

5th ANNUAL

HELSINKI SECURITY FORUM

2026
LAYERS OF SECURITY



2–4 OCTOBER 2026

LAYERS OF SECURITY



WELCOMING WORDS



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Layers of security – a call for agency

In 2026, security can no longer be viewed through old assumptions. In the age of exponentially galloping technological disruption, rapidly advancing climate change, the alarming decline in biodiversity, and the overall deterioration of the global security situation, we must look at security with a fresh pair of eyes.

As old certainties lose their validity, new solutions are needed. Instead of one-stop solutions, the title of this year's conference, *Layers of security*, invites us to think about new ways and levels of generating security.

Just as the Covid-19 pandemic highlighted how problematic it was to rely on single supply chains and just-in-time delivery, the current turbulence in world politics challenges the idea of single solutions to security. We need a layered approach, where instead of a neat matrix, security stems from a messier, overlapping structure. These overlapping and mutually reinforcing layers can be geographic or sectoral. Erecting and upholding them will cost both financial and diplomatic resources. The age of institutional optimisation is over, at least for the time being.

Yet none of this means that security is out of reach. To feel, and most importantly, to actually be secure, we must adopt a new mindset that views security more as a process than as a firmly achieved and stable state. We must also accept that the so-called 'normal times' are being replaced by varying stages of disruption and, at times, even emergency.

But when the going gets tough, the smart take action. Pockets of stability and calm are not brought about automatically, but they require concerted action and intentional agency. In short, we need active layers of security.

The bricks and mortar of security are economic and technological competence, as well as the ability and agility to act effectively. Yet the technological frontier and, consequently, the contours of economic and military power are shifting more rapidly than ever. This raises the question of who will reap the spoils of this new age of rapid technological progress and how that will affect the relative well-being, standing and security of those less fortunate.

There is a growing concern that Europe could end up on the losing side of this transition. Our economies are sagging while the technological frontier seems set to move beyond our reach. We seem to struggle to pursue a clear course of action, even while being fully cognizant that our security and standing are slipping away from us. As always, security begins at home. We must go back to the fundamentals of national power. The same applies to European integration. We must rejuvenate both the member states and their most important political union. The challenge is as difficult as it is urgent.

In the following pages, **Sinikukka Saari** and **Mikael Wigell** consider how Europe can turn its technological drift into direction, while **Tyynne Karjalainen** and **Niklas Helwig** ask what Europe needs beyond rearmament. **Margarita Zavadskaya** examines the growing costs and chokepoints of Russia's war effort, and **Matti Pesu** looks at the case for deeper Nordic military integration. **Jyri Lavikainen** considers NATO's deterrence in a future war and **Marco Siddi** and **Emma Hakala** write about the costs of relying on fossil fuels. **Katja Creutz** and **Bart Gaens** consider what it means to be a middle power.

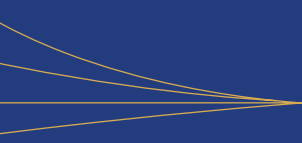
I hope you will find these contributions illuminating and thought-provoking. A warm welcome to Helsinki Security Forum!

