends 7

*Global Strategic Trends: Out to 2055 (GST 7)* posits that despite a history full of unexpected surprises and shocks, as well as evolution and progress, the future remains exceptionally uncertain. In 30 years' time, humanity may have exploited its many strengths and opportunities to create a more equitable and sustainable future. Alternatively, it may have become overwhelmed by multiple challenges, including devastating conflict. Between these contrasting outcomes, there exists a spectrum of possible futures. The latest edition of GST looks out to 2055 and explores the uncertainties and potential trajectories that could lead to these distinct worlds.

Through comprehensive research, six global drivers of change and 22 underlying trends expected to shape the forthcoming decades were identified. Collectively, these drivers form an intricate web of dynamics that interact, counterbalance and sometimes amplify each other, often in unexpected ways. The six global drivers of change are described below.

- a. **Global power competition.** Competition will continue and the balance of power will almost certainly change. Competing actors will include major powers as well as a range of smaller state and non-state actors, which will interact with each other in different ways as they seek to advance their interests and influence.
- b. **Demographic pressures.** The global population will continue to grow and age, although the rate of increase will be spread unevenly across the globe. Africa, South Asia and some parts of Southeast Asia and Oceania will experience rapid growth in their populations, while East Asia and Europe will see slower rates of growth and in some cases population decline. Increasing migration, including to urban areas, and the growth of the global middle class population will all have an influence on global and regional demographic structures.
- c. **Climate change and pressure on environment.** The effects of climate change will become increasingly evident and more extreme. Increasing demand for resources will place additional pressures on the natural world, including in the shared spaces. Efforts to mitigate and adapt to climate change will increasingly occupy societies, economies and governments across the globe.
- d. **Technological advances and connectivity.** The exponential growth in sensors, data, storage, processing power, connectivity, advanced data analytics, automation and artificial intelligence will have an impact on virtually every area of human endeavour and lifestyle. The desire to secure technological advantage will play a central role in global power competition in future decades, influencing international relations and trade.



e. **Economic transformation and energy transition.** Technological advances will have a huge impact on future economic activity and energy systems. While the speed and scale of the transition will result in significant strategic advantage for some, for others it will place pressure on adaptive capacity. A failure to adapt could potentially lead to societal disruption, grievances and tensions. The resources required to enable the digital and energy transition – notably metals and critical minerals – will become of increasing geopolitical importance.

f. **Inequality and pressure on governance.** Global inequality will continue to rise. This will be driven by technological transformation and the increasing concentration of wealth, as well as slowdowns in economic growth. In addition, increasing intolerance and discrimination, and enduring corruption, insecurity and conflict in some parts of the world, will compound this issue. Growing awareness of inequities, alongside rising migration and demographic change, will put increasing pressure on state and international governance structures and capacity.

The precise ways in which the global drivers of change and contradicting trends will impact each other, and how actors will react to them, remains unknown. This creates major uncertainties as to what the world order might look like in 30 years' time. The current escalation in global power competition, which has already resulted in a shift to a more multipolar world, is likely to continue in the near term at least.

Illustrative of this are GST 7's five fictitious but plausible pathway scenarios, each of which could result in the emergence of a different world order, shaped by changes in the balance of power and the international system. The five pathway scenarios are described below and shown in Figure 1.

a. **Existential threats drive a new multilateral accommodation:** a future where unprecedented social and economic disruptions drive global activism and bring the world together, resulting in the development of a new version of multilateralism better suited to meet the needs of the planet and its inhabitants.

b. **The current system endures in a multipolar world:** a future where continued cooperation between democratic and open societies enables them to remain attractive partners and retain their considerable shaping power within the framework of the existing international system, amidst continued geostrategic competition.

c. **Changing spheres of influence:** a future where China has expanded its global outreach and taken a lead in developing and establishing an alternative international order operating under strong Chinese influence.

d. **Competition and decoupling leads to conflict and a deglobalised world:** a future where accelerating competition in a multipolar world escalates into a major conflict with global ramifications.

e. **Incremental instability leads to a new networked order:** a future portraying a radically different approach to global governance, in which a series of factors have contributed to extensive state failure and resulted in networks of non-state actors playing increasingly prominent roles in national, regional and global governance.

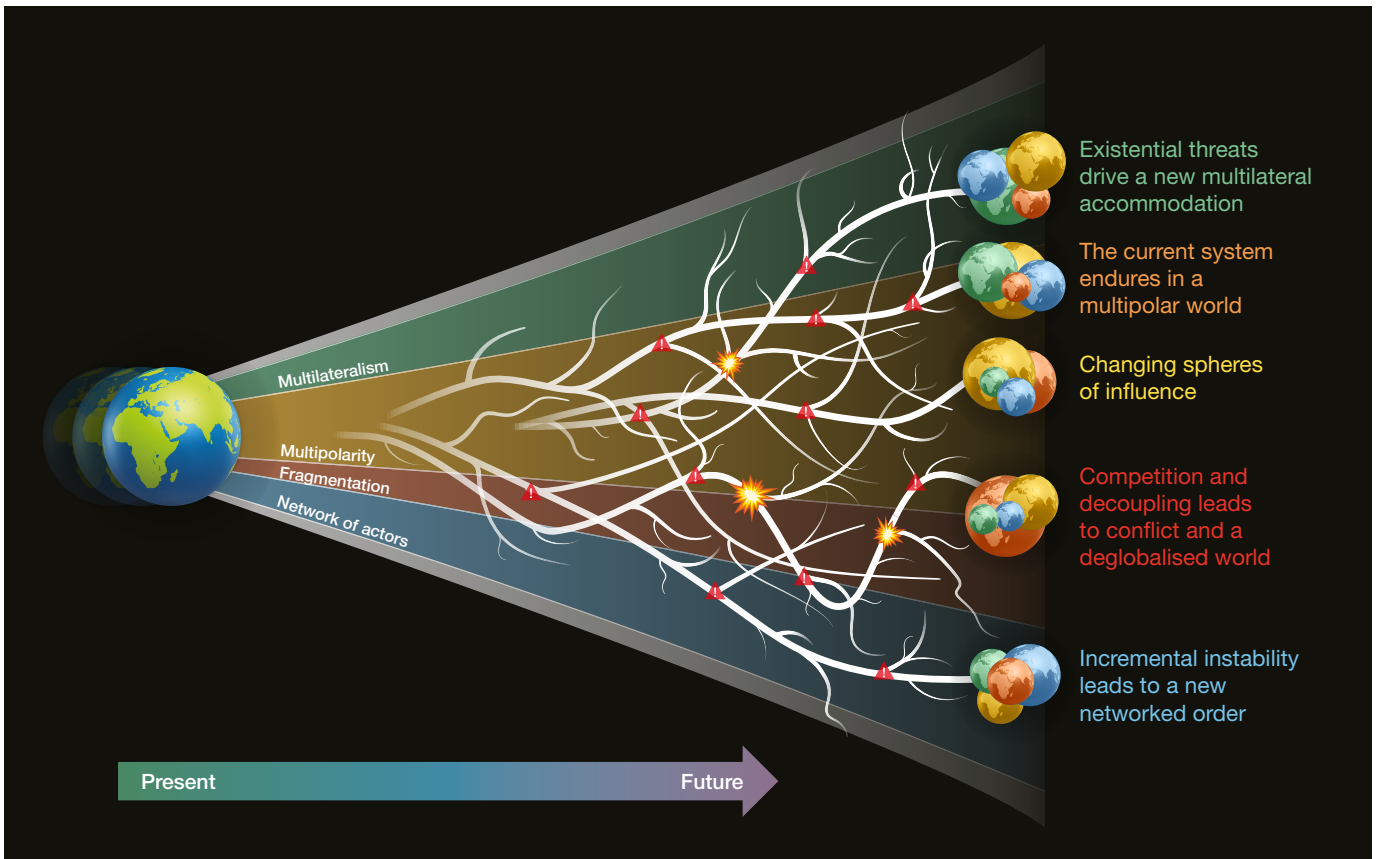


Figure 1 – Five pathway scenarios from Global Strategic Trends 7



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## Part 2

# The Nordic strategic environment 2055

In producing this *Nordic Synthesis*, delegates from Denmark, Finland, Iceland, Norway and Sweden explored the predominant long-term trends expected to shape both their individual societies and the broader security landscape of the Nordic region in the coming decades. Each country offered a dual-layered presentation. First, they provided a ‘bottom-up’ view, concentrating on the long-term evolution of their own nation and examining internal trends and dynamics. Second, they presented a ‘top-down’ perspective, highlighting how global trends and dynamics could influence the Nordic region as a security environment, viewed through the lens of their respective countries.

