

/ NORDIC WEST OFFICE

**NEW
NORDICS
MODERN
BRIDGE-BUILDERS**

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EXECUTIVE SUMMARY

Yes, this report is about the Nordics. But it is not about “the Nordic model” – there are plenty of other books and reports about it.

This is about the contribution the Nordics can make to the wider world. It is about their role as modern bridge-builders in Europe and in transatlantic relations.

Such a role is badly needed; there are plenty of painful divisions in the West. The question is: are the Nordics ready and willing to take such a role? We think they need a bit of pushing.

This report encourages Nordic governments and Nordic businesses to think big and to be humble. Thinking big means thinking about the future of the West. Being humble means not just bragging about how good things are up in the North. It is a lot easier to create a well-functioning society in a country of a few million people than in a country with a population of 70 or 300 million.

Here is our two-point proposal for the Nordics.

First of all, **we need to change the concept of the Nordics**; it is time to open up. The New Nordics consist of the Nordic Five – Denmark, Finland, Iceland, Norway and Sweden – and Estonia. The inclusion of Estonia is only the first step. The New Nordics are joined by shared values and strong cultural linkages, but also by international policy goals. They work for fair competition, free trade, sustainability and comprehensive security, see technology as an opportunity and growth as a tool to transform the world. Already today, they form the core of Nordic co-operation.

This should not be an exclusive club. Co-operation with others, starting with the rest of the Baltics and including the Netherlands, Ireland and others whenever goals and ideas meet is an important part of this approach. Germany has been a close friend of the Nordics in the European Union. In the future, this close relationship will assume a new dimension. As the New Nordics gain in importance, they will become an increasingly important sparring partner for Germany. Their role is to make sure Germany continues to work for free trade, economic liberalism and European wide co-operation. Working with Britain whenever possible is an important part of the New Nordic approach.

Second, **we must recognise how we best co-operate**. In this century, Nordic co-operation has been driven by Nordic companies, not Nordic politicians. It is time for Nordic politicians to catch up. The big issues of our time – from sustainability to the regulation of AI – cannot be solved by governments or companies alone. We do not need new institutions or new treaties. We need a common voice. This report is a first step in that direction.

In this manifesto, **three areas of co-operation** are highlighted.

The first focuses on **technological change and its impact**. The New Nordics are known for good societies while Silicon Valley is known for cutting-edge technologies. We must be a bridge-builder between the US and Europe when it comes to the regulation of modern technologies. Regulation must not be about protectionism. It must be about creating a win-win situation for both sides of the Atlantic and also for Nordic technology and US society.

Future regulatory challenges like AI, new forms of work or the promotion of sustainability and green energy need such a New Nordic approach.

Being an honest broker is not enough. We must push the EU to adopt ambitious goals, such as building an integrated 5G network, developing a sustainable approach to data sharing or securing digital skills for all. Initiatives such as the Swedish-led Digital Nine are a good example of how the New Nordic Platform can be used for promoting a more ambitious EU policy. Within the New Nordics, co-operation in the field of research and development, along the lines of the Nordic Five Tech Alliance, should be expanded in a conscious effort to win a bigger share of the EU research funds. To make a real, concerted effort possible, the report encourages exploring a new forum for technology-driven societies.

The second arena is **European integration**. Despite their different levels of engagement, it is the indispensable arena for promoting shared interests and competitiveness. During a time when the future of the EU is heavily debated, we argue that the New Nordics should be a bridge-builder between different groupings within Europe. European integration has been a tool for positive change in the past. It can be a positive tool for change in the future – provided we keep everyone onboard.

The New Nordics should make sure that the pace and goals of European integration are acceptable to all member states. The New Nordics can be effective in the European Union only if they have a common voice. The New Nordics should co-ordinate their positions on key European issues such as the next Multi-Annual Financial Framework and the Work Programme of the next European Commission. The report

calls on the New Nordics to use the Finnish EU Presidency in 2019 to promote joint goals, and for Nordic companies to encourage citizens to participate in the next European Parliament elections in 2019.

Thirdly, the New Nordics should seek to **reinforce the transatlantic bridge** both in trade and in security. In the current volatile situations, the New Nordics should find innovative ways to engage the US in dialogue and co-operation. The aim must be to make Europe-US relations great again.

The New Nordics offer a compelling example of making globalisation work for all, sustaining high levels of support for free trade. They are also valuable partners in security, bearing their responsibilities at home and defending peace and stability internationally. In the ever-growing subfield of cybersecurity, be it privacy and data protection or innovative solutions for e-governance and electronic voting, the New Nordics have effective solutions to present. One such example is the mutual recognition of medical e-prescriptions between Finland and Estonia.

So, we are not your parents' Nordics. Like the twelve Nordic chefs, who some years back created the world-famous New Nordic Cuisine, we want the New Nordics to embrace new ideas and technologies and reach for the stars. The report is a **manifesto for the New Nordics to think big and be humble**. We believe it is the right mindset and approach for the future.

These are not distant dreams. They are a call for action. And this is just the beginning.

Here are our six foremost objectives:

- 1. Elevate the Nordic voice in the debate over the epoch-defining issues facing the West and the solutions needed.** Initiate a broad debate on what the New Nordics can achieve together. What we share here are only preliminary ideas. The broader the debate that is sparked around things that we can do together, the greater our accomplishment.
- 2. Make sure the New Nordics work together in the EU smartly and constructively.** The New Nordics must co-ordinate their policies on major issues facing the European Union. Norway and Iceland must be included fully in these discussions. The New Nordics must take advantage of the Finnish 2019 EU Presidency to show their unity.
- 3. Be a strong voice for free trade in Europe and globally.** The New Nordics should push to deepen the internal market, promote trade agreements far and wide and support rules-based free trade and multilateral co-operation.
- 4. Take sustainability to the next level.** The single electricity market is a great benchmark. Now, it is time to consider what can and should be done together to fight climate change and make a green transformation happen.
- 5. Create a seamless Digital Single Market in the New Nordics.** The broader European digital project must pick up speed and the Nordics are here to provide it with a push. It is in this sphere that the integration of Estonia into the New Nordic project shows particular promise.
- 6. Create a vision for a future transatlantic relationship.** We cannot let immediate news and crisis crowd out longstanding trends towards shrinking the Pond that separates us. This applies equally to questions of security, trade, and culture. Let us try to strike a trade deal between Europe and North America.

**INTRODUCTION:
THE NORDIC
CASE**

BRIDGE-BUILDERS FROM THE NORTH

It is an end of an era.

Populism, Brexit and a transatlantic rift are transforming the West. Artificial intelligence, robots and digitisation are changing businesses and human interactions. Democracy is confronted by autocracy. Free markets are challenged by state capitalism.

We face challenges that are truly global in nature. This means that new forms and new engines of international co-operation are badly needed. The question is, could the Nordics become an engine of co-operation within Europe and in transatlantic relations?

The answer is an emphatic and pragmatic yes. The Nordics can be engines of co-operation. They can be bridge-builders, both within Europe and in transatlantic relations. But we are not there yet.

First, we have to restart the Nordic engine. This requires us to recognise that politics is no longer the engine of Nordic co-operation. Business is. Now it is time for politicians to catch up. To accomplish that, we need to re-define what we mean by “Norden” or the Nordics.

Second, we need to become a voice for pragmatic integration and free trade in Europe. This is especially important now that the UK is leaving the European Union. We also need to make sure that the UK and European Union co-operate in the future.

Third, we need to make sure the United States and the European Union continue to work together.

At present, the Nordics enjoy a more constructive relationship with the United States than many other European states. Finland hosted the Trump-Putin meeting in July 2018; Sweden has longstanding security co-operation with the United States; Denmark, Iceland, Norway and the Baltic States are key members of NATO, yet they have very good co-operation with their non-NATO neighbours. Nordic companies have a strong presence in North America – Sweden alone creates around 300,000 jobs in the United States – and vice versa. The Nordic start-up scene has close connections with Silicon Valley.

We face challenges that are truly global in nature. This means that more, not less, international co-operation is needed. This also means that we need refurbished engines for such co-operation, an issue that is especially pressing at a moment when older sources of locomotion are sputtering.

It is time for the New Nordics to think big while remaining humble. It is time for the Nordics, the Baltic States and other like-minded nations to take more responsibility for Europe's future. It is time for them to speak about a new transatlantic relationship. It is time for them to speak in favour of technology in the service of a good society.

WHAT UNITES THE NORDIC COUNTRIES?

The Nordics were one of the success stories of the twentieth century. Now it is time to update the Nordics. We need a new definition – something that tells you not only where we come from but who we are.

The New Nordics are characterised by

- “can-do” attitude
- culture of innovation
- love of nature
- pragmatic approach to technology
- high level of trust and low hierarchies
- low corruption

Their across-the-board policy goals include

- free trade, open competition and a market-based economy
- fundamental rights and the rule of law
- sustainability and equality

These are the kinds of attitudes that inspire fruitful international co-operation. What’s more, they work even, or especially, between countries that have made strikingly different strategic decisions over their international affiliations. The Nordics are proof of this.