**The age of institutional
optimisation is over, at least for
the time being.**



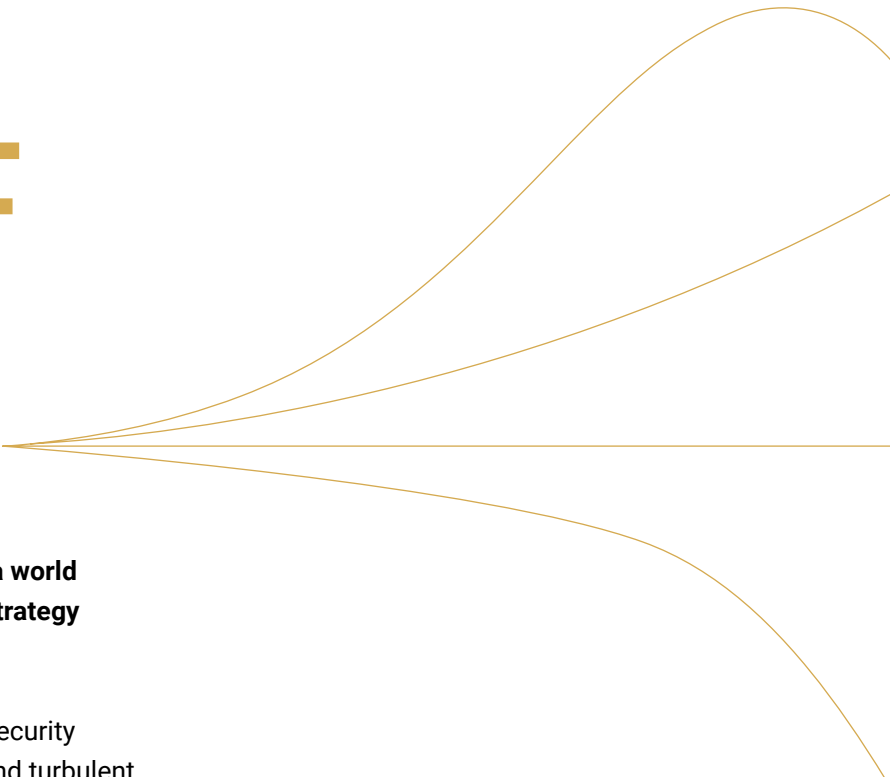


TABLE OF CONTENTS



Layers of security	6
From drift to direction – Europe needs more than capital to compete in technology Sinikukka Saari & Mikael Wigell	8
Europe rearms – but is it ready to act? Niklas Helwig & Tyyne Karjalainen	10
Russia solves its wartime problems by creating new ones elsewhere Margarita Zavadskaya	12
Nordic defence cooperation has come a long way – is military integration next? Matti Pesu	16
Waging deterrence in the future war Jyri Lavikainen	18
Europe's latest energy shock lays bare the cost of fossil fuel dependence Emma Hakala & Marco Siddi	20
All revved up, middle powers look for traction Katja Creutz & Bart Gaens	22
About HSF	24
About FIIA	25
Partners	26

LAYERS OF SECURITY



The era of taking security for granted is over. In a world shaped by disruption, no guarantee, alliance or strategy is enough on its own.

Helsinki Security Forum 2026 explores this new security setting and the future of Europe in an uncertain and turbulent world. It asks how Europe – and Finland – can strengthen their agency and capacity to act.

The discussions focus on European security and defence cooperation, transatlantic relations, technological sovereignty, defence innovation, energy and climate stability, nuclear deterrence, and Russia's role in Europe. The topics reflect the interconnected layers of European security.

In the following pages, researchers from the Finnish Institute of International Affairs offer their perspectives on the themes of this year's HSF.





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From drift to direction – Europe needs more than capital to compete in technology

Global technological competition is increasingly structured around two powerhouses. The United States leads through deep capital markets, global talent, defence procurement and digital firms capable of turning research into platforms of enormous scale. China's model relies more heavily on long-term state direction, rapid technological deployment across a vast domestic market, infrastructure construction and manufacturing depth. Despite their differences, both systems connect innovation to finance, energy, production and demand.

Squeezed between these two technology giants, Europe's technological downfall over the past two decades has been remarkable. It has lost ground through successive waves of innovation, from digital platforms and cloud computing to advanced semiconductors and artificial intelligence. Europe's predicament is not simply the result of underinvestment. Policy-makers repeatedly underestimated how quickly the technological landscape was changing and how much scale the new technologies would require. Decisions that appeared defensible at the time – such as postponing infrastructure projects, imposing cumbersome rules and leaving little room for experimentation – gradually left Europe dependent on foreign computing capacity, digital platforms and advanced chips.