While subtle variations in perspectives surfaced, a broad consensus emerged on an array of common challenges, opportunities and, most notably, shared interests among the Nordic countries. The collective strength of the Nordic nations, akin to that of a Group of Ten (G10) economy, highlights the potential for significant influence in shaping regional and global developments.

The Nordic countries unite around several core strategic interests. These are:

- a rules-based international order, multilateral cooperation and regional stability through strong Nordic collaboration, Alliance partnership, a robust transatlantic link and a prosperous European Union (EU);
- open and free trade with reliable access to vital resources;
- a globally attractive, innovative, competitive and connected region; and
- strong and resilient states with free, open, equal and cohesive societies resting on transparent governance, the rule of law, equitable welfare systems and sustainable economic growth.

The discussions emphasised the critical need for long-term planning across various sectors, such as infrastructure and urban development, energy, education and skills enhancement, societal resilience and defence. Two key themes emerged from the discussions: first, the intertwining nature of the global drivers of change and the challenges they pose; and secondly, the challenge of balancing immediate preparedness with long-term strategic investments amidst anticipated budget constraints.

Participants acknowledged the necessity for cohesive national strategies as well as cross-Nordic collaborations to navigate the multifaceted challenges and seize emerging opportunities. Grounded in shared values and a common strategic landscape, the Nordic nations are well-positioned to amplify their economic and geopolitical influence globally.

However, to fully harness this potential, it is essential to deepen the understanding of potential factors that could undermine collaborative efforts, create divisions or be leveraged by hostile actors. The challenges experienced during the influx of refugees to Europe in 2015 as well as the COVID-19 pandemic significantly tested Nordic cohesion and cooperation. The diverse responses and policies implemented by different Nordic countries, and the friction that this created, tested the resilience of Nordic cooperation and highlighted areas for improvement in future crises. While collaboration is often easier during periods of stability, crises tend to prompt a shift towards national perspectives and priorities.

The following section provides a synthesis of the country presentations and captures the shared insights and common themes that emerged from the follow-on discussions.

### **Economic vulnerabilities in a multipolar world**

Individually, the Nordic economies are relatively small, highly globalised and dependent on international trade. All nations share a reliance on open, free and well-functioning markets to sustain their prosperity. In an increasingly multipolar and competitive world, where mechanisms governing trade are set to become less transparent and influenced by geopolitics, the region's dependence on global trade may face heightened exposure. The escalating dynamics of global power competition raise concerns about the viability of value chains and the potential unintended consequences of offset strategies, which may result in adverse outcomes. Consequently, ensuring security of supply, fostering national (as well as Nordic) self-sufficiency and bolstering international cooperation were highlighted as increasingly significant priorities in the years ahead. The survival of the EU – the greatest market for the Nordic countries – is vital in this respect.

### **Security implications of demographic change**

With similar demographic profiles, the five Nordic countries will be confronted by ageing populations in the coming decades. This demographic shift will intensify demands on welfare, health care, elderly care services and pension systems. A noticeable increase in the dependency ratio emerged as a common concern, and the escalating affordability challenge looming over the Nordic welfare systems was discussed. All country presentations stressed the necessity of strategic planning in addressing the complexities arising from a growing proportion of non-working individuals and the potential repercussions on society should welfare standards significantly erode. Substantial reforms will likely be necessary to maintain the Nordic model, renowned for its comprehensive social safety net, free education, subsidised childcare and universal health care, all funded through taxation.

The global trend of urbanisation is also very evident in this part of Europe. Finland, Norway and Sweden share common challenges related to outward migration of young people from rural regions, particularly in the north. The strategic significance of these regions, owing to their geographical proximity to Russia, underscores their crucial role in national security. The ongoing depopulation trend could impede the overall capacity of maintaining robust national defence and resilience. This emphasises the need to consider depopulation through the lens of national security and think about repopulation strategies.



## Challenges to public trust and social cohesion

The Nordic countries are renowned for their strong social cohesion, where individuals tend to feel a sense of belonging and interconnectedness within their communities. In global comparisons, the Nordics are consistently in top positions in trust indices, as illustrated in Figure 2. While the Nordic countries have demonstrated resilience in sustaining high levels of trust in the state and society over long time periods, looming long-term concerns cast shadows on these foundations. The Finnish presentation emphasised the potential impact of growing inequalities, political polarisation and the possibility of eroding social welfare systems. The Swedish presentation highlighted the potential impact of organised crime, gang violence and the latent risk of criminal elements infiltrating the justice and law enforcement system.