The New Nordics are connected more by infrastructure than common bureaucracies, by values rather than norms, objectives rather than policy instruments. It may become the most integrated region in the world as Nordic Prime Ministers have claimed it should, but not because politicians alone will deliver it.

Nordic co-operation needs to be brought out of the institutions, into real life. Businesses and people; artists and academics; citizens and consumers; organisations and societies should be its new champions. A formal alliance is not possible, or even desirable, and could very well be counter-productive.

A NEW DEFINITION OF THE NORDIC REGION

To make room for New Nordics based on these joint features, we propose to start with Estonia, which is both historically and currently integrated into the Nordics. Once upon a medieval time, it provided Denmark with its flag; now, it is the world leader in e-governance and home to several unicorns, or unlisted billion-dollar firms. Its economic, political and cultural ties to its north and west are deep and enduring. Estonia is by all means a New Nordic state, already today.

However, the inclusion of Estonia should only be the first step and it serves as our case study. Estonia’s neighbours to

the South – Latvia and Lithuania – as well as other countries already sharing and contributing to the New Nordic mindset, such as Ireland, the Netherlands or the UK, would be valuable partners on many issues. In fact, with time, they will hopefully see the pragmatic and issue-driven New Nordics as a natural like-minded grouping, especially as we blaze trails into the digital future.

We trust that all Nordics will see the value in opening up the Nordic framework. Yet, it is good to highlight some major reasons why they should.

Denmark is home to the Nordic institutions for inter-governmental and parliamentary co-operation, the Nordic Council and the Nordic Council of Ministers. After joining the EU in 1973, together with the UK and Ireland, co-operation over the North Sea has played an important role for Denmark. With Brexit, Denmark, like the rest of the Nordics, will need new partners within the EU. Denmark will become the only member state with permanent opt-outs from co-operation on defence, some parts of justice and home affairs and the EMU. It will have to be particularly agile and innovative within the post-Brexit EU, and the other New Nordics are important allies.

Finland has such close ties on many different levels with Estonia – let us just highlight one. E-governance is an area in which Finland and Estonia have close co-operation and it is one on which the whole of the New Nordic region can build. More generally, Finland brings to the New Nordic table its pragmatic attitude towards Russia.

Iceland can breathe new life into conversations about its place in the world and its partnerships beyond the stalled EU negotiations. Estonia and the other Baltic states are Iceland's NATO partners and due to its geography Iceland serves as a natural bridge to North America. Iceland is also the true turnaround kid of the 2008 recession, which suffered a major crash around the same time as Greece. Now it has a booming economy, almost non-existent unemployment. Even its tourism is exploding, with the country emerging as the most untraditional island destination.

Norway shares NATO membership with the Baltic States, but perhaps due to geography does not have as deep and broad ties with them as its Nordic Baltic Sea neighbours. The New Nordic Platform presents an opportunity to grow closer to them as well as to help chart the course of Europe and the world. Norway is the only country in the world to have beaten the so-called “resource curse” – managing to combine vast natural wealth with a vibrant democracy, one committed to bartering oil for a fossil-free future.

Sweden and especially Swedish business were in the vanguard in the 1990s when Estonia, Latvia and Lithuania regained their independence, bringing the Baltic States in contact with the Nordics. Since then, economic and other ties have only grown stronger, and more remains to be accomplished for Sweden and others. If in the twentieth century, Sweden was known as the pioneer of the Nordic welfare state, more recently it has become known for reforming it to align with today's technology and economy.

Estonia is the current world leader in digital society and the early adoption and development of technology. In the 1990s, Finland was seen as a similar leader, but now the mantle has crossed the Gulf of Finland. Based on this singular strength, Estonia is the frontrunning New Nordic – the first of many to come!

For all Nordics, finding a suitable forum for dialogue and co-operation with the UK after its departure from the EU is a challenge. The EU will provide a framework for most, but there is room for less formal exchange of views and co-operation on many issues also in a New Nordic format.

WHY DIFFERENCES DON'T MATTER

From Washington, the Nordics often look indistinguishable, all committed to a shared social model and strong regional security as well as to assuming coordinated stances at US-based international institutions. As viewed from Brussels, the Nordics sit at separate tables as they have different statuses — as members, partners or associates — within the EU and NATO, the institutions headquartered in that city.

The Nordics themselves would say belonging together is simpler than that. What they share are values and a common understanding that runs so deep that co-operation is an everyday fact of life.

Yet, New Nordic affiliations are very different. Finland and Estonia are in the Euro and the Banking Union and are more likely to support the Franco-German push towards deeper integration. Sweden and Denmark are outside the Euro and the Banking Union, one in principle obliged to join and the other with a permanent opt-out but with its currency tied to the Euro. Norway and Iceland are EEA countries participating in the EU internal market but outside its institutions. Iceland started accession negotiations with the EU in 2010, but they remain suspended. Looking at NATO, the picture alters again: Norway, Denmark, Iceland and Estonia are members, Finland and Sweden partners.

It does not get any simpler, the further you move out. If you look at the rest of the Baltics and the Netherlands, they are all in the EU and the Eurozone and members of NATO. Yet, Ireland is outside the latter, and the UK will be outside the EU as a whole.

The crux of the matter is that knowing how to master diversity is a strength, not a weakness. This is the lesson of the Nordic experience. Differences are recognised and rules respected, but where there is a will, there are also ways to exchange views and experiences. This is how things get done.

This manifesto does not call for any country to review or alter its most important strategic decisions. Differing approaches to the EU, NATO and other organisations need not be a handicap because the New Nordic region is not a monolith or an exclusive club. We are interested in leadership, progress and results.

We would be amiss not to mention that the Nordics are not without their own challenges. One of them is populism, just like in the rest of the world. This brings out other differences between the societies in question.

For example, Finland, Norway and Iceland have chosen to allow populist parties to join their governments while Sweden has followed a model of isolating populist forces. Another field in which we see some divergences is the topic of freedom of speech. Denmark and Iceland have an at-all-costs tradition of being more assertive in its defence, while Finland, Norway and Sweden have followed a more cautious, pragmatic approach.

In highlighting these divergences, we are not playing favourites, but simply drawing attention to some dissimilarities that may not be obvious outside of the Nordics. Add Estonia into the mix and the possible range of approaches expands even further.

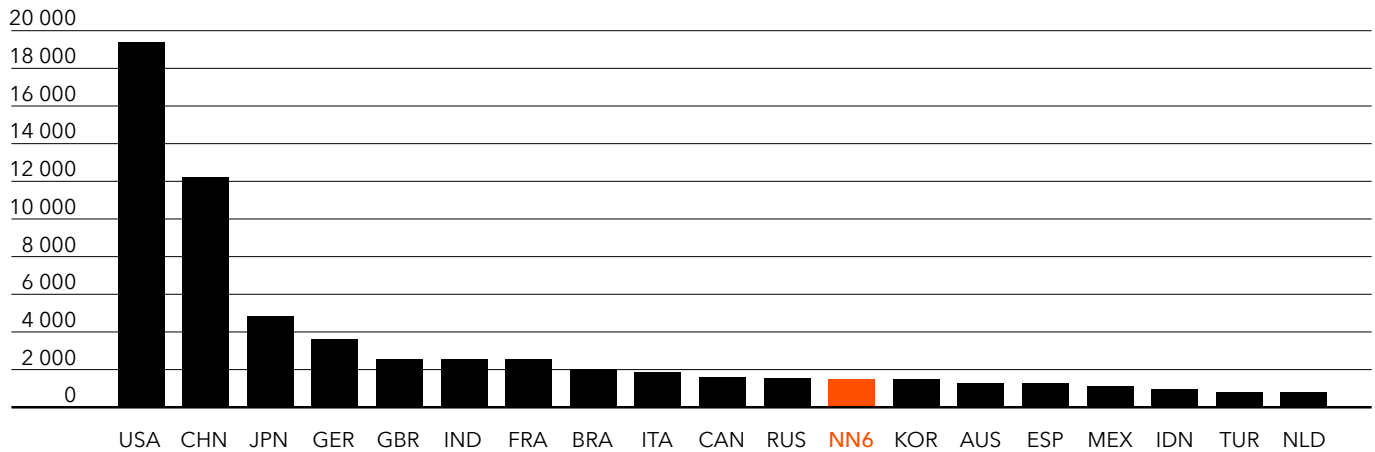
The New Nordics are not immune to challenges or difficulties, but we find ways to cope with them. It is possible to top league tables with different philosophies and practices. That is an important lesson for diversity in the world beyond the Nordics.