The result is an increasingly unfavourable and insecure technological position. Europe relies heavily on American cloud platforms and frontier artificial-intelligence models while depending on Asian producers for advanced semiconductor manufacturing and memory. Its internal fragmentation compounds these external dependencies: firms must navigate nationally divided capital markets,

procurement systems, energy networks and regulatory practices. Promising companies face higher costs when expanding, while limited scale discourages investment and pushes customers, data and talent towards foreign platforms. Europe regulates and uses advanced technologies, but it depends heavily on non-European suppliers for several critical layers of the technological stack. The danger is dependence without leverage, alternatives or credible safeguards.

Mario Draghi's report on European competitiveness correctly identifies the seriousness of this problem. It traces much of Europe's productivity gap with the United

Europe's goals should be ambitious but realistic, concentrating on areas of proven strength: semiconductor equipment, robotics, industrial automation, cybersecurity and quantum technology.

States to digital technology and calls for unprecedented investment, deeper capital markets, greater policy coordination and a reduction of strategic dependencies. Its diagnosis is compelling: fragmented national policies are inadequate in a competition organised at continental scale.

Yet the Draghi agenda remains incomplete, because it treats capital as the binding constraint. Under strategic capitalism – the emerging order in which states actively shape markets to secure competitiveness and reduce dependencies – competitiveness depends on aligning three things at once: control over the resources and infrastructure innovation depends on, the ability to turn innovation into competitive European companies, and a clear direction for which technologies and sectors Europe wants to prioritise. Investment alone cannot restore competitiveness if data centres wait years for grid connections, if procurement stays divided by national borders, or if member states keep protecting national champions instead of the most capable firms.

When Europe strengthens one of the three – control, competitiveness or direction – without the others, it drifts into familiar traps: pouring money into national schemes that never scale into European competitiveness, or tightening control over technology flows without generating the innovation that competitiveness is meant to protect. Genuine strategic competitiveness requires all three to reinforce one another, coordinated across both national and EU levels. Europe needs not only more

capital, but the institutional agility to direct it quickly towards what actually grows.

Europe's goals should be ambitious but realistic, concentrating on areas of proven strength: semiconductor equipment, robotics, industrial automation, cybersecurity and quantum technology. In artificial intelligence, Europe's clearest opportunity lies in industrial applications – from factories and energy grids to transport and healthcare – where its data, expertise and established companies provide a credible advantage.

Europe should also learn selectively from its competitors. From the United States, it should adopt stronger risk financing, faster commercialisation and public procurement that creates early markets. From China, it should learn to coordinate investment in infrastructure, energy, manufacturing and skills, and to deploy technology at speed – without importing either model's disregard for the checks that make markets trustworthy.

The objective should be trusted scale, not full self-sufficiency. A more integrated European market, faster approvals, and closer partnerships with countries such as the United Kingdom, Canada, Japan and South Korea would help European firms grow while reducing critical dependencies. Europe cannot lead in every technology, but by aligning control, competitiveness and direction, it can remain indispensable in key sectors, secure access to what it cannot produce and offer the world a model built on scale, reliability and trust rather than drift.

WHAT FOLLOWS

WHY DOES THIS MATTER NOW?

Strategic capitalism is rewriting the rules of technological competition, and every year Europe spends chasing capital rather than alignment is a year in which its dependencies deepen and its room for manoeuvre narrows.

WHAT NEEDS TO CHANGE?

Europe must stop treating control, competitiveness and direction as separate policy tracks and start treating them as parts of the same strategy, with EU and national policy pulling in the same direction.

WHAT NEEDS TO BE DONE?

European policy-makers should concentrate resources on the sectors where Europe already has genuine strength, tie funding to performance rather than incumbency, and build the cross-border scale that lets European firms compete on their own terms.



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Europe rearms – but is it ready to act?