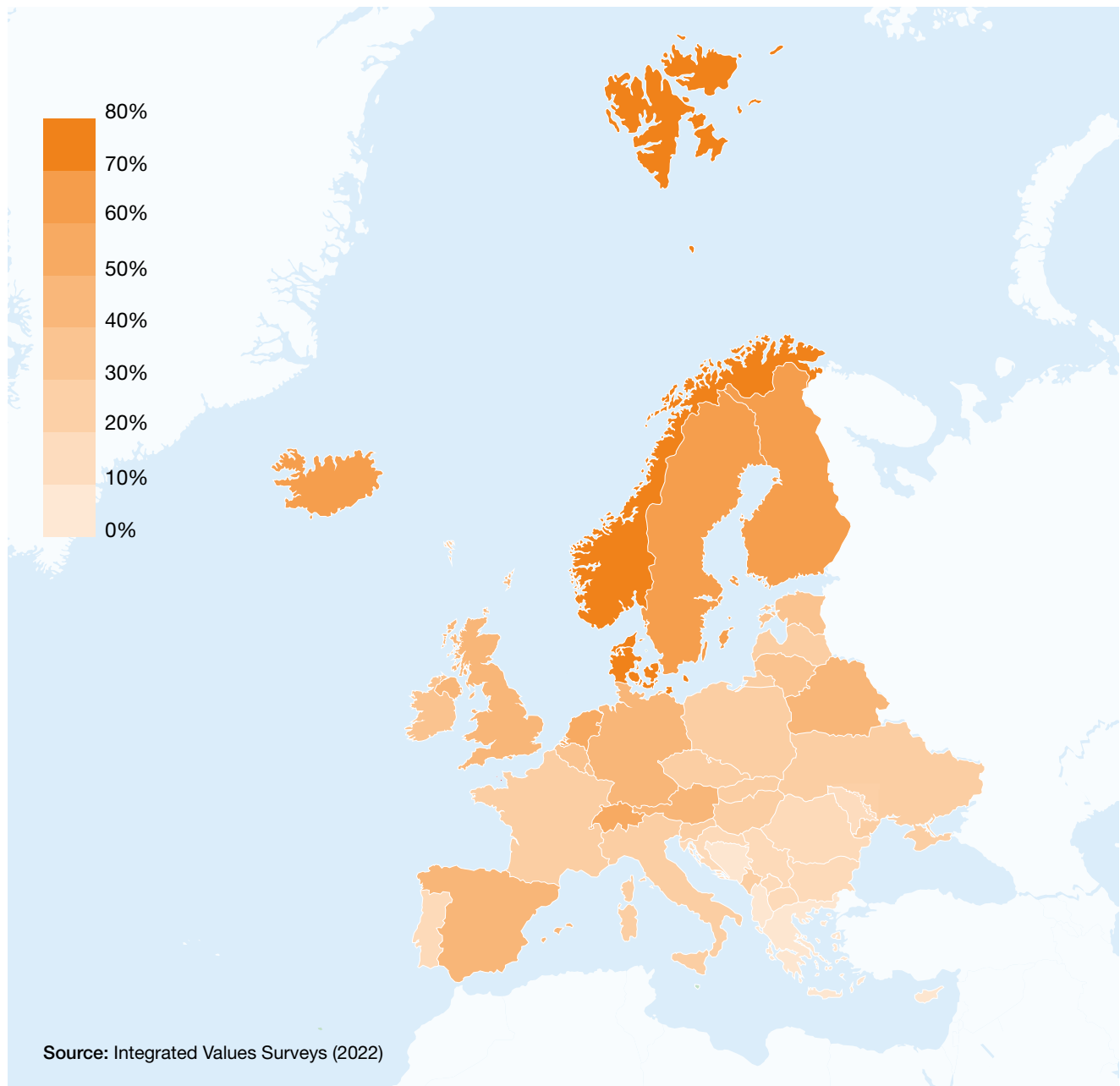


Figure 2 – Share of people agreeing with the statement: 'most people can be trusted', 2022

In more long-term scenarios, the widespread adoption of artificial intelligence presents potential threats to the social contract between citizens and the state. Today, artificial intelligence-driven social media algorithms and deep fake technologies already have the power to influence public discourse. Looking ahead, these advances could undermine the state's ability to effectively communicate and foster a shared understanding of governance objectives, particularly during times of crisis.

Automation and artificial intelligence may also challenge traditional employment structures and state tax bases. Emerging artificial intelligence-generated income streams, such as data monetisation and algorithmic trading, have the potential to disrupt current tax systems. Additionally, the proliferation of artificial intelligence-powered systems, including autonomous weapons, among non-state actors could erode the state's monopoly of violence. Increased artificial intelligence-driven cyberattacks might further undermine public confidence in the state's ability to protect against external threats.

If left unchecked, these challenges could weaken the effectiveness and legitimacy of Nordic governments, impacting public support for defence and the willingness to defend the nation, a linchpin for the survival and security of small states.

Another dimension of cohesion pertains to the relationships and sense of unity among Nordic nations. Historically, a significant portion of the Nordic population has shared the ability to understand each other's native languages, fostering a linguistic community across borders that has contributed to binding the Nordic region together. However, the number of people who understand Scandinavian languages is on the decline. New technology and social media have changed how young people in the region communicate, use language and identify themselves. As many as 65% of young individuals today indicate a preference for speaking English when encountering other Scandinavian languages.

The long-term implications of this declining mutual language understanding on the common Nordic labour market, the collective sense of Nordic identity and official Nordic cooperation are beyond the scope of this report. Nonetheless, it would be prudent not to assume that the current sense of unity and solidarity among the populations of the five nations will endure indefinitely. The question arises: to what degree will nationality or 'Nordicness' mould the self-perception of future generations in the decades to come?

### The dual nature of immigration

While the Nordic countries have pursued diverse immigration policies, resulting in distinct cultural mixes, all five nations are undergoing a noticeable shift towards cultural heterogeneity. The discussions highlighted the dual nature of immigration as both a challenge and a potential solution to future labour demands. The heightened and globalised competition for skilled people and expertise, especially within certain technology fields, underscores the importance of creating an environment that appeals to individuals with specialised skills and abilities. However, an abrupt influx of refugees, propelled by factors such as climate change or war, could bring about substantial shifts in societal dynamics. The successful integration of diverse populations was identified

as a critical aspect to ensure future economic growth and social cohesion. With similar demographic profiles across the Nordic countries, there was also an awareness among the participants that global competition for specific skill sets and age categories may emerge as a potential point of contention in the years ahead. This emphasises the importance of developing proactive strategies to manage and leverage demographic diversity for the collective benefit of the region.

## The strategic imperative of education

The strategic importance of education in the Nordic region cannot be overstated. With ageing populations and rapid technological advances reshaping the job market, there was a pronounced emphasis on the continued imperative of education. In the era of automation and machine learning, changes to labour demand could occur more rapidly than in previous technological shifts, leading to the obsolescence of certain skills and occupations with little warning. Several presentations stressed that a culture of lifelong learning will be crucial for a rapidly changing professional environment, with collaborative efforts needed between educational institutions, employers and policymakers to ensure that education remains responsive to rapid shifts in the labour market. The Nordic region, with its high percentage of highly educated citizens, generally well-funded education systems, and strong track record on research and development, is well-placed to adapt to these global changes. However, some country presentations raised concerns over recent downward trends in the quality of basic education, with significant regional disparities affecting children in socio-economically disadvantaged areas. A key takeaway was that investing in education and promoting ongoing skill development – also for organisations such as defence – is a strategic imperative for the overall resilience and competitiveness of the Nordic region.

## Climate change: first and second order effects

The Nordic region faces potentially transformative first-order effects of climate change, encompassing migrating fish stocks, elevated sea levels, agricultural shifts and permafrost thaw. The warming of the Arctic and the consequent opening of northern sea routes will increase the geostrategic significance of the region. Potential implications include a more crowded space with surges in maritime traffic, heightened risks of pollution accidents and an increased demand for armed forces to assist in civil emergency management. Moreover, escalating global power competition is expected to lead to increased military activities and an elevated potential for confrontations in this area. Asian powers are expected to increase their presence in the region.

The potential second-order effects of climate change also emerged as a central theme. With over one billion people expected to be displaced globally within the coming 30 years, the discussions focused on the impact of climate-induced migration and resource scarcity. Moreover, the mounting costs to adapt and mitigate climate change impact will exert pressure on future state budgets, further limiting choices and creating increasingly difficult trade-offs for future governments. Delaying action may result in a multiplication of costs over time.

While the Nordic region will experience a faster temperature increase compared with other parts of the world, indirect consequences of climate change are still likely to be more challenging than the direct effects. The relatively high level of resilience puts the Nordic countries in a position to provide solutions and support to areas and populations more severely affected by climate change. Such a strategy could contribute to the advancement of a cooperative international system on which the region depends.

### Critical rare earth minerals

Three of the most pervasive drivers of global change – the fourth industrial revolution, the global transition towards renewable energy and the intensified great power competition – have triggered a surge in the demand for critical rare earth minerals. Projections indicate that the demand for these essential metals and minerals, numbering around 30, is set to quintuple in the foreseeable future. The current dependence on China represents a significant geopolitical challenge.

A recent discovery of Europe's largest deposit of rare earth minerals, located in Sweden, has emerged as a potential game-changer, possibly paving the way towards alleviating Europe's dependence on autocratic regimes for these resources. Several other deposits, particularly in Greenland and Finland stand out in a European and even global context. Meanwhile, Norway is set to become the first country to move forward with deep-sea mining in its waters.

The Nordic region's potential for extracting many of the most sought-after critical raw materials is considerable. Harnessing these resources effectively could yield profound economic, environmental, geostrategic and military advantages. However, while there are potential upsides, it is essential to recognise the potential risks to the environment and human habitat associated with large-scale mineral extraction.

### The Nordic energy landscape

The Nordic energy landscape is swiftly evolving, with each of the five Nordic countries making substantial progress towards self-sufficiency and ambitious commitments to achieving net-zero emissions. Iceland stands out as a global leader in energy independence, thanks to its abundant geothermal resources. Denmark, a frontrunner in wind energy, aspires to achieve complete reliance on sustainable energy by 2050. Meanwhile, Norway, despite being a major exporter of oil and gas, maintains an impressively low domestic carbon footprint with nearly all electricity sourced from renewable hydropower.