THE NORDIC NUMBERS

Someone might argue that the Nordics are too small to make a difference. Let us examine that objection by crunching some Nordic numbers. They demonstrate the place of the New Nordic Six, the old Nordic Five plus Estonia, in the world. (In these figures, the inclusion of Estonia – a country of 1.3 million people – is not meant to quantitatively tip the scale, but to take the qualitative, principled step of opening the doors into the New Nordics.)

Currently, the New Nordic Six or NN6 form the 12th largest economy in the world, at over 1.5 trillion and just shy of Russia.

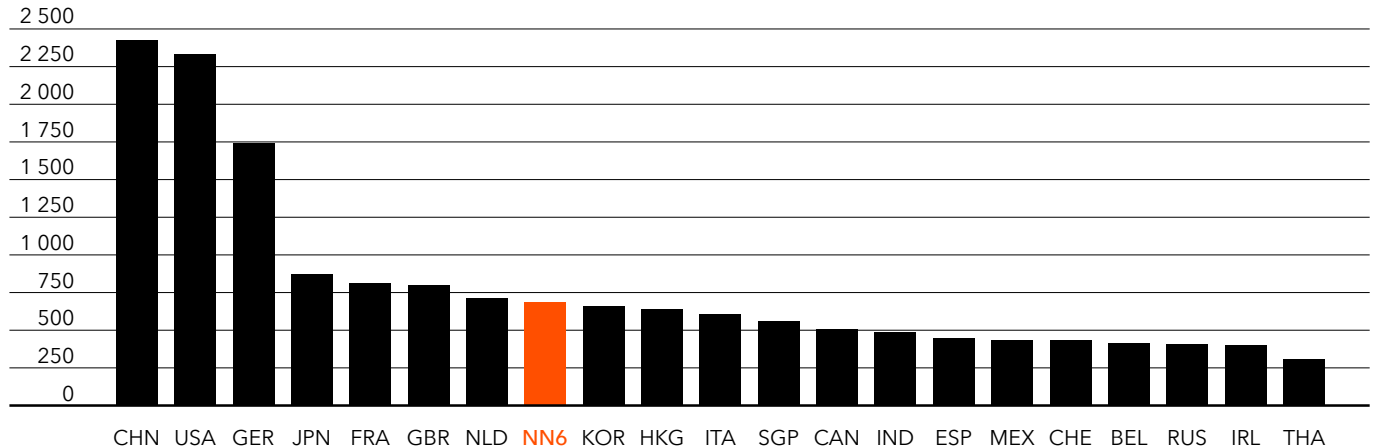
GDP (MILLION CURRENT USD)



Source: World Development Indicators, 2017 figures

Even more impressively, the New Nordic Six are the eighth largest exporting power in the world with close to 700 billion dollars in goods and services, just trailing the UK and the Netherlands. As the rest of this manifesto presupposes and demonstrates, they are fitting company on many levels.

EXPORTS OF GOODS AND SERVICES (MILLION CURRENT USD)



Source: World Development Indicators, 2017 figures

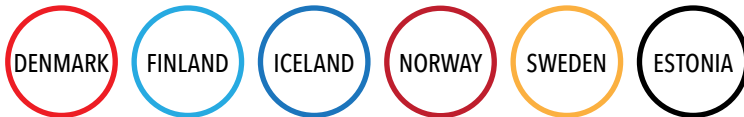
These figures (trade between the New Nordic Six is not excluded from the data) show the weight that the New Nordics already have on the world economy. The Nordics also produce more billion-dollar unicorns than any other region of the world in relation to GDP.

However, that is only the beginning. On the next page is a broad selection of different international indices, showing how the Nordics perform.



New Nordic Six

population **28.3 million** GDP (in current USD) **\$1.56 trillion**



Source: World Development Indicators 2017 (The World Bank)



The world's most innovative countries 2018



Source: World Economic Forum



The world's most reputable countries 2018



Source: Forbes



The world happiness report 2018



Source: worldhappiness.report



The best countries for business 2017



Source: Forbes



The world's most eco-friendly countries 2016



Source: Environmental Performance Index

PAINTING OUR VISION

Based on the above strengths, we call upon the New Nordics to

- I. BUILD BRIDGES ACROSS DIGITAL DIVIDES
- II. PROVIDE A PRAGMATIC APPROACH FOR EUROPE
- III. BOLSTER TRANSATLANTIC TRADE AND SECURITY

To do so, we need a **fresh vision for the New Nordics**. It incorporates not only the traditional Nordics – Denmark, Finland, Iceland, Norway and Sweden - but also Estonia, our frontrunner in this manifesto based on its digital leadership. The New Nordics is an inclusive community, not an exclusive club. Thus, when we talk about the Nordics, we talk about the future Nordics – not the past.

Our message is positive. We believe that Nordic co-operation can play an important role in increasing competitiveness, promoting sustainability and creating security in the Nordic region, in Europe and globally. Amidst current challenges – with European goals and values under pressure, a growing Euro-American divide and the global race for attracting businesses, talent and mastering new technologies – the New Nordics can make a major difference, if they join forces.

Our goals are ambitious. We want to boost Nordic co-operation, work for a better Europe and a close transatlantic relationship as well as have the Nordics set the standard for a twenty-first century digital society. It all starts at home: we need to be ambitious in looking for best practices and pool resources to create more and better solutions. The Nordics should not pretend to have all the answers.

Our approach is pragmatic. The New Nordics come together in many different fora and play different roles in regional and international alliances and institutions. This is not a hindrance, but something to build upon. What unites us in the North is something stronger than institutions: the multiple, diverse bonds between our countries in many spheres, including economic, political and cultural, and the way of doing things based on transparency, low hierarchies and mutual trust. Wherever the Nordics are active, there are ways to take the New Nordic agenda forward – not as a closed bloc, but as a platform for building alliances and promoting innovative ideas.

Our call for action brings together different ideas, actors, and institutions with the aim of creating an even more inspiring, influential and competitive New Nordic region, which can do much good in the world by building bridges.

TOO MANY REASONS FOR NOT TO KEEP ON TRYING

“But this has all been tried before!” So, exclaim those who are tired of proposals – or those, who continue to see Nordic co-operation only as an alternative to European or transatlantic co-operation. We are not aiming at yet another alternative. We think big and broad. Our aim is to have the Nordics invigorate European integration and the transatlantic relationship by building bridges, not by adopting or imposing new rules.

Much has been accomplished already, but more needs to be done to tackle both regional and global challenges. Even if some earlier proposals have not succeeded, this does not mean that they do not contain important lessons. We believe that even the more ambitious, or idealistic, proposals can contain many kernels of truth – ambitions upon which to build.

Just look at the Kalmar Union (1397-1523), a medieval rival to the now oft-mentioned Hanseatic League. We do not believe in rivalry between the heirs of these groupings. Instead of a federation based on Kalmar, we are an open platform for likeminded countries, companies and other organisations.

Not since the Middle Ages have the Nordics been united, as they were then. After it, two or more of the Nordics, including Estonia, have often been part of the same kingdom, but increasingly, separate statehood has formed into a fact of life. It is also a fact with which the Nordics have come to terms and, consequently, have become adept at finding ways to co-operate. One early example was the 1875 monetary union between Denmark, Norway and Sweden, which remained in place until the Great War and its aftermath.

Co-operative thoughts were re-kindled between the world wars, for example, under the Nordic Association, but a stronger pan-Nordic push would only come somewhat later. After World War II, an ambitious period with attempts

to share everything from defence to a common market followed, but especially Finland’s new relationship with the Soviet Union complicated these efforts. Some strategic trans-Nordic business ventures, most notably Scandinavian Airlines, hail from that era.

Since then, highly developed forms of Nordic co-operation – such as the Nordic Council or the Nordic Investment Bank – have accomplished much and promised even more. Unlike the Council, which encompasses its five original members, the Bank has evolved in a more New Nordic direction, changing with times and circumstances. Already in 2005, the three Baltic States joined as member countries.

The New Nordics have a strong foundation. Sources of positive inspiration for this compelling story include:

Scandinavianism – even during the nineteenth-century rise of nation-states, shared **values** brought older Nordics together.

Defence Union – **security** was a hot topic in the aftermath of World War II. Many preferred Nordic defence co-operation over NATO – the eventual solution for Denmark, Iceland and Norway as well as, after the Cold War, the Baltic States.

Passport Union – a **pragmatic** solution that encouraged free movement within the Nordics and did much to integrate the labour market between the countries.

Nordek – the **economy** has been at the heart of Nordic efforts towards increased unity for a long time, even if the European Union now fulfils this role for both member states and associated countries.

Nordic Council – the Nordic **dialogue** has never ended, largely thanks to institutions that are dedicated to it. Now we must further broaden that conversation.

After the many triumphs of European integration – Denmark joining the European Communities (later the EU) in 1973; Sweden and Finland the EU in 1995; Norway and Iceland becoming part of the European Economic Area in 1994 – voices declaring the end of Nordic co-operation have regularly surfaced. Yet Nordic institutions have prevailed, and instead, informal co-operation on EU affairs within the Nordics has strengthened.