It is spring 2027. A Russian drone strikes critical infrastructure in eastern Poland. Moscow denies responsibility, and the attack appears carefully calibrated to remain just below the threshold of open warfare. Poland invokes NATO's Article 4, while allies debate whether the incident constitutes sabotage, an armed attack or a deliberate test of NATO's ability to respond. For some allies, it marks a major escalation, bringing Russian aggression onto NATO territory. For others, it is little more than another Putin bluff.

This is a hypothetical scenario, but not a far-fetched one: undisclosed intelligence assessments reportedly circulated in early summer 2026 warned of possible Russian provocations, including a limited armed attack on Polish territory.

Since Russia's full-scale invasion of Ukraine in February 2022, European states have significantly strengthened their military preparedness. Defence spending among EU member states has risen from €197 billion annually in 2015 to €454 billion in 2026. Yet the scenario above exposes different but equally important vulnerabilities that have received far less attention: the need for a shared situational picture, common principles to guide crisis responses, and institutions and networks that can be effectively mobilised.

First, the situational picture. While NATO prepares for a wide spectrum of aggression scenarios, developing a shared situational picture among 32 allies, or even the EU's 27 member states, remains a political exercise. In the event of a Russian drone strike, the immediate challenge would be determining whether it can be confirmed

that the drone was Russian and whether the incident constituted an attack on NATO territory. Attribution alone could take time, as recent drone incursions and cable sabotage across Europe have shown.

The ability to interpret an attack collectively rests on a shared conception of European security. Europe has long pursued greater convergence in threat perceptions and strategic assessments. This has become increasingly urgent, as Europe can no longer assume that the US will provide the political leadership in framing an incident as a violation of European states' sovereignty when it is one.

Second, principles. Crises test the common principles on which collective action depends. In a crisis like a Russian drone strike, Europeans would likely refer to international law to condemn the attack, justify a response and mobilise international support. NATO's commitment to defend every inch of allied territory would also be cited.

The problem is that Europe's own commitment to shared principles has raised concerns. Earlier this year, European responses to the US use of force against Iran left everyone confused about where Europe stands. The US was disappointed by the lack of meaningful European backing, while observers in the Global South interpreted Europe's silence as evidence that it defends international law selectively.

Europe's principles remain ambiguous and their application compartmentalised. Governments tend to focus on the immediate pressure of adopting an acceptable position, paying less attention to how today's decisions affect Europe's credibility and room

for manoeuvre in future crises. Strategic thinking in an increasingly contested international environment requires clarity about one's own objectives and values.

Third, institutions. An effective crisis response depends not only on capabilities but also on institutions able to manage and coordinate them despite shifting political realities. Much attention has been devoted to the consequences of a declining US role in NATO, but an equally important question is how a more European NATO is beginning to operate. Similarly, the EU must be able to function in crises, not least to provide financial backing for a member state under attack. But as things stand, a single opposing member state could halt EU decision-making even during a Russian attack.

European defence arrangements are becoming more differentiated, relying on national capabilities and regional frameworks. This offers opportunities: in crisis scenarios, regional groups can provide initial political coordination and military reinforcement, helping to prevent hesitation at the alliance level from turning into paralysis. In the event of an armed attack, Poland might also invoke the EU's mutual assistance clause to mobilise broader political and military support.

Yet there is an urgent need to ensure that this differentiation does not become fragmentation that would obscure responsibilities in scenarios like the one above. Regional and minilateral initiatives should reinforce NATO's collective decision-making rather than create competing centres of political authority.

Moreover, important questions remain regarding NATO-EU cooperation in a crisis context. Clarifying these issues before a crisis occurs would strengthen Europe's preparedness.

Fourth, networks. Ukraine's experience in coping with Russia's immediate and prolonged aggression offers one particularly important lesson for Europe: defence depends on broad international partnerships capable of rapidly mobilising and sustaining material support as military technologies evolve.

Political attention and resources devoted to European defence risk coming at the expense of broader international partnerships. This is short-term thinking. An alliance backed by extensive international support can insist on defending every inch of its territory, while an isolated alliance has less room for manoeuvre.