While Sweden has maintained a stable energy supply since the mid-1980s, the implementation of recent initiatives in the northern region – such as fossil-free steel projects, battery factories and data centres – is projected to result in a doubling of energy consumption by 2050. The widespread implementation of artificial intelligence is expected to further intensify the demand for electric power. Recent political commitments in Sweden outline plans for developing new nuclear generating capacity, with the goal of adding as many as ten large-scale reactors to the country's energy infrastructure by 2045.

While each country in the Nordic region possesses a unique energy mix, shared challenges persist. These challenges encompass the crucial need to modernise ageing energy infrastructure, navigate geopolitical considerations associated with energy dependence, address the disposal of nuclear waste (as well as windmills and solar panels), and actively pursue ambitious targets for achieving net-zero emissions.

## The future of Russia

Regardless of how the war in Ukraine ends, an aggressive, militarised and battle-hardened Russia is likely to learn from the conflict and attempt to rebuild its capabilities and economy. The long-term trajectory of the country is hard to predict with both collapse and military industrial resurgence emerging as possible scenarios over a 30-year time frame. Russia's ambition to dominate and shape the strategic environment in Europe and the Arctic is expected to remain a constant. The manner and degree to which Russia recovers from the war in Ukraine pose significant questions regarding the external powers that might aid in this recovery, potentially establishing new dependencies. Understanding these dynamics, and especially the role that China may play in shaping Russia's future, is crucial for Nordic strategic planning.

From Russia's point of view, Finnish and Swedish North Atlantic Treaty Organization (NATO) membership means that the direct border between NATO and Russian strategic areas have increased considerably, to include both the Kola Peninsula and Saint Petersburg. The hemming in of Russian naval capabilities in the Baltic Sea makes Russian bases on the Kola peninsula a priority for Russian maritime capabilities. If NATO and the Nordic countries establish a credible conventional deterrence, conflict may manifest itself in hybrid measures or, in extreme scenarios, escalating to the nuclear arena. Preparing for a wide spectrum of scenarios, including the most dangerous, will demand comprehensive strategic planning and wide-ranging cooperation to ensure collective security and stability. Nonetheless, the cornerstone of effective deterrence remains united and resilient societies that elevate the foundational threshold of security.

## Nordic defence integration

The importance of Nordic integration and cooperation to enhance regional stability and resilience resonated throughout all presentations. Finnish and Swedish NATO membership represents a game-changer for the region, creating a new strategic landscape that significantly bolsters the stability and security of Northern Europe.

As the Nordic countries adapt to evolving security dynamics, their roles and responsibilities will shift to some extent. Norway, for example, will evolve from an end point to a transit station for Allied reinforcements to the entire Nordic region. Given its strategic maritime position, Norway's role in ensuring maritime security and oversight will be more important than ever in this reconfigured security landscape.

Sweden's integration into NATO similarly implies an expanded role as a forward operating base for Allied forces across land, maritime and air domains. Beyond serving as a strategic depth provider, Sweden aims to secure vital transit routes, fortifying the defence mechanisms for northern Norway, Finland and the Baltic states.



Finland, now a frontline state within NATO, finds itself in a strategically pivotal position, as its 1,300 kilometre border now becomes NATO's longest contiguous border with the Russian Federation. With this enhanced role, Finland will intensify its border surveillance efforts to safeguard its territorial integrity and that of its NATO Allies, while remaining vigilant in monitoring Russian supply lines, particularly those leading to the Kola Peninsula and the wider Baltic Sea region.

Denmark's geographical position, controlling the Baltic Straights, renders it a critical observer of inbound and outbound traffic to the Baltic Sea. Additionally, Denmark's stewardship of Greenland – boasting vast territorial expanse, mineral resources and a strategic location – affords it significant geopolitical leverage and responsibility.

Despite Iceland's lack of its own armed forces, its geographical significance remains undiminished and even heightened. Iceland's strategic location has historically been vital for overseeing and controlling access points to the North Atlantic Ocean and securing transatlantic sea lines of communication, encompassing both surface and sub-surface domains. This significance is anticipated to persist and remain highly pertinent in the future, particularly with the anticipated increase in Arctic shipping.

### The transatlantic link

In the wake of Russia's full-scale invasion of Ukraine and its deliberate efforts to undermine the European security architecture, NATO and the EU exhibited remarkable unity and resilience, unwavering in their dedication to collective defence and security. NATO is more revitalised and united today than it has been in many decades.

However, the continued resilience and unity of the 'West', especially the long-term future of NATO and the transatlantic link, stand out as significant uncertainties with far-reaching implications. This uncertainty is shaped by a complex interplay of geopolitical, economic and strategic factors. Potential challenges include growing divergence in values and interests among member states, unexpected international crises, shifting trade dynamics, and the evolving role of the United States (US) within the global system.

The continued existence and strength of NATO and the EU as fundamental pillars of the European security architecture have represented long-held assumptions on which the Nordic countries have based their strategic defence planning. Amidst an assertive China pulling US resources away from Europe, coupled with the looming prospect of growing disunity within Western alliances, there arises an urgent need for constant reassessment of these foundational assumptions. The potential ramifications of such geopolitical shifts carry existential significance for the Nordic region.

Considering these uncertainties, it becomes imperative for authorities at both national and cross-country levels to exercise considerable foresight, undertake preventive measures and foster enhanced cooperation. Only through proactive cooperation and integration can the Nordic countries fortify their collective resilience, safeguard their security interests and promote Allied and transatlantic cohesion in an increasingly turbulent geopolitical landscape.

## Notes



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## Part 3

# Exploring implications of alternative developments

Three scenarios, inspired by elements of the global pathways introduced in *Global Strategic Trends: Out to 2055* (GST 7), offer contrasting visions of the potential evolution of the international system out to 2055. Syndicate groups delved into assessing the desirability of each scenario for the Nordic region, exploring the agency that Nordic nations might wield in shaping these outcomes, and devising actionable strategies for contemporary security and defence planning. The detailed scenarios can be found in Appendix B.

## Scenario 1: Changing spheres of influence

In this scenario, a world order emerges characterised by strong Chinese influence, an assertive Russia and a more isolationist United States (US), leading to a divided 'West' and a Russian triumph in Ukraine. The Nordic security landscape is defined by the interplay of global power rivalry and faltering alliance structures, reflecting the waning influence of the US, the rise of China and Russia's aggressive behaviour, set against the backdrop of European fragmentation.

Discussions on this highly problematic scenario emphasised the need for robust deterrence measures, highlighting the imperative to strengthen Nordic defence capabilities and resilience. The importance of the North Atlantic Treaty Organization (NATO) and US commitment to European security is indisputable, but it cannot be taken for granted. Investing proactively to uphold its relevance in the evolving global landscape is crucial. Even a weakened NATO is preferable to its absence.

A thorough understanding of global developments that could challenge or undermine Western unity and security, along with the ability to integrate this knowledge into planning and action, is essential to pre-empt and counter such developments. It is imperative for the Nordics to preserve the vital transatlantic Alliance.

Furthermore, fostering strong ties with the United Kingdom (UK) is set to become increasingly important for the Nordic nations. The UK, a robust NATO member, has shown substantial engagement in the region, exemplified by initiatives like the Joint Expeditionary Force (JEF). Additionally, countries such as Germany, the Netherlands, Poland and the Baltic States, all part of the Northern Group alongside the UK and the Nordics, wield significant influence in shaping North western Europe's security landscape. Canada, with its strategic geographical positioning and significant capabilities, may also become an increasingly important actor in this context.



## Scenario 2: Incremental instability leads to a new networked order

This scenario depicts a world fraught with creeping crises that erode the social contract between citizens and states. International alliances have unravelled and Russia has started to disintegrate following a protracted and costly war in Ukraine. Amidst this upheaval, multinational corporations have stepped into the governance void.

The Nordic security environment is shaped by a world experiencing a profound reconfiguration of global power dynamics, including a disintegrating Russia taken over by a new generation of oligarchs and organised crime. Although the Nordic region remains relatively stable, other parts of Europe and the world are disintegrating. While new opportunities for cooperation and innovation arise in this networked order, the enduring pursuit of dominance and influence breeds new types of power dynamics and instability.