This bears emphasising. Nordic co-operation is not a means of undermining the EU, but a way of making it work better. This is something to be embraced. After all, the Nordic model of transnational co-operation was crucial, for example, in the creation of the political and social arrangements that have come to be known as the Nordic model. Why limit it to just one region or set of issues?

The same can certainly be done in a variety of different fields. What is needed is a shared commitment to creating a Nordic voice and a set of main objectives. What follows is our proposal for how we can both create the means and reach the ends. We can always try harder to reach our objectives. It takes a Nordic village.

**We are messengers
for the New Nordics.
Do come along and join us.**

FROM THE KITCHEN TO THE WORLD

How do you turn something you know to be good but unappreciated into something that inspires and excites the rest of the world?

Not too long ago the Nordics were proud of their cooking, but they were hardly known as culinary champions. Today, culinary tourists flock to the far north, and Nordic cuisine is among the trendiest in the world. This did not happen by accident but has been based on a clear vision, hard work and smart moves.

In 2004, twelve visionary chefs from Greenland to Finland came together to produce the Manifesto for the New Nordic Cuisine. The self-proclaimed “Nordic chefs” declared that the time was ripe for a Nordic Cuisine which “in virtue of its good taste and special character” can stand up to “the greatest kitchens in the world.” They set themselves ten goals, ranging from an emphasis on seasons and sustainability to spreading the word on Nordic culture and produce, and started working.

Six years later, Noma, a restaurant created by one of the signatories of the manifesto, René Redzepi, was elected the world’s best restaurant – a title that it held for many years to come. Since then Copenhagen has become a real hot spot on the world’s culinary map – accompanied by a number of other Nordic cities.

The New Nordic Cuisine has also attracted political support, inspiring governments to engage in joint promotion activities and the Nordic Council of Ministers to start a Nordic Food Programme.

This story holds many lessons.

Firstly, it shows how the Nordics can venture into less traditional fields. Not too long ago the idea of foodie pilgrimages or aspiring chefs relocating to the North of Europe would have been, at best, curious. Secondly, it is an example of how a small group can provide a powerful example and inspire others to act. Finally, and most importantly, it demonstrates the power of a single platform – one amplified, harmonious voice speaks more loudly than a cacophonous band.

The purpose of this manifesto is to spread the same enthusiasm and will to work together into other areas. A New Nordic voice is needed, and we believe that it can help build bridges at a time, when Western, liberal values are under pressure, new security threats are challenging the way we think about defence and digitisation is transforming our societies.

In this situation the New Nordics must step forward and be bold about the role they can and should play in the new West.

CHAPTER 1:

**RESTARTING THE
NORDIC ENGINE**

CREATING A COMMON VOICE

This manifesto calls for the development of a common voice in an array of fields. These include clearly regional ones such as Arctic questions, but also global ones like climate change, where the Nordics have a long history of co-operating and promoting ambitious action. The Nordics should also explore the extent to which they can increasingly coordinate their approaches towards countries such as China and Russia.

The strong heritage of Nordic co-operation in the UN demonstrates what a joint approach can achieve. Nordic countries, citizens, and companies have much to gain in strengthening a Nordic voice, globally.

There is more, as promising examples abound. Nordic Defence Co-operation (Nordefco) has become a geopolitical reality. Energy markets have been integrated. The Nordic Five Tech universities offer joint master's programmes and structured research collaboration. All Nordics profit from growing global interest in the North as an attractive travel destination – whether for business or pleasure.

The pan-Nordic bank Nordea has led the charge in fusing banking, while manufacturers, such as Wärtsilä, increasing-

ly look at the Nordics as one big business and production arena. Defence and security company Saab has a Nordic approach to supporting countries with defence materials that meet the region's need for strengthened security, and Stora Enso has merged two powerful national traditions of forest-based industries.

Even more tangibly, the Öresund bridge – connecting Denmark and Sweden – has demonstrated how infrastructure can deepen Nordic ties. Now, Copenhagen and Malmö, together, present one attractive region to the world, a trans-Nordic microeconomy filled with jobs and growth.

Such early successes should not distract from the work that remains to be done. At its best, Nordic co-operation is bottom-up, pragmatic and broadly anchored. It aims at solving concrete problems in an innovative way, without forgetting the past. It embraces new ideas and sees competition as an essential element in finding the best solutions. It is a project for all, not just for the political elites.

This kind of Nordic pragmatism is needed in today's Europe and transatlantic relationship.

BUILDING THE DIGITAL FUTURE

How to build a premier digital society? Finland used to be the leading country in technology; now, it is Estonia. Sweden, by now, has decades of experience as a digital hub.

What can the New Nordics learn from the world and the world from the Nordics when it comes to technology and the digital world? What follows is a New Nordic approach to some of the greatest issues of our time.

On the European level, there remain major differences in how countries approach digitisation and how well-equipped they are to make use of the multiple opportunities it offers. The EU has had a Digital Single Market strategy since 2015, aiming at improving access to digital goods and services, creating an environment where they can prosper and making full use of everything digital as a driver for growth. According to the Commission, this could contribute €415 billion per year to the European economy and create hundreds of thousands of new jobs.

Much has already been achieved on the European level. By now, 17 legislation packages have been adopted on issues such as the portability of online content, roaming charges, unjustified geo-blocking or audio-visual media services. The most recent initiatives concern AI, data economy and digital health care. The Nordics – notably Estonia during its EU Presidency in 2017 – have been active supporters of an ambitious approach. Even now an Estonian, Andrus Ansip, leads Commission efforts on the Digital Single Market.

Despite these successes more could be done, and more quickly, to push the EU ahead and make the Digital Single Market a reality. We should start smaller but even more ambitious in a region known for pragmatic, issue-based integration and co-operation. All of this is true of the New Nordics, but it is also home to major centres of digital know-how.

Consumer brands such as Skype, Spotify and many others hail from the region, but the Nordics are also leaders in the industrial internet and many business-to-business fields. These include health and regulation technology as well as maritime industries and telecommunications, a field in which Ericsson and Nokia are global leaders in security. Security is a big Nordic theme whether we also look at the highly technological defence industry or the development of self-driving vehicles.

It is not only businesses that make the Nordics such a promising location for digital innovation. In fact, as any good HR professional knows, it is all about the people. Nordic countries constantly top relevant league tables such as the EU Digital Economy Society Index. They display leading levels of connectivity and internet use. Although Estonia slightly trails the richer and older Nordics on some other counts, it is the leader in digital public services.

The New Nordics have a tremendous opportunity to establish a global benchmark with a Digital Single Market, one in which the free movement of persons, services and capital is ensured. We can push Europe and the world forward, as we witness unicorns and multinationals in a side-by-side digital race in the New Nordics. From this position, we can tackle challenges and seize opportunities as different as to

- build an integrated 5G network and other shared infrastructure
- develop a sustainable approach to data sharing
- tackle privacy, crime and security across borders
- demonstrate how to equip everyone with necessary digital skills
- prepare together for AI.

Many of these are also questions that come up in digital partnerships between the Nordics and their neighbours, such

as Germany, as well as on the EU agenda. Openness to digital services and the finalisation of the Digital Single Market is a prerequisite for strengthening commercial ties in different directions, including participation in many trade agreements.

The Nordics have already demonstrated leadership, including the D9 or Digital Nine initiative led by the Swedish government – the initiative incorporates the New Nordic Four EU member states as well as Ireland, the UK and the Benelux countries. Digital frontrunners can do much to push the entire EU further along into the digital sphere. Meanwhile, the Nordic Council of Ministers for Digitalisation speaks of the Nordic-Baltic region and the need for enhanced transnational co-operation.

Digital business may not only help the countries of the North prosper, but the digital sphere can provide a vehicle for the further integration of the New Nordics, to restart the

Nordic engine. If the New Nordics can offer a benchmark for the rest of the world in the development of technology-savvy societies, this can augment their soft power, their ability to attract others and turn them into allies.

To integrate the region further and attract others to it, we should engage in some blue-sky thinking. We should study the possibility of using cutting edge technology to deliver the most tangible connectivity in the field of transportation. Why not invite Hyperloop to cut the travel time from Helsinki to Tallinn down to eight (yes, 8!) minutes? When political integration is challenging, technology can lead the way. Imagine shuttling visitors from one Nordic capital to another in a matter of minutes rather than hours.

Let that sink in while we briefly examine a few arenas more closely, as they pose some of the greatest challenges to Europe – and the West as a whole.

ARTIFICIAL INTELLIGENCE

Success in artificial intelligence requires both the taking of initiative and the show of steady leadership. Individual Nordic countries are acting on AI, but more must be done regionally. In May, Nordic and Baltic Ministers issued a joint declaration on the topic – yet it falls short of clearer commitments made by Germany and France in June.