The next test of European security may not begin with Russian tanks crossing a NATO border. It may begin with a deliberately ambiguous act that forces Europeans to decide what has happened and what they are prepared to do about it. More weapons can give weight to that decision, but they will not make it for Europe.

European preparedness therefore requires more than rearmament. Europe needs the capacity to understand a crisis collectively, respond according to common principles, mobilise institutions quickly and sustain its response through international partnerships.

WHAT FOLLOWS

WHY DOES THIS MATTER NOW?

Rearmament alone will not ensure Europe can respond to external aggression.

WHAT NEEDS TO CHANGE?

Europe must shift from crisis management to strategic preparedness. Europe needs shared threat assessments, clear principles, effective institutions and strong international partnerships.

WHAT NEEDS TO BE DONE?

Europe should strengthen cooperation between national, NATO and EU assessment and planning bodies, clarify principles for collective action, stress-test how institutions would work together in a crisis, and invest in broad international partnerships that sustain defence.



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Russia solves its wartime problems by creating new ones elsewhere

For much of the war, the Kremlin has managed something initially improbable: fighting a major war in Europe while keeping everyday life in much of Russia recognisably normal. However, that image is becoming harder to maintain. In summer 2026, Ukrainian drones struck refineries and industrial sites deep inside Russia. Petrol shortages and rising prices have reached regions far from the front. Airport closures and mobile-internet shutdowns have become routine. Finally, fear of another military mobilisation grew ahead of September's State Duma elections.

None of this means **Vladimir Putin's** regime is close to collapse. Russia's economy has repeatedly absorbed shocks and redirected resources. But resilience is not the absence of vulnerability. The question at hand is not when Russia will break, but where and how its wartime chokepoints are emerging.

The more the regime prioritises loyalty and centralised control, the more it sacrifices effectiveness and shifts costs elsewhere.

The impossible task of Russia's domestic governance lies in reconciling political control with economic effectiveness. The Kremlin needs a system capable of sustaining an inconveniently prolonged war while also keeping it politically manageable. However, the more the regime prioritises loyalty and centralised control, the more it sacrifices effectiveness and shifts costs elsewhere. This logic manifests itself in military, technological, economic and political realms.

The Wagner mutiny exposed this mechanism in the most dramatic way. After **Yevgeny Prigozhin's** rebellion, Putin's system has depended on risk-averse loyalty while periodically relying on informal actors to compensate for rigid formal institutions and corruption. Wagner was one such "pocket of efficiency": its autonomy made it useful on the battlefield, but also politically dangerous. Weak and corrupt institutions force the regime to resort to exceptional solutions, which in turn create political risks. Those risks are met with more political centralisation. And the cycle repeats.

More aggressive military recruitment may now provide the next test. Russia's authorities tried hard to avoid repeating the disruptive mobilisation of September 2022 by relying on costly contracts, regional recruitment campaigns, migrants, prisoners and other targeted sources of manpower. But the existing recruitment model is becoming harder to uphold while battlefield losses remain high. Another nationwide mobilisation would provide manpower more directly to the front but spread the costs of war across society, including big cities, thereby making the war even more visible. That visibility is likely to heighten anxiety further and erode confidence

that the regime retains full control over developments on the battlefield. Ahead of September's State Duma elections, the Kremlin tightened the screws even further, as accumulating crises increasingly undermined its claim to be keeping the situation under control. The exclusion of *Yabloko*, the only registered party openly campaigning against the war, illustrates how little political uncertainty the regime is willing to tolerate.

Veteran reintegration adds another deferred cost. Russia now faces an unprecedented number of former combatants whose expectations have been inflated by high wartime pay, extensive benefits and officially elevated social status, while these privileges may themselves generate resentment in civilian society. Crimes committed by veterans have already become a concern. The Kremlin is trying to pre-empt the problem by promoting selected veterans into regional administrations, but such carefully managed appointments can neither absorb nor represent the much broader veteran population. This is unlikely to produce an organised challenge to Putin in the near term. The more plausible risk is a diffuse accumulation of grievance, crime and social tension that becomes significantly harder to manage once large-scale demobilisation begins.