This scenario envisions a future where the Nordic states grapple with a range of internal challenges, despite their current status as models of effective governance. It serves as a reminder against complacency, highlighting the potential risks to social cohesion and the assumption of perpetual state stability.

The scenario outlines an alternative future where new alliance and partnership structures have emerged. Given the increasing importance of information in every facet of human activity and economic endeavours, influential non-state actors and virtual gatekeepers might very well eclipse geographically based alliances in terms of influence. It can be anticipated that functional partnerships will gain in prominence, particularly in areas such as space exploration, collaboration on disruptive technologies, and cooperation on critical minerals and metals. In such a scenario, Nordic unity could be jeopardised by conflicting political priorities, disparate national agendas or a waning shared Nordic identity.

The scenario also underscores the importance of democratic states continuously investing in adaptability and flexibility to navigate shifting landscapes. This dynamism may attract non-state entities, such as corporations, to engage and bolster the state's functions. Over the decades, the Nordic countries have distinguished themselves for their high technology standards and technical expertise. The presence of multinational corporations like Google, with their large data centres in the Nordics, reflects the confidence and trust in the stability and security of the region. The strong confidence in the state, along with non-state actors' contributions, for the storage of vast amounts of data and high levels of technical training has provided the region with a strategic advantage.

Looking ahead, evaluating the impact of the private sector's expanding influence in defence and security is crucial. This includes: recognising the significant ownership of critical infrastructure by private entities throughout the Nordics; acknowledging the pattern of private companies progressively serving as tools in state security strategies; and creating a shared understanding of how foreign investments in key sectors such as telecommunications, infrastructure and energy could be managed across the region.

A pressing long-term challenge for Nordic democracies lies in safeguarding an open society while ensuring its resilience, integrity and trust in public institutions.



### Scenario 3: The current system endures in a multipolar world

In this scenario, the established global system has endured despite concerted efforts by revisionist powers to reshape the international order. In response to an emerging partnership among China, Russia, Iran and North Korea, democratic nations from Northern America and Europe, along with allies and partners from around the world, have mobilised to strengthen political, economic and military cooperation. This unified push aims to counter the influence of authoritarian regimes, making open societies and democracies increasingly attractive to states that have previously hedged between the two blocs.

Within this framework, Nordic security is anchored in a world where the rules-based international order remains intact and the influence of authoritarian regimes has been curbed, even though geostrategic competition persists. Following its successful defence and preservation of sovereignty, Ukraine has been embraced into the Euro-Atlantic security framework. Nevertheless, Europe continues to grapple with the repercussions of instability stemming from its surroundings.

In discussing this alternative future, this scenario was perceived as highly optimistic and represents a desirable future from the point of view of the Nordic countries. It also offers optimal conditions for fostering more integrated Nordic defence cooperation, driven by a shared sense of external existential threat. However, questions emerged regarding the feasibility of a cohesive Nordic identity where populations and politicians share a sense of unity and solidarity across borders. As pressure mounts and resources become scarce, it is foreseeable that national interests may occasionally clash with collective Nordic objectives. Such competition can arise in various areas, including the pursuit of the same skilled labour pool, access to critical resources, diverging national agendas aimed at achieving energy independence, or relations with an increasingly isolationist US. Differing cultural values and interests may also undermine the 'Nordic spirit' and exacerbate tensions within the region.

Moreover, despite the long-term uncertainty of whether China will manage its many domestic challenges or not, present-day global trends are currently steering away from this optimistic scenario, and in many ways gravitating towards the more worrisome 'Scenario 1: Changing spheres of influence'. Despite enduring sanctions, Russia has doubled its oil revenues since the previous year and remains entrenched in the Ukrainian conflict, despite significant human losses on its own side. Some NATO and European Union members appear to undermine collective action against Russia and display wavering support for Ukraine.

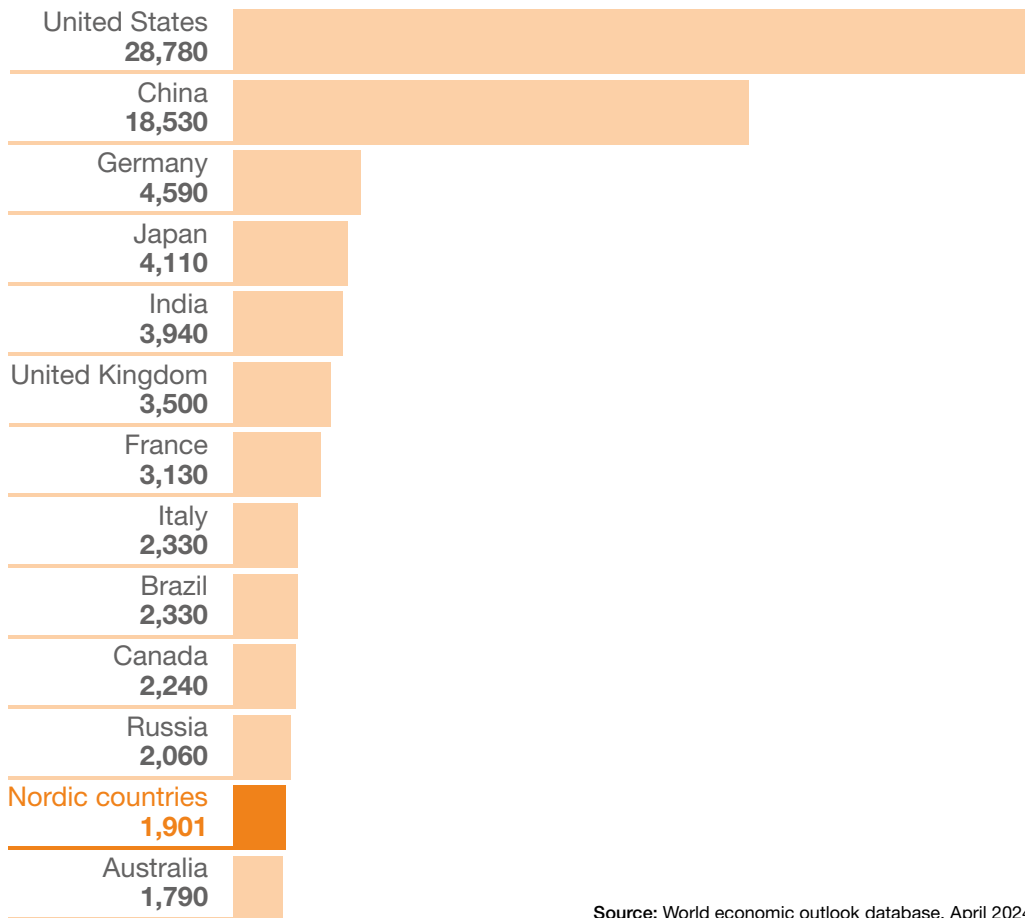
Political divisions in the US and Europe pose genuine threats to Western cohesion and the political and military backing of Ukraine's struggle. Moreover, certain middle powers in the Global South appear inclined to align with Russia and China. Troubling developments include the US' forced exit from its base in Niger, used to counter terrorist networks, and the actions of Russian mercenary groups undermining French presence across Africa. While much of the Global South adopts a cautious stance towards the US–China competition, closely monitoring these shifts, China continues its global expansion. Given the severity of these global trends and events, discussions among the participants in the workshop emphasised the critical need to maintain momentum and, wherever possible, advance initiatives that align with the more favourable and optimistic third scenario.



Part 4

# Advancing Nordic cooperation: insights and paths forward

Recognising the shared values, interests and outlooks of the Nordic nations underscores their potential to wield influence beyond their individual capacities. By framing discussions around the Nordic region, instead of individual national agendas, there is an opportunity to transcend traditional small-state mentalities in favour of a more proactive and forward-leaning approach to security and influence in the Euro-Atlantic area. While Denmark, Finland, Iceland, Norway and Sweden may be modest in terms of population and geographical size individually, their collective gross domestic product (GDP) positions them among the world's wealthiest nations, as shown in Figure 3.