This is an arena in which Nordic companies must show leadership and provide ideas and examples from which politicians, amongst others, can learn. This is yet another reason why close transatlantic ties remain essential, as success in this field is likely to come through close co-operation with US companies. This means inviting them to discover the Nordics on the ground and seeking mutually beneficial partnerships between US and Nordic businesses.

One field in which Nordics are already active and to which they are well prepared to contribute is the ethics of Artificial intelligence. The region boasts a number of interesting start-ups in machine learning – although many more are welcome and smaller firms will hopefully scale. Also, a field that combines sophisticated engineering with pragmatic solutions to fundamental questions is well suited for the Nordic economy and mind.

We should be in the business of building bridges between Brussels and Silicon Valley. Luckily, we do not need to start from scratch.

For example, former Swedish premier Carl Bildt co-chaired an Atlantic Council report on “Building a Transatlantic Digital Marketplace” with the year 2020 as a target date.

The report included the idea of launching a US-EU Digital Council to be housed in the White House and the European Commission – the need for such exchanges and co-operation seems even more pressing now than in early 2016 when

the report was published. Most importantly, the report called for transatlantic approaches to innovation and to governing and protecting the Internet.

RESEARCH AND DEVELOPMENT

Artificial intelligence is the most obvious field in which the New Nordics should aspire to pool resources – it requires investments on a scale that calls for co-operation across national boundaries. However, this is also only one field in which the New Nordics can do much more.

The Nordic Five Tech alliance between two leading Swedish institutions and one from Denmark, Finland and Norway is clearly an inspiration. The alliance connects student and faculty mobility with joint projects. It should be only a first step, as we aspire to build many cross-border clusters of excellence that connect our academic institutions.

All research institutions should consider adopting a Nordic strategy to build on their own and their neighbours' strengths. Ideally, we will find many triple-helix solutions with not only two institutions from two countries coming together, but three (or more), on an issue-by-issue basis.

We should also not leave existing money on the table. The time for a focused common effort is now and not least be-

cause of Brexit. UK institutions have received a wholly lopsided share of European Research Council (ERC) grants and Marie Skłodowska-Curie Actions (MSCA). According to the Royal Society, between 2007 and 2013, the UK received 22.4% of the total ERC budget and 25.5% of the total MSCA budget for programmes, or 1.665 billion and 1.086 billion euros. Even if we deduct UK financial contributions to these programmes, we are looking at 100s of millions of euros that are newly coming into play after Brexit – a humongous opportunity for Nordic institutions to seize, if they can meet the necessary criteria of excellence.

Ultimately, this is part of the biggest game of them all. How do we attract the most innovative and productive people to the New Nordic region? They might arrive as actual residents or, at least as importantly, as long-term partners with a vested interest in the success of New Nordic values. They are also future bridge-builders with whom to partner.

FUTURE OF WORK

Both hard work and protected labour have played central parts in the set of arrangements known as the Nordic model. Through much of the twentieth century, the Nordics led the way on work-life balance – before the term was even invented. We can even venture to say that the global vernacular of innovation concerning labour in its economic and societal context was *skandinaviska*, or Scandinavian.

More recently, Denmark has innovated in the field of flexible unemployment insurance that allows for high levels of protection early in unemployment, but also encourages a speedy return into the workforce. Sweden has led the way in dividing labour within the household more equitably, introducing a maternity and paternity leave policy that encourages fathers to stay at home when their children are young. Finland has undergone an experiment in Universal Basic Income with the aim of understanding how the social security system could be streamlined.

Now, with the future of work on everyone's lips and that future upending one workplace after another, the New Nordics have another chance to lead. A recent McKinsey report on "Shaping the Future of Work in Europe's Digital Frontrunners" argues that Nordic countries are best placed to lead the change towards new ways of working. The paper finds that employment overall should be rather resilient in the region with new jobs offsetting jobs that become substituted by technology.

Nordic strengths in education and skills development as well as in research and innovation will also come into play. The Nordics should be able to transition their workers into new tasks, which require higher skill levels, and make use of new market opportunities that arise from automation. But the real challenge applies to the whole workforce – life-long careers will increasingly turn into a series of different careers, each requiring some new skills. To make this work for all, innovative models to support life-long learning need to be developed in partnership with employers.

The New Nordics are ready to lead on work, but it will not happen automatically. Openness and flexibility in the labour market must be combined with a commitment to strengthening the Nordic model. Meanwhile, Nordic companies can play their part in taking some of the best Nordic practices global and into welcoming settings.

Openness and flexibility in the labour market must be combined with a commitment to strengthening the Nordic Model.

SUSTAINABILITY AND ENERGY

The New Nordics are strong supporters of UN Sustainable Development Goals, including enthusiastic participation in voluntary national reviews. The seventeen Goals run the gamut of issues from equality and education to infrastructure and growth. Other objectives focus on the challenges of climate change, consumption and sustainable communities, while the future of affordable and clean energy is one venue in which the New Nordics can demonstrate particular leadership.

Nordic electricity is traded on Nordpool, Europe's largest marketplace with participants from different corners of the continent. Not only does it contribute to lowered prices but also to the security of supply across the Nordic region. In November 2018, in Stockholm, key stakeholders started work on a new vision for electricity.

Still, co-operation on energy could go further. How can we move Nordpool to the next level as well as develop sustainable energy solutions in fields beyond electricity? This is an especially pressing question, as in May 2018, five Nordic Energy Ministers published a letter challenging Nordic companies to become more active in creating a sustainable and effective Nordic energy market.

It is time to heed that call and make a joint vision for Nordic energy markets a reality. One of former Nokia and Shell chairman Jorma Ollila's suggestions from his recent report to the Nordic Council of Ministers was to subject the energy strategies of individual countries to a form of Nordic peer review – a crucial step in the direction of a common vision.

Beyond electricity there are other energy fields that need to be tackled. One of the outcomes of Trump-Juncker summit of July 2018 was an EU commitment to importing more Liquefied Natural Gas. What should be the Nordic strategy on the LNG front? It should certainly be in line with a longer-term effort at making the Nordic area a global leader in market-based greenhouse gas reduction.

The New Nordics require a holistic approach to energy and sustainability, which covers all countries and sectors. This arena presents a great opportunity for New Nordic companies to lead the way towards a more enlightened market economy.

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GETTING FROM HERE TO THERE

How can the Nordics foster a market economy that is prepared for epoch-defining technological opportunities and political challenges?

They certainly need to be active within Europe in general and in Brussels in particular. It is the forum in which policy is being set not only for the continent, but also worldwide, as most recently, the General Data Protection Regulation (GDPR) has amply demonstrated. The Nordic voice must be heard in that setting to ensure that while we protect privacy, we also try to be at the centre of many innovations to come.

The New Nordics need to focus on fine-tuning their voice on technology and society, including the exploration of the future of taxation in a world of technological interconnectedness. While the EU has focused on regulation, the US has adopted a more hands-off approach when it comes to technology policy. China has demonstrated a third attitude, with a commitment to supporting as many start-ups as possible and seeing what emerges from them.

The New Nordics should aspire to combine the strengths of these approaches: a vibrant and permissive eco-system for start-ups, while also providing a paradigm on privacy based on long-standing Nordic traditions.

Times may be shifting anyway with even the US Federal Trade Commissioner Rohit Chopra recently commenting on how US tech companies must tackle the public's loss of trust, comparing it to the situation major banks have

faced after the financial crisis. Meanwhile, US tech companies are beginning to formulate positions on questions of privacy and data, which account for this shift.

Such a moment presents a New Nordic opportunity to offer some fresh thinking based on their own experience. It requires a concerted effort to think across the boundaries between technology and policy and other divides that unnecessarily separate us from a brighter future.

Key Proposal:

*A forum for tomorrow's
technology-driven societies.*

CHAPTER 2:
BUILDING
BRIDGES IN
EUROPE

One hundred years after Oswald Spengler's *The Decline of the West*, its theme is more important than ever. Our purpose, however, is not to offer a philosophical remedy to the downfall of the Occident. Our purpose is to offer a pragmatic way to save the market economy, free trade and the transatlantic link that have contributed greatly to our prosperity and security over the past seventy years.

How can we do it? Mainly, through the European Union.

The most important political community for the New Nordics is the European Union. It is the supreme regulator and rule-setter on most key policy issues, from trade and environment to agriculture and the financial markets. The New Nordics are not an alternative to the Union but a dynamic force within it. The fact that Norway and Iceland do not belong to the EU, does not subtract from the fact that the EU is the natural place for the New Nordics to influence policy. It adds to it. It shows that co-operating over European borders is easy and beneficial.

Yet, the European Union is not the only platform for influence. In security, NATO is the most important partner – even if Finland and Sweden are not members. In addition to NATO there are several groupings such as Nordefco, the Joint Expeditionary Force, President Macron's intervention force and others. The most important security development for Finland and Sweden is the trilateral relationship between the USA, Sweden and Finland. It offers a way to deepen military co-operation with the biggest military power in the world and, as such, strengthens transatlantic security co-operation.