The war is increasingly arriving through infrastructure rather than politics. Ukraine's long-range strikes have hit refineries, oil depots and military-industrial facilities deep inside Russia. In August, attacks again reached major sites in Tatarstan, Bashkortostan and Samara. No individual strike changes the war's trajectory, but repetition creates a cumulative effect as air defences are stretched thin, airports close and supply chains are

rerouted. Thus, the system continues to function, but less predictably and at greater cost.

Fuel makes these costs unusually tangible. Even Russia's official statistics showed that by late July average petrol prices were 19% higher than at the end of 2025, with diesel around 20% higher. For a major hydrocarbon producer, shortages and petrol queues carry symbolic as well as economic weight. They do not automatically create anti-war sentiment, but they clearly disrupt the image of normality.

Digital control follows the same logic. Russia has moved from blocking content towards controlling connectivity itself. Mobile-internet shutdowns, justified partly as protection against Ukrainian drones, have disrupted payments, taxis, ATMs and businesses. The state gains coercive and security capacity, but at the cost of economic and administrative effectiveness.

Seen separately, none of these problems is decisive. Russia can recruit more soldiers, repair refineries, reroute flights, manipulate elections, restrict connectivity and subsidise affected regions. But viewed together, the picture is one of cumulative degradation: each workaround solves an immediate problem while creating costs elsewhere.

Europe should therefore look for chokepoints, not a breaking point. The task is not to predict spectacular regime collapse, but to identify the trade-offs that make Russia's adaptation increasingly expensive. Russia's wartime resilience is real. So are the costs required to sustain it.

WHAT FOLLOWS

WHY DOES THIS MATTER NOW?

The war's costs are increasingly leaking into ordinary Russian life just as manpower pressure and September's elections have narrowed the Kremlin's room for politically painless adaptation.

WHAT NEEDS TO CHANGE?

Europe should focus less on whether the system is approaching collapse and more on making the trade-offs for Russia harder to manage.

WHAT NEEDS TO BE DONE?

Europe should target the technological, industrial and financial dependencies that make Russia's workarounds costlier, while tracking where mobilisation and infrastructure disruption begin to make each other worse.



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MATTI PESU

SENIOR RESEARCH FELLOW, FIIA

Nordic defence cooperation has come a long way – is military integration next?

Nordic defence cooperation has reached a new level after Finnish and Swedish NATO accession. For decades, the Nordic region has been an example of what International Relations scholars call a security community – a region characterised by cordial relations, cooperation at various levels, and the unimaginability of interstate war between its members. Now, for the first time, all Nordic states are formally committed to collective defence against external threats as well.

The Nordics are also united and clear-eyed about what the main threat to the region is: the Russian Federation. The mercuriality of the Nordics' most powerful ally, the United States, and President **Donald Trump's** repeated musings about taking over Greenland have further strengthened the glue among the Nordics and brought Denmark's defence outlook closer to those of its neighbours.

This unanimity, together with shared NATO membership, has facilitated the rise of a Nordic deterrence cluster: a group of allies engaged in intense military collaboration within a multinational defence alliance. The cluster can also act as an interest group in allied decision-making. The four Nordic countries with armed forces – Denmark, Finland, Norway, and Sweden – are already above, or on track to reach, 3% of GDP in defence spending. In real money, this amounts to around €50 billion – a sum equivalent to Poland's annual defence expenditure. This level of spending will grant the countries further sway in defining NATO's direction.

The Nordic cluster – characterised by close collaboration between air forces, a military mobility corridor, joint

Nordic command and control as well as planning, and a nascent division of labour among the countries – is an example of how NATO allies could develop the Alliance's posture in its most exposed parts. The Swedish-led Forward Land Forces Finland is also an illustrative example of the new level of collaboration reached by the Nordics.