Source: World economic outlook database, April 2024

Figure 3 – Total GDP in United States (US) \$ billion, as of April 2024

Enhanced cooperation is not only advantageous for bolstering security but also from a strategic resource-management perspective. As we peer into the future, a surge in military expenditure is anticipated due to a worsening global security environment and heightened political expectations from the United States (US) and other allies. Compounding these challenges are the rising costs linked to sustaining the Nordic welfare state models and addressing the escalating costs of climate change adaptation and mitigation. These factors are projected to place substantial strain on national budgets in the coming years. Thus, reducing the dominance of traditional national perspectives in favour of a more united Nordic strategy within an overarching North Atlantic Treaty Organization (NATO) framework is essential.

With all Nordic countries being members of NATO, there exists a historic opportunity to develop mutually reinforcing defence capabilities. Workshop participants firmly believed in pursuing comprehensive integration between the Nordic countries in defence and security across multiple fronts. To leverage economies of scale and reinforce the security of Northern Europe, the Nordic countries should strive to streamline military collaboration through harmonisation and pooling of resources, including in areas like intelligence gathering and surveillance. Using existing NATO frameworks such as the NATO defence planning process and the latest *Concept for the Deterrence and Defence of the Euro-Atlantic Area* can significantly enhance these opportunities.

A more strategic prioritisation of investments and a common Nordic approach to defence challenges within the framework of NATO interoperability and defence planning will make the region – and by extension, the broader Alliance – collectively stronger on all fronts. Given the clear ownership by the Nordic nation-states, the military dimension was perceived as the most straightforward aspect of Nordic cooperation.

The discussion on ideas and paths forward centred on how Nordic integration can be enhanced through present-day decisions. It is worth noting that these recommendations have not undergone exhaustive analysis or comprehensive costing evaluations. Additionally, some of these proposals may already be in progress, with ongoing discussions surrounding their implementation. However, amidst these ongoing efforts, these recommendations offer concrete and innovative pathways to strengthen Nordic cooperation.

## 1. Bolster Nordic Defence Cooperation

Existing platforms for cross-Nordic dialogue and cooperation should take precedence over creating new structures and Nordic centres of excellence. It is essential to prioritise practical outcomes over establishing new resource-demanding entities.

- Bolster Nordic Defence Cooperation (NORDEFECO) as a central mechanism for coordinating Nordic defence efforts within NATO, the European Union (EU) and other regional security frameworks.

## 2. Develop a shared understanding of the Nordic security environment

Developing a shared understanding of the Nordic security environment is crucial to aligning efforts and responses to emerging threats and challenges. Without a common

understanding of the security landscape, it is difficult to coordinate and implement collaborative initiatives. Such a 360 degree 'Nordic view' on the region, also taking internal security developments into account, could ideally feed into broader NATO analyses.

- Allocate resources and expertise to conduct thorough joint assessments of external and internal security threats and vulnerabilities.
- Facilitate collaboration between Nordic intelligence agencies, defence experts, law enforcement agencies, civil contingency agencies, research institutes and other stakeholders to gather comprehensive data and merge perspectives.

### 3. Foster a shared understanding of long-term security issues beyond the Nordic region

The Nordic countries have always been internationally engaged and will continue to contribute to the collective defence of Europe and transatlantic security while assuming greater responsibility for the defence of their own territory. Successfully navigating this dual role requires a broadening of the strategic perspectives and a recognition of the interconnectedness of challenges spanning Europe's surroundings, as well as the broader global landscape.

Given the deteriorating security situation in Europe's periphery, spanning the Maghreb and Sahel regions, the Middle East and the Arctic, alongside the persistent threat posed by Russia to the east, Europe will need to address a diverse range of security challenges in the coming decades. Unless the Nordic region proactively prepares and plans for a wide range of scenarios – and recognise that all these theatres are connected to some extent – it is likely that threat perceptions will diverge and resources, capabilities and attention will come under increasing strain.

- Promote a collective understanding of enduring security concerns extending beyond the Nordics and the immediate Arctic region, including those concerning China and the Indo-Pacific region, Africa, Middle East, climate change and transnational organised crime.
- Establish mechanisms to detect and share information relating to weak signals of progress and instability.

### 4. Harmonise total defence across borders

Myriad crises, tensions and potential contingencies are likely to emerge, either preceding or in lieu of a situation warranting the invocation of NATO Article 5 for collective defence. The interconnectedness within the Nordic region highlights the demand for a collective strategy in bolstering societal resilience on a broader scale. In times of crisis or conflict, vulnerabilities in one country's societal resilience or supply security could have ripple effects across the entire region, impacting the defence posture of neighbouring nations. Leveraging the Nordic countries' robust tradition of total defence, it is vital to shift focus from solely national considerations towards embracing a unified Nordic outlook on societal resilience.



With a total defence mindset and within the framework of NATO interoperability, enhanced coordination among Nordic civilian crisis management entities can enable synchronised and rapid actions, pave the way for potential host-nation support and streamline the deployment of reinforcements in the event of escalating tensions.

- Explore the potential to add a new Cooperation Area (COPA) for total defence to NORDEFECO, enabling civilian authorities to plan and coordinate effectively within existing cooperation frameworks.
- Establish direct communications channels between the Nordic countries' strategic crisis management organisations, to allow for cohesive responses during situations that fall below the threshold of major conflict.
- Leverage expertise from across the Nordic region to conduct a thorough assessment of vital societal functions, essential services, vulnerabilities, ongoing projects and future priorities.
- Analyse societal resilience within the context of regional conflict scenarios and interdependencies and identify strategies to enhance societal resilience across the region.
- Identify regulatory gaps and discrepancies in critical sectors such as law enforcement, transportation, health care, energy and civil contingency management.
- Explore how local communities and initiatives, such as community defence groups, territorial defence units, local fire brigades, and search and rescue groups, could be integrated into a broader framework to enhance crisis and resilience management in the Nordic region.

## 5. Enhance understanding of critical Nordic infrastructure

The war in Ukraine has clearly demonstrated the need for robust and efficient transport routes to quickly move supplies and forces. To expedite the swift deployment of reinforcements and Allied forces, and to secure the uninterrupted flow of data and resources across the Nordics, particularly from west to east, significant investments in vital infrastructure like railways, ports, airports and digital connectivity are imperative. Today, transport routes are largely focused on north to south connections.

- Foster a shared Nordic perspective on infrastructure priorities, addressing both immediate and long-term infrastructure requirements, and collaboratively identify and invest in projects that have the greatest collective benefit.
- Explore opportunities for common space infrastructure.
- Further explore the opportunities of establishing a common NATO logistics function for coordination and resource pooling in the region.

## 6. Collaborate on concepts for Nordic deterrence and defence

Future deterrence strategies will potentially require a rethink of traditional means and ways of deterrence and the cultivation of cutting-edge military technologies and asymmetric advantages. The Nordic countries are well placed to pioneer innovative approaches, drawing on their rich tradition of innovation and technological expertise. This includes leveraging advances in areas such as digital connectivity, artificial intelligence, automation and cyber capabilities to confront security challenges in the forthcoming decades. Additionally, civil preparedness can be seen as a deterrence strategy, as resilient societies are less vulnerable to external threats and can better withstand potential adversarial actions.

- Identify and foster complementary capabilities to ensure a cohesive and robust approach to defence strategy across the Arctic and the Baltic Sea region.
- Explore alternative deterrence concepts and strategies, including cognitive warfare and the strategic use of misinformation and disinformation to augment deterrence beyond nuclear and conventional means.
- Explore ways to create asymmetric advantages and mass through use of technology and space-based platforms.