The New Nordics are not an alternative to the Union but a dynamic force within it.

MAKING EUROPE NIMBLER

The Nordic passport union, once revolutionary, is now immersed within the European Schengen Area and free movement is a right enjoyed by all EU citizens. The Nordic program for education, Nordplus works side by side with Erasmus, the European program, which also attracts young Europeans to the North.

The EU internal market offers a unique platform for Nordic companies to do business and to prosper. It is also a powerful guardian of our most fundamental values – democracy and the respect for human rights and the rule of law, and our primary channel of influence in the world.

There is also a clear interest in Nordic solutions in Europe. The Nordics have navigated globalisation better than most. We need not impose our values on others but offer help when requested.

All New Nordic governments are already active in the EU; Denmark, Estonia, Finland and Sweden are members, while Iceland and Norway are EU associates through the EEA. All these countries participate in the preparation of EU policies and regulation but have different statuses. All must implement EU internal market regulation with EEA members receiving some notable exceptions such as in the case of agriculture. All contribute financially to the EU. All cooperate in the field of foreign and security policy, albeit with different roles. All also implement EU sanctions.

Yet the division between members and non-members makes all the difference, both in the daily work of the EU and the ability to actually influence things. This structure is one that cannot be overcome or compensated by other arrange-

ments. It is neither our aim to do so nor does it mean that there would not be plenty of room for doing more together. Instead we should set an agenda for the future.

How should the EU proceed to achieve the best possible results? How do we ensure that sufficient resources, skills and strategies are in place for this to happen? And how do we use the transatlantic partnership to bring about positive change?

Already now, there is plenty of Nordic co-operation within the EU structures, in variable formats and on multiple levels. But the political will to use the Nordic brand with all its strengths is sometimes missing. Sometimes this is because the Nordic interests are divided. In other cases, this is because the actors do not see the advantages clearly – or are too stuck in the old mentality of the Nordic and the European being alternatives, or the Nordic simply representing a historic construction made redundant by more efficient actors such as the EU.

That is not the case, as we know how to build bridges. We have to learn to see this Nordic mindset as an extra advantage, a prism that can give things new colour, a stronger ground upon which to build. When using our tools in a clever way, we can punch above our weight and gain support for our goals.

THE GOALS FOR THE NEW NORDICS

BREXIT AND THE FUTURE OF THE EU

In the late eighteenth century, two northern Europeans expounded ideas concerning the benefits of freer, and thus sturdier, trade and the related circulation of people and capital. Today, the world-famous out of the two, the Scotsman Adam Smith (1723-1790) is leaving the European Union.

Any honest onlooker staring at the Brexit mess must admit that it will take some time to sort through. Meanwhile, Smith sits on the side-lines, leaving the Scottish Enlightenment values of free trade and expression and a strong civil society without a forceful champion within the EU. Who will be the voice for a pragmatic approach to integration in particular and to all questions of politics and economics more generally?

Luckily, the Nordics have their own historical figure – only somewhat slightly less renowned – for the job. A pioneering champion of Nordic social and political values from modern-day Finland and a member of the Swedish Riksdag, Anders Chydenius (1729-1803), formulated and propagated ideas very similar to Smith's and did so even eleven years earlier than Smith. Now that Adam Smith is leaving the EU, it is time for Anders Chydenius, the father of Nordic liberalism, to fill his shoes.

In the intervening centuries, the Nordics have not only put liberal ideas about a robust civil society and a strong outward-facing economy into good use but also developed a well-functioning state to offer protection to all residents, including citizens of neighbouring countries. This tradition of liberal ideas and practices, strong safeguards and openness to neighbours are all part of the Nordic model. As much as has changed over the years – including current disagreements over out-of-region immigration – a basic commitment towards openness and equality has endured.

This leaves the New Nordics ideally placed to build bridges between those who care for the broad liberal agenda. We can drive for a Europe whole and free and at peace. We can also promote free trade across the Atlantic and beyond. Our long tradition of press and other freedoms provide a fitting setting for developing premier digital societies.

After its departure from the EU, Britain will need both a new working relationship with the EU and new bilateral or regional partners. Here, it is natural for the New Nordics to be active. Whatever the future arrangement, the Nordics have shown that it is possible to co-operate fruitfully and actively with countries outside the European Union. We must make sure that the future relationship between the EU and the UK serves the interests of European citizens and companies.

If there is a lesson to be learnt from Brexit, it is that citizens need to understand the value of the EU. It is no longer good enough to simply assume that the EU will always emerge stronger from a crisis. There are also forces pulling the other way. Instead of assuming that ever further integration will automatically continue on all fronts, we need to be prepared to actively defend what is valuable to us, and build alliances around the most important goals. Where must Europe be able to make a difference? What can be best solved together?

Together, Nordic governments must take Europe seriously. They need to be politically active, make the most of their influence and expertise, and use the EU as a venue to drive their policy goals. They need to engage their societies broadly from individual citizens to large businesses that call the Nordics home. Alienation from European affairs comes with great risks. When misperceptions and a lack of understanding of the importance of the EU develop, the results can be grave.

In the European Union, the UK and the Nordic countries, sometimes with the Netherlands and Ireland, have had a shared vision and views on a wide range of topics. During the past year, the Northerners in the EU have occasionally grouped together around the Netherlands in a format labelled the New Hansa. In securing the future of the liberal economy, this circle of friends is important for the Nordics, but they must not get caught up in it. New coalitions are needed not only within the New Nordics but also across Europe.

As many Eastern and Central European countries experience political turbulence, New Nordics should look further south for new coalitions. The Nordics should not hesitate to collaborate with France, Portugal or Spain. We should work with those, who have the ambition to take matters forward, instead of being left behind with limited influence.

MULTI-ANNUAL FINANCIAL FRAMEWORK

The EU is currently negotiating its multi-annual financial framework for 2021-2027. The framework regulates how much money the EU can spend during that period, and for what purposes the money can be used.

Because the decision requires unanimity, one might think that the threat of a veto brings with it also an ability to set the agenda. To the contrary, it is pragmatic, constructive and forward-looking solutions that win the day in such settings. Here, the New Nordics should offer innovative and bold solutions, lead by example and, most importantly build bridges.

Today, over 70% of EU financing goes to agricultural and regional policies. For the next period, the EU Commission has proposed to channel 5-10% of this money to more

future-oriented tasks such as research and innovation, defence co-operation and youth mobility. The Nordics should wholeheartedly support this and lead the way in modernising the EU budget. Being an investment budget, it should focus on areas vital for future progress and prosperity across the EU. To simplify the structures, when the UK leaves, all rebates should be abolished. The allocation of research funds should continue to be based on excellence.

The Nordics are also known as advocates of leaner administration and less bureaucracy. This goal remains important, but there is an important element to be considered. For the EU institutions, cuts in the administrative budget mean less recruitment. All New Nordics are struggling to make their citizens interested in a career in the EU institutions, much due to the long and cumbersome recruitment processes and slow career paths. This problem will increase by the year, as more and more Nordic EU civil servants reach the retirement age.

Geographic balance is an important legitimacy factor for the EU institutions. It helps maintain a high level of knowledge on the particularities of each member state, which is vital when planning or adjusting regulation.

Instead of just demanding savings, the Nordics should push for modernising the EU civil service in order to make it an attractive place to work for the Nordics. The focus should be on improving management, corporate culture, work-life balance and flexible ways of working as well as career diversity. The recruitment processes, while aiming at obtaining the best talents, should also offer ways to ensure geographic balance. Short-term or temporary contracts are another important addition, as rising workers are not necessarily attracted by a life-long career in the same institution.

Successful long-term personnel policy is the stuff of durable bridge-building.

THE NEW COMMISSION WORK PROGRAMME

The next Commission is to start work in late 2019 and its work programme will set out the political goals of the EU and guides its legislative work for the next five years. It can also entail pulling back or revising existing proposals, if the facts have changed or support for the cause is diminishing and introduce new tools and principles such as better regulation or the use of impact assessments. In short, it makes the EU tick.

This time, the Nordics have a special window of opportunity to take part in the shaping of future policies, as Finland has the rotating Presidency of the EU in the fall of 2019. It is the moment for the exchange of views, building bridges and the joint promotion of interests.

It is necessary but not sufficient for governments to take an active role in the EU. The Commission does not have a crystal ball. In order to solve common problems success-

fully, it needs concrete feedback from the real world – from those engaged in practice. What is needed, what is possible and what works?

The Commission would often prefer direct engagement with companies; they have the solutions. Dialogue with interest groups and industry alliances can help, but in many cases these represent the lowest common denominator instead of the latest innovation. This is an excellent opportunity for Nordic businesses, if they grasp it. The same goes for Members of the European Parliament, who are constantly looking for good platforms and ideas – in particular in view of the next European elections in the spring of 2019.