NATO's frontline, extending from the waters of the European Arctic to the Black Sea region, consists of three distinct fronts, each constituting its own operations area. Nordic cooperation addresses the problems of the Joint Operations Area Northwest, covering the Nordic region, the European Arctic, and the North Atlantic. The other fronts include the southeastern Baltic Sea region, covered by Joint Operations Area Centre, and the Black Sea region, covered by Joint Operations Area Southeast.

Neither of the other two areas has regional arrangements as deep as those in the Nordics. However, they would benefit from similar minilateral latticework. Enhancing interoperability, exercises, planning, command and control, and logistics based on regional needs and a certain division of labour would not only make the implementation of NATO's collective defence more effective but also improve exposed allies' capability to respond quickly if the Alliance's decision-making and allied support are slow.

Despite being an example of allied military cooperation, the Nordic cluster can still be enhanced further. Two issues stand out: cluster cohesion and the possibility of moving from military cooperation towards military integration.

First, the Nordics should pay particular attention to the cohesion of their cluster, which is the result of several factors. They could further enhance the nascent division of labour in the region's defence. Moreover, despite aligned views on Russia's threat potential, constant strategic dialogue is needed on how the menace develops, how it should be addressed, and what it means for the shared security environment. Lastly, and relatedly, the Nordics should further develop a shared view on how deterrence measures, including nuclear deterrence, are implemented in the region and how escalation management is best carried out.

Some recent examples demonstrate that cohesion is not yet where it should be. The Nordics have, for instance, had somewhat different approaches to the French initiative on forward nuclear deterrence. Whereas Sweden and Denmark were among the first states to join the initiative, Norway followed later, with Finland becoming the most recent Nordic country to do so in September 2026. Ideally, the Nordics would have proceeded in lockstep, since it is difficult to assess what the French proposal means for Northern European security if not all relevant players are included.

The second question the Nordics should consider is whether to move more decisively towards military integration. The difference between military cooperation and integration is that whereas cooperation means coordinating national policies and wills, integration is about fusing them. A division of labour – including specific role-setting and capability pooling – as well as joint planning and command are examples of integration. Essentially, in military integration, states exchange

autonomy for more efficient defence and denationalise their military efforts. Moving deliberately in this direction would necessitate stronger political guidance. However, it is unlikely, and inadvisable, that the national level and the coordination of national wills would become meaningless in Nordic defence efforts.

Despite tremendous progress, there is still room for deepening and strengthening the Nordic deterrence cluster, as it is hard to see future developments in the European security environment that would not require joint Nordic solutions. The paradox of Nordic cooperation is that taking it to the next level would require political leadership and attention. Yet precisely because the cluster works well and enjoys almost complete support across Nordic societies, it tends to receive less high-level political attention than the more contentious international issues. Finland, in particular, as the most geographically exposed country, would benefit from tying the Nordics as closely together as possible.

The Nordics are united and clear-eyed about what the main threat to the region is: the Russian Federation.

WHAT FOLLOWS

WHY DOES THIS MATTER NOW?

The Nordic deterrence cluster offers a template for how NATO's other subregions could effectively organise regional cooperation to strengthen the Alliance's deterrence posture.

WHAT NEEDS TO CHANGE?

The Nordics should further cultivate the cluster's cohesion and move towards military integration where possible and sensible.

WHAT NEEDS TO BE DONE?

Stronger political leadership is required. The Nordic leaders should convene at the level of heads of state or government to decide on the next steps – potentially based on a report similar to the landmark Stoltenberg report published in 2009.



JYRI LAVIKAINEN

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Waging deterrence in the future war

The Russo-Ukrainian War has resulted in a sobering reappraisal of the significance of nuclear deterrence in the contemporary security environment. With Russia using nuclear coercion as a strategic instrument of warfare, NATO will have to reckon with the prospect that any open war with Russia would similarly be fought under a nuclear shadow. Despite the nuclear crisis of autumn 2022, there is little evidence, however, that European countries have fully grasped what it would mean to fight such a war.