## 7. Foster strategic foresight collaboration

Across the Nordic region, there is an increasingly noticeable shift towards embracing long-term strategic thinking, reflecting a heightened interest and urgency in planning ahead. Avoiding undesirable scenarios and actively pursuing preferred futures necessitates a steadfast commitment to long-term perspectives. This also entails considering a spectrum of possible futures, not just the most expected outcomes. By adopting a long-term outlook, shared interests and challenges become apparent, and any short-term obstacles to Nordic cooperation become less prominent.

- Use collaborative scenario planning and guided scenario discussions to enhance understanding of common long-term security challenges and for aligning strategic priorities.
- Use common foresight projects to inform strategic discussions at the national level and among the defence leadership.

## 8. Develop a Nordic narrative

Effective and transparent communication will be crucial for promoting a unified Nordic approach to security and defence. It is recommended that messaging strategies are tailored to three key audiences: the public, allies and Russia.

### Public communication

- Emphasise and uphold the core principles of democracy, human rights and the rule of law as the cornerstone of Nordic cooperation and engagement.

- Stress the significance of sustained and long-term investments in security efforts, highlighting the stakes involved.
- Communicate transparently about the long-term costs associated with bolstering security and defence, while emphasising the value of effective deterrence (this deterrence should be based on a resilient society, and the willingness and ability to defend one's own and Allied territory, creating a threshold to prevent potential aggressions).
- Maintain efforts to counter disinformation campaigns and enhance public awareness of subversive threats and malign influence operations.

#### Communication with allies

- Clarify that Nordic cooperation is aimed at bolstering wider European and transatlantic security; emphasise that Nordic cooperation can serve to strengthen synergies and collaboration with other nations.
- Reassure allies that closer Nordic cooperation will not hinder integration efforts with US or United Kingdom counterparts, nor will it disrupt coordination with planning frameworks involving other allies in the Baltic Sea region; on the contrary, it will strengthen such collaboration.

#### Communication with Russia

- Acknowledge the potential for Russia to exploit divisions among Nordic countries for its own strategic gain and consider the importance of communicating a unified front as an important aspect of deterrence.

### 9. Sustain efforts of cultural cooperation within the Nordic region

Alongside defence initiatives, fostering cultural connections within the Nordic region will be vital to uphold Nordic cooperation in the long term. By cultivating a sense of shared heritage and understanding, the Nordic nations can better resist external influences that may seek to undermine their unity, sovereignty and integrity.

- Working through the Nordic Council and other established frameworks, promote cultural collaboration and exchanges among Nordic civil societies to strengthen cross-Nordic cohesion and resilience against external pressures.

### 10. Recognise the importance of political leadership

Workshop participants, primarily from military and government agencies, emphasised that these opportunities will not translate into concrete policies by themselves. While defence efforts will play a crucial role, relying solely on military authorities to drive Nordic integration forward may not yield optimal results. Political leadership will be required to demonstrate the willingness to innovate, work systematically and commit to long-term

strategies.<sup>1</sup> However, it is essential to broaden the focus beyond political leadership alone and recognise the significance of vibrant public debate within and across Nordic countries on the value of cooperation.

- Acknowledge the critical role of political commitment and predictability over the long term in converting opportunities into tangible and sustainable policies.
- Consider the informal nature of this report as an opportunity to stimulate open dialogue and exchange of ideas among citizens, policymakers and stakeholders across the Nordic region.

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<sup>1</sup> For an example of an important initiative, see Staalesen, A., 'Nordic Defence Ministers Highlight Readiness for Joint Action', *The Barents Observer*, 30 April 2024.







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## Appendix A

# Method

## General objectives

To better understand potential implications of a changing strategic environment in the Nordic region, the general objective of the work was to:

- identify how the Nordic region can improve strategic resilience;
- identify how the Nordic region can improve its adaptability to change; and
- explore policy options that can strengthen Nordic security cooperation.

## Workshop 1 – Strategic context

As part of the preparations ahead of the first workshop, each nation was asked to prepare a short brief in two parts. First, a ‘bottom-up’ perspective focusing on the long-term development of their own nation. Secondly, a ‘top-down’ perspective focusing on how global trends and dynamics might impact the Nordic region as a strategic milieu, from the point of view of their nation.

Guided by a draft of *Global Strategic Trends: Out to 2055* (GST 7) and national data, the following questions were to be considered for the first part.

- Demography and urbanisation – what will your population look like and where will they live?
- The political landscape – how will governance and trust in the state develop?
- Education – how will your education system and learning environment evolve?
- Technology and innovation – how will technological advances influence your economy and society?
- Information and data – from where will you get your information, and how will data be protected?
- Economics and trade – how will your economic competitiveness develop and who will be your most important trading partners?
- Resource dependence – who will you depend on for critical resources, including food and energy?
- Vital infrastructure – what will constitute your nation’s critical infrastructure?
- Environment – how will you be impacted by climate change?

- Internal security – what will be the most important internal security threats facing your nation?
- Geostrategic shifts – which geopolitical conditions will be most significant for your national security?

Based on national briefs, in a syndicate session the groups explored:

- key uncertainties for the region;
- the most overlooked challenge/opportunity for the region; and
- ‘what if’ scenarios on four different themes – shifting alliance dynamics, evolving social and cultural dynamics, influence of non-state actors and climate change disruption.

The outcome from the first workshop is summarised in ‘Part 2 – The Nordic strategic environment 2055’ earlier in this report.

## Workshop 2 – Scenarios

The second Nordic GST 7 Synthesis workshop explored three alternative, long-term global and regional developments and their implications for the Nordic countries (see Appendix B – Scenarios). The scenarios were constructed using elements of GST 7 global pathways scenarios and regional alternative futures focusing on the influence in the international system, the roles of United States, Russia and China, developments in Europe and its surroundings, space and cyberspace, the global economy and technological advantage. The hypothetical scenarios aimed at illustrating starkly different global developments; one with a strong Western shaping-power built on attraction for open societies and democracy; a second one depicting a fragmented West and strong Chinese global influence and an assertive Russia; and a third world where states have failed to address global challenges and been outmanoeuvred by networks of non-state actors.

The following assumptions constituted a baseline for the scenarios.

- The Nordic countries will maintain their status as sovereign nations with independent governance structures.
- The Nordic economies will remain relatively small and highly reliant on international trade and a functioning European Union.
- The Nordic countries will continue to pursue ambitious goals for achieving net-zero emissions, progressing towards energy independence and renewable energy sources.
- Welfare systems in the Nordic region will face increasing strain due to factors like ageing populations, rising health care costs and economic fluctuations, making the allocation of state finances an increasingly contentious issue.

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- Climate change will bring transformative effects to the Nordic region – affecting sectors such as agriculture, forestry, tourism and infrastructure – and thereby posing challenges for adaptation and mitigation efforts.
  - The net effect of climate change for the Nordics is anticipated to be negative.
  - The Nordic countries will uphold their participation in collective security arrangements, such as the North Atlantic Treaty Organization and various regional defence cooperation frameworks.

Three syndicate groups, one for each scenario, explored their alternative future by discussing the following questions.

- How preferable/problematic would this development be for the Nordic region? What would the implications be for security and defence?
- What agency would the Nordic countries have in shaping the outcomes? What would that agency depend on and how can it be improved? What factors could hold us together/tear us apart?
- What should/could we do about it today in the context of Nordic long-term national security/defence planning?





## Appendix B

# Scenarios

### Scenario 1: Changing spheres of influence

The United States (US), once a global influencer and guarantor of European security, has experienced a gradual decline in influence due to adopting an increasingly isolationist foreign policy. Concurrently, China has assumed a more prominent role in shaping the international system, capitalising on the US' decline. Although direct military confrontation between the US and China has been avoided, their competition penetrates all sectors and regions. The rise of a China-led authoritarian alliance has undermined the efficacy and legitimacy of post-Cold War multilateral agreements and institutions. This has in turn sparked a global arms race centred around novel technologies and weapons of mass effect.