New Nordic businesses have also a task at home – to explain the importance of the EU for their activity and to defend free competition and the internal market. These are vital for the prosperity of the Nordics, and yet not always visible in the eyes of the public. As the European elections approach, encouraging citizens to use their vote is also a way to show corporate responsibility.

SAFEGUARDING COMMON EUROPEAN VALUES

Both globally and regionally, European liberal democratic values are increasingly under pressure. This is something that we cannot ignore. Within the EU, such challenges have reached a particularly problematic stage in some countries, but we must keep a closer eye on all our partners. If we have learned anything it must be that fundamental political shifts can be surprisingly sudden or, perhaps more dangerously, they can creep up on us little by little.

For Nordic businesses, the rule of law is particularly important, as it affects the level playing field. Therefore, we must pay close attention to problems such as access to justice,

corruption and transparency. More broadly, we should try to combat the lack of trust in governments and other institutional actors. This is exactly what bridge-builders do; they build trust.

Part of this effort is also recognising that different alliances within the EU are a fact of life. The New Nordics is a new open platform, based on inclusion rather than exclusion.

Much ink has been spilled over the north/south divide within the European Union. But the future may bring new challenges. What if the “new divide” is, in fact, between

functional and, even, dysfunctional? How will the EU handle societies that do not adhere to EU laws and norms?

The Nordics should play a key role in the debate on the rule of law, supporting strong measures to ensure that rules are

upheld. To do so, they must also work to remain, according to many indices, some of the most trusting, open and competitive societies in Europe. Such qualities also happen to make for effective business environments and help with bridge building.

THE WAY FORWARD

The Nordic voice in European debates must be heard. This voice stems from the tradition of free trade and entrepreneurship that is combined with social and environmental responsibility. By working together, the New Nordics can contribute to the development of the EU in a direction, which corresponds with their expectations. Through the right EU policies, they can

- help modernise Europe and make it fit for the digital leap
- expand competition and free trade through the internal market and external trade agreements
- promote sustainability and fight climate change, simultaneously with developing the bio-economy of the future.
- increase investment in innovation, research and development based on a joint agenda
- strengthen European security and defence policy, also in relation to new threats
- campaign for better regulation and transparency
- work for a modern European administration and encourage more Nordics to work within European institutions
- encourage active co-operation with the UK also after Brexit.

Key Proposal:

Make the 2019 Finnish EU Presidency explicitly a New Nordic Presidency.

CHAPTER 3:
BUILDING
BRIDGES ACROSS
THE ATLANTIC

US President Barack Obama said it best while meeting with Nordic leaders in 2016: “Why don’t we just put all these small countries in charge for a while?”

Obama’s words echoed an older idea and ideal. In the ashes of World War II, economist and statesman Gunnar Myrdal called for a leading role for his native Sweden and similar small, internationalist countries. The Cold War quashed Myrdal’s hopes; now, the time for their realisation has arrived.

In an era of transatlantic divisions, the Nordic tradition of free trade with its strong focus on domestic accountability can serve as a global model. In a similar vein, on Arctic issues, the New Nordics are experienced in balancing

environmental and economic interests. On climate policy, we can punch much above our obvious weight by demonstrating leadership in the creative use of technology and markets. In security, we can build on a positive, co-operative approach, which focuses on integration on different fronts.

Let’s face it: these are not good times for transatlantic co-operation. The EU has certainly woken up to the unreliable nature of transatlantic security, but we have not given up hope. The New Nordics seek solutions. In a world of three competitive centres – the US, a Europe led by the EU and Germany, and an Asia centred on China – it still makes sense for the US and Europe to co-operate on a range of issues from security and trade to technology and culture.

We need a new vision for a transatlantic link focused on:

- **Openness to trade**
- **Holistic security**
- **Technological exchange and setting technological standards and norms**

REINFORCING THE TRANSATLANTIC BRIDGE

From the point of view of Nordic business, questions of trade, governance, technology, and security loom largest in the transatlantic relationship. In all of these arenas, the New Nordics must assume a proactive stance. They cannot presume that matters develop in a desirable direction without their involvement or even hope that existing structures remain relevant without action. Great change is already under way, and even more of it lies ahead.

One open-ended question is the future of rules-based global governance. The Trump administration's decision to pull the United States from the Paris Climate Accord is the most obvious example of a crumbling consensus. Simultaneously, it must be noted that many sub-federal level US actors have stepped up to the plate. This is true for many business leaders as well as for the state of California, which weighs in as the world's fifth largest economy, narrowly beating the UK.

Another tectonic shift is the global trading system's move away from the ideal of free trade. This means that Nordic business must develop a better understanding of what the future may look like.

What will happen to the World Trade Organization? Even if embattled or increasingly led by China, the WTO regime is not about to disappear – even with US threats of withdrawal from the organisation. Global trade threatens to move from Adam Smith to Friedrich List – the arch protectionist. We should stand up for the WTO, but also learn to navigate the more protectionist shoals that we will increasingly come across.

Ever since Donald Trump was elected US president in November 2016, it has been clear that TTIP, the Transatlantic Trade and Investment Partnership between the US and EU, will not be agreed upon any time soon – much less come into force. However, let us not despair. This does not mean that trade between the United States and the New Nordics or the rest of Europe would be any less important. For example, the Nordics are world leaders in secure telecommunications networks with Ericsson and Nokia, two Nordic companies deeply engaged in the US market.

Fortunately, President Trump and the European Commission President Jean-Claude Juncker, at their conciliatory meeting in July 2018, agreed to work toward zero tariffs and against other barriers or subsidies on non-auto goods. They also agreed to open a common front against “unfair global trade practices” – in other words, to face China together. This must be done wisely, avoiding unnecessary disruption.

Simultaneously, technology and the rules and norms that govern its use may be a source of transatlantic dissension. It is to the advantage of both Europe and United States to work for a transatlantic conversation which makes such conflicts less likely. Brussels and Washington should strive to travel down similar paths, and the New Nordics can guide the way.

Let us pursue free trade wherever it is possible. Let us push for the ratification of the EU agreement with Canada. The New Nordic EEA/EFTA states should also aim for an improved Canadian agreement of their own. In an era in which Canada's position in the world is shifting – due in

some part to increasingly testy relations with its southern neighbour – Canadians need friends who share their values. Close co-operation with Canada – an overseas New Nordic – should be a no-brainer.

Other EU trade deals should also be actively pursued – and the New Nordics must be the ones making that pursuit active. The list here is long, but these deals include a transatlantic one with Mercosur as well as ones in the Indo-Pacific

with Australia and New Zealand. The already agreed upon EU-Japan trade agreement was a major step in the right direction.

Finally, what should be the New Nordic approach towards the United Kingdom of Great Britain and Northern Ireland in the transatlantic context? Include and involve, when and wherever possible.

SECURING SOCIETY

What does *trade* stand for in the term “trade union”? If you ask the Nordics, it means that unions believe and live by trade between nations.

This is something that makes the Nordics at least special – if not unique. For example, while TTIP negotiations were ongoing, it was not unusual for Nordic industry and labour groups to appear together in Brussels. Finnish or Swedish trade unions and business organisations do not see themselves in opposition on the issue of trade – something which may raise eyebrows not only in the rest of Europe but also on the other side of the Atlantic.

How is this possible? The easy answer is that, substantively, all recognise that protectionism impoverishes everyone in the long run. As education levels are high in the Nordic countries even this more theoretical argument is broadly understood and accepted.

The complicated and more compelling answer gets to the heart of Nordic societies. While globalisation has tested

Nordic countries, few question its benefits because of the kinds of protections and assistance – or *security* – that is provided for workers who need to undergo a period of retraining or even unemployment. This is the practical, everyday reason that openness and trade have such strong support.

To put it another way: While some societies try to shield off the world to allow a greater degree of competition at home, the Nordics want to compete in the world and, in order to do so, maintain societies that are best prepared to do so. Comprehensive enough economic security allows an industrial or service worker to see the world as an opportunity rather than a threat.

While we understand that the Nordic model emerges from its own peculiar place and time – and do not propose that others must adopt it wholesale – we also believe that its basic formula promotes openness. Therefore, the New Nordics are nothing if not trading nations at their very core and prepared to build and reinforce bridges.

SHIELDING THE INTEGRATED BALTIC SEA

Beyond trade, it is security – also of the traditional kind – that is of utmost importance. It is also most stubbornly transatlantic in nature. The aim of the New Nordics should be to keep their region a stable and predictable place to live and to do business. To that end, they must tackle many unresolved questions.

What will be the relationship between NATO and non-NATO countries in the Nordic region? What will be the relationship between EU and NATO in security matters? Will there be co-operation or competition in the development of defence equipment and technology? What kind of position should the New Nordics take in security matters?