Amidst the shifting geopolitical landscape, an emerging Gulf bloc, comprising Turkey and some influential Gulf states, asserts its influence in the Middle East and beyond. This coalition, bolstered by economic interdependence and shared strategic interests, seeks to shape regional dynamics and counterbalance the influence of rival powers in the Gulf region.

In Europe, Russia's triumph in Ukraine translates to the occupation of extensive swathes of Ukrainian territory. Emboldened by its military achievements and the weakened transatlantic link, Russia challenges the North Atlantic Treaty Organization's (NATO's) collective deterrence by creating an arc of instability from the Arctic to the Black Sea. However, Russia's military confidence masks internal weaknesses and societal stagnation, and the Kremlin is unable to compete technologically and economically with other major powers. Consequently, Russia tacitly accepts Chinese leadership, both within the Eurasian region and on a global scale.

After the erosion of US commitment to European security, and ambiguity regarding its nuclear guarantees, the United Kingdom (UK) and France sought ways to extend their nuclear umbrella over the rest of Europe. However, their efforts proved futile, resulting in a fallout that led to a strategic divergence between the two countries. Political fragmentation hampers the European Union's (EU's) ability to execute a coherent foreign and security policy, weakening its economic and technological competitiveness. The EU experiences stagnation and fragmentation, and a two-tier political community has emerged. Amidst the ascent of far right populist movements, certain EU nations have pursued closer alliances with authoritarian states. At the other end of the spectrum, several EU countries, including Nordic and Baltic countries, along with the UK, unite in response to a volatile security environment in the North.

The Arctic region, formerly marked by cooperation and peaceful coexistence, has become a focal point for geopolitical competition and resource exploitation. Despite Russia's efforts to expand its military presence along the Northeast Passage, its

technological limitations necessitate collaboration with China. As a result, China has established a permanent presence in the Arctic, leasing some of Russia's shore establishments for its use, thereby cementing its strategic foothold in the region. This intensified partnership emphasises a significant shift in Arctic dynamics, where competition among major stakeholders for natural resources undermines established international laws governing maritime trade routes and resource exploitation. Territorial disputes escalate, leading to occasional armed confrontations between coastguards and navies safeguarding their respective fishing fleets.

Given these conditions, the Nordic security environment is shaped by the interplay of global power rivalry and evolving alliance structures, encompassing the diminishing influence of the US, China's ascendancy and Russian assertiveness, against the backdrop of European fragmentation.

### Scenario 2: Incremental instability leads to a new networked order

In a world fraught with creeping crises, discontent brews among populations. Impact of climate change, infectious diseases, antimicrobial resistance and resource depletion impose severe strains on state governments worldwide. Governments and international bodies find themselves grappling with these challenges, yet their responses often fall short. Against the backdrop of accelerating inequalities and eroding welfare standards, citizens increasingly question the trade-off of freedoms for protection and services, leading to an erosion of the social contract.

As states turn inwards, international alliances begin to unravel and once solid treaties falter under the weight of dysfunctionality. Organised crime syndicates and violent extremist groups exploit the turmoil by expanding their influence.

Amidst this upheaval, multinational corporations step into the governance void. Beginning in the US and spreading globally, multinational corporations transcend their traditional roles and assume responsibilities typically associated with state governments. These non-state actors take on prominent roles in welfare provision, defence and space exploration. They navigate international relations independently of governmental oversight and establish powerful issue-specific coalitions and networks. Multinational corporations also play increasingly important roles in shaping the outcomes of conflicts, whether through providing access to intelligence or logistical support to parties, acting as mediators or by leveraging their economic and political clout to resolve conflicts. Security is primarily organised and provided by private military and security companies.

Slowly but steadily, these networks of non-state actors supplant traditional alliances, giving rise to a new global governance framework. New models for market regulation, Internet standards and governance of emerging technology are developed. Driven by economic interests and the ambitions of a select group of wealthy individuals, multinational corporations continue to drive human exploration of the solar system. A wave of revolutionary technological advances significantly reduces the time required for interplanetary travel, with thousands of individuals now living and working in space.

The emerging networked order manifests with varying degrees of impact across regions. In Africa and parts of Southwest Asia, the networked model gains significant momentum, fostering innovation, economic growth and prosperity. In Russia, following a protracted and costly war in Ukraine, the country has started to experience disintegration, with notable portions of its territory gradually falling under the control of Chinese-owned companies. The Kremlin's preoccupation with the war has diverted attention away from pressing domestic challenges, hastening the process of fragmentation. Oligarchs and organised crime factions assert dominance over economic activities, and Russian-based private security firms operate on a global market, providing stability to those willing to pay for their services.

Europe too has experienced a significant shift in power dynamics. Amid ageing populations and sluggish growth, European leaders are confronted with challenges that their predecessors failed to address. While many states buckle under pressure, the EU, with its established mechanisms for cooperation and regulation, is better positioned to adapt to this evolving landscape. The EU has integrated non-state actors into its governance structures and reoriented its priorities towards outer border control, safeguarding critical infrastructure and setting standards to maintain technological competitiveness. With a few exceptions nationalism is a marginal phenomenon across the continent.

As trust, confidence and allegiance with nation-state structures wanes, the world is experiencing a profound reconfiguration of global power dynamics. While some states, such as those in the Nordic region, remain relatively stable, others have disintegrated. In this networked order, new opportunities for cooperation and innovation emerge, yet the enduring quest for dominance and influence breeds new types of power dynamics and instability.

### Scenario 3: The current system endures in a multipolar world

In this multipolar world, the established global system has endured despite concerted efforts from revisionist powers to reshape the international order. The increasing collaboration among authoritarian states, notably China, Russia, Iran and North Korea, raised alarm bells in the Western world. This emerging alignment, led by China, was marked by joint military exercises, economic integration and accelerated technological cooperation, alongside measures to exert control over online content, resulting in an increasingly fragmented global Internet landscape.

In response to the emerging partnerships among authoritarian regimes, democratic nations from Northern America and Europe, alongside allies and partners such as South Korea, Japan, India and Southeast Asian states, among others, mobilised to strengthen political and military integration. Spearheaded by the US, this coalition of like-minded states intensified diplomatic efforts, strengthened security cooperation, and fostered intelligence-sharing initiatives to bolster collective defence capabilities and counterbalance the influence of authoritarian regimes in regions across Africa, the Indo-Pacific, South Asia and Latin America.

Meanwhile, open societies and democracies increasingly emerge as more appealing alternatives. The global coalition leveraged its technological expertise to propel critical research and development, notably in artificial intelligence, cybersecurity, medical advances and climate resilience. Additionally, it extended this expertise to bolster soft power and enhance global influence through collaborative development initiatives. Significant investments were directed towards revitalising multilateral institutions, with the United Nations and Bretton Woods institutions taking centre stage.

Emboldened by global connectivity and exposure to alternative governance models, citizens within authoritarian regimes increasingly demanded enhanced welfare provisions, cleaner environments and fundamental freedoms. A discernible shift unfolded as public pressure steadily intensified for transparency, accountability and participation in decision-making processes. This burgeoning discontent among the populace posed a growing challenge to the established status quo, shaking the foundations of authoritarian rule and highlighting the allure of democratic ideals.

Following a protracted war with Russia, Ukraine emerged victorious and maintained its sovereignty. The country was welcomed into the Euro-Atlantic security architecture, with its blue and yellow flag waving alongside those of new members at NATO's 100th birthday in 2049. The aftermath of the conflict saw a gradual decline of Russia's political and economic strength, with issues like resource mismanagement, climate change and a slump in hydrocarbon demand weakening the country's role on the international stage.

Although ongoing geostrategic competition shapes economic and trade dynamics in a multipolar world, the power of authoritarian regimes is slowly diminishing, especially in the zones caught between rival blocs. Europe continues to grapple with spillover effects of instability in parts of North Africa and the Sahel. While the Middle East and many parts of the world are still vulnerable, we have successfully avoided a new global conflict and the principle of an international order governed by rules remains dominant.







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