A recent report on Nordic defence co-operation for the Finnish Government, “A Stronger North?”, noted that different affiliations, priorities and levels of commitments imposed clear limitations on defence co-operation. However, it also drew attention to the high level of legitimacy it enjoys across the Nordics, perhaps due to its informality. Based on existing capabilities, the report concluded that the Nordic countries “possess a significant power potential that should not be underestimated” – therefore, according to the report, the Nordics should “be bolder in marketing Nordic achievements and unity”. They should develop shared visions and do better within both the EU and NATO – hear, hear!

Voices encouraging a stronger, shared security stance have also been heard on the other side of the Atlantic. An early 2018 report from the Center for Strategic and International Studies (CSIS), “Enhanced Deterrence in the North” (EDN), characterises defence co-operation between Finland and Sweden as “the core of an envisioned web” of security relationships. There is no shortage of players in the New Nordic field; now, they merely need a more unified game plan.

The Nordics have underinvested on defence and by adopting a more active attitude, they should also inspire the rest of Europe to be active, too. Especially after Brexit, it is important for the Nordics to signal their commitment to security both against European and global benchmarks with tangible investments in security and co-operation between the Nordics.

The New Nordics should co-operate more widely and deeply, not least due to Russia and the military and propaganda threats it poses. By doing so, they should also strengthen the transatlantic link, because the US wants the Nordics to take on more responsibility. Just as in trade, also on the topic of security it is important to keep the UK close.

The New Nordics believe Winston Churchill. It is always better to jaw-jaw than to war-war. Yet, we do take international security very seriously.

Military experts tell us that the Baltic Sea region is an integrated operational arena. They explain, for example, that a conflict in the Baltic States would be quick to spill over into other parts of the region. Whether this also means that no country can stand alone remains an open question.

This kind of eminently plausible scenario is one for which all Baltic Sea countries must be prepared. The Nordics cannot expect that the United States will provide an immediate and conclusive fix in such a hypothetical case or for the region more generally.

The US certainly cares, but it also has other priorities, including the ongoing pivot to Asia. Slightly paradoxically, this refocusing of US energies and attention means that it will support most initiatives that deepen security in the heartland of the New Nordics.

The Nordics were originally one of the key reasons for the formation of NATO with Sweden and Finland playing a significant role in maintaining stability in Northern Europe during the Cold War. Fast forward some years and decades and the Baltic States are crucial partners of NATO. Since the end of the Cold War, Sweden and Finland have become close partners of the Western military alliance and security community.

The New Nordics should not be looking at the United States for help but asking how they can contribute to security through their own efforts. They must build their own security, and this involves Nordic teamwork. For the US, the

exact composition and form of the Nordics may not be as essential as what they want to achieve.

The New Nordics should also ensure that EU security co-operation is open to third countries, as Northern European security affects everyone regardless of institutional memberships. The UK, Norway and Iceland come to mind as countries that add to security from the North to the Baltic Sea.

Let us focus on concrete results. We must create incentives for a more co-operative New Nordic region. Through such efforts the New Nordics can establish a loud and clear voice for transatlantic security co-operation.

PROTECTING THE PRIVATE AND THE PUBLIC

In the last year, societies on both sides of the Atlantic have increasingly awoken to the lack of privacy in the digital world. Lawmakers and regulators have scrambled to understand phenomena of which they clearly have only limited prior understanding. The hearings of Facebook CEO Mark Zuckerberg in both Washington and Brussels were a poignant reminder of this reality.

Our public institutions need to understand what is at stake when we do or do not protect not only privacy but also digital public and private goods. Nordic citizens and companies – as well as others active in the region – must partake in enlightening them.

In the field of privacy, the Nordics have a long tradition upon which to build. Traditional media has for long subjected itself to self-regulation with an element of peer review, drawing privacy curtains on individuals more hastily than their Anglo-American counterparts would. This self-regulation of information has been complicated by the emergence of new media, but its influence lingers even in the behaviour of private citizens.

In terms of private property, Nordic companies – just like the rest of the West – are a favoured target. As argued in “Stealing Thunder”, a paper published in 2017 by the European Centre for International Political Economy, cyberespionage threatens entire businesses: within “five years, an

entire connected business can be copy-pasted, stolen and handed over to a competitor by a government-sponsored hacking group.”

What makes matters worse is that such entities will not be sanctioned under international law, even if the espionage is detected. Cyberespionage is one topic that president Trump has squarely placed on a shared transatlantic agenda.

Meanwhile, the New Nordics and especially Estonia have for many years been at the forefront of e-governance, including electronic voting and electronic residence. Although such efforts have often been held back by a fear of foreign intrusion, it should be noted that low-tech electoral procedures can also be infiltrated. The Russian meddling in the 2016 US presidential election serves as only the most obvious example – one which has been confirmed by all US intelligence agencies. The next challenge: electing the European Parliament in May 2019.

To complicate matters even further, cybersecurity, fake news and data protection intersect with other major trends such as circular and sharing economies. How do we make full use of the digital possibilities available to us, while also keeping ourselves and our data safe?

The Nordics are ideally placed to develop models that allow for the sharing of sensitive private and public, actionable data across borders. One such example is the mutual recognition of medical e-prescriptions

between Finland and Estonia. Within their own region but also across the globe, the New Nordics must stand up in defence of digital public and private goods as well as protect digital privacy.

All of this, obviously, calls for a renewed focus on security. To be successful in the long term, leadership in the digital sphere requires increasing emphasis on hard power as well, namely the threat of cyberwar. The Bronze Soldier crisis and its aftermath should never recur, and the New Nordics must work together, digitally, to ensure that it does not. Security is not only good business; it is also a necessity for prosperous societies.

Key Proposal:

A trade deal to underpin transatlantic security, to renew partnership in a new century.

CONCLUSION:

ENGINEERING

OUR

BRIDGEHEAD

THE NEW NORDIC PLATFORM

This manifesto is not about new institutions, procedures, budgets or treaties. This manifesto is about breathing new energy and ambiance into the Nordic approach. It is about making political leaders, CEOs, researchers, civil servants and citizens pause and think: If I were to use a Nordic platform for the things that I want to achieve, what would it look like? In which ways could it make my work more successful? What would I gain and learn? And what obstacles should be removed, or alternatives embraced in order to make everything work even better in the future? Which bridges might I build or reinforce?

Like the twelve Nordic chefs, we want actors to come together because we feel that the Nordic has something unique, valuable and innovative to offer. Copenhagen restaurants are now full of culinary trainees and professionals from all over the world; let us do the same for other Nordic cities and industries. We want the Nordics to embrace the potential offered by new technologies, knowledge, nature and culture and to use it to make the world a better place.

To make our vision for the New Nordics a reality, we need all the cooks in the kitchen. The old Nordics were about intergovernmental co-operation. We want to bring Nordic co-operation out of the old institutions into the everyday life of citizens and businesses. This mindset is about not falling into old traps but identifying new possibilities. It is open to all – and everyone's input is welcome.

We need a New Nordic forum with an aim of bringing together business, political and other leaders from the region and beyond to discuss what needs to be done. Should we bring down barriers? Should we improve co-operation? Yes, and yes. In this and other settings, we should have clear objectives in mind, and next you can find our most important ones – all of which are well within our reach.

This manifesto is about breathing new energy and ambiance into the Nordic approach.

OUR SIX OBJECTIVES

- 1. Elevate the Nordic voice in the debate over the epoch-defining issues facing the West and the solutions needed.** Initiate a broad debate on what the New Nordics can achieve together. What we share here are only preliminary ideas. The broader the debate that is sparked around things that we can do together, the greater our accomplishment.
- 2. Make sure the New Nordics work together in the EU smartly and constructively.** The New Nordics must co-ordinate their policies on major issues facing the European Union. Norway and Iceland must be included fully in these discussions. The New Nordics must take advantage of the Finnish 2019 EU Presidency to show their unity.
- 3. Be a strong voice for free trade in Europe and globally.** The New Nordics should push to deepen the internal market, promote trade agreements far and wide and support rules-based free trade and multilateral co-operation.
- 4. Take sustainability to the next level.** The single electricity market is a great benchmark. Now, it is time to consider what can and should be done together to fight climate change and make a green transformation happen.
- 5. Create a seamless Digital Single Market in the New Nordics.** The broader European digital project must pick up speed and the Nordics are here to provide it with a push. It is in this sphere that the integration of Estonia into the New Nordic project shows particular promise.
- 6. Create a vision for a future transatlantic relationship.** We cannot let immediate news and crisis crowd out longstanding trends towards shrinking the Pond that separates us. This applies equally to questions of security, trade, and culture. Let us try to strike a trade deal between Europe and North America.

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This has been an initiative supported by leading Nordic companies. We thank all the companies and foundations that have made this initiative possible.

Nordic West Office is a global affairs consultancy, a pan-Nordic think tank and a gateway to the US market. We are well connected and have deep experience in the US, the Nordics and Europe.

We help Nordic companies navigate globally. We also help international companies succeed in the rapidly strengthening New Nordics region.

We believe that New Nordic companies and countries can lead the way to a more enlightened market economy.

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