War under a nuclear shadow is not only a contest of military capability. It is also a contest of nerves, willpower and bargaining. In the nuclear age, this psychological counterpart to the military struggle is inescapable. Warring parties will have to choose what risks and costs they are willing to bear in defiance of their enemy. They will also need a strategy for cognitive warfare to help secure their war aims.

The strategic community has taken on the task of conceptualising strategy for this psychological struggle. This work has coalesced around two related concepts: escalation management and intrawar deterrence. No unified definitions exist, and authors emphasise different aspects of these concepts. Even at a discursive level, these differences in emphasis reveal which aspects of the problem are given greater importance and, in turn, point to differences in the strategies each concept informs.

Escalation management, the more widely used concept and one preferred by both the **Biden** and **Trump** administrations, focuses on avoiding unacceptable escalation while pursuing military-strategic goals. Its

corollary strategy is to use deterrent threats to prevent the enemy from taking escalatory actions, while exercising restraint to avoid provoking an escalatory response. Formulated as a question, the concept asks: how can escalation be kept at acceptable levels?

Intrawar deterrence proceeds from the premise that mutual deterrence is an unavoidable feature of war. Deterrence does not stop at the outbreak of hostilities but will be waged like war is waged. The central problem the concept invites us to address, then, is how to deter the enemy from taking certain actions in order to secure the best possible war outcome. The concept asks how deterrent threats can be employed effectively to achieve decisive influence over the enemy.

There is overlap between the two concepts. A degree of restraint is a necessary part of any intrawar deterrence strategy – or indeed any sane strategy – under conditions of mutual strategic nuclear deterrence. Escalation management, for its part, also includes deterrent threats. The difference lies in the central objectives of the two concepts, escalation or influence over the enemy. This explains the prominent role of restraint in strategies premised on escalation management. The Russo-Ukrainian War, which informs much thinking on both concepts, offers an interesting case study.

During war, an escalation management strategy invites probing the adversary's red lines instead of supporting military operations effectively. During the Russo-Ukrainian War, this resulted in an *a priori* assumption that almost any significant expansion of military aid to Ukraine had to be preceded by testing the waters. Moreover, the same

assumption impeded effective military operations, as was the case with restraints placed on striking Russian territory with certain weapons. Particularly troubling for NATO, however, is that the relative weight escalation management places on restraint effectively validates an aggressor's strategy of nuclear coercion before war has even broken out. Such signals can contribute to an aggressor's perception that a viable pathway to victory exists, thereby weakening deterrence.

One may question what Ukraine's prospects for a tolerable war outcome would be had it throughout the war exercised the degree of restraint favoured by escalation management – for example, by shelving Operation Spiderweb in order to preserve the air leg of Russia's strategic nuclear forces.

The assumption behind the need for restraint is sometimes driven by the belief that geographic proximity to the territory in dispute determines how much each side has at stake. Under this theory, Russia is perceived to have more at stake in a potential Russia-NATO war than most NATO Allies. Yet this assumption overlooks the fact that there are no territorial disputes between Russia and NATO countries, and that the defending NATO country would therefore, like Ukraine, have more at stake than the aggressor in any likely Russia-NATO war. Moreover, any Russia-NATO war would be about the security architecture of entire Europe, resulting in European powers having a strong interest in preventing Russia's hegemonic aspirations. The same reasoning also gives too little weight to characteristics of Russia's dictatorial regime, including its instinct for self-preservation and a degree of risk aversion, which lead to Russia itself having

a tendency to engage in probing, both in domestic and foreign policy. Despite the danger it poses to Europe, Russia is a deterrable state.

The corollary assumption has generally been that even defeat in a war of aggression would threaten the dictator's regime, which could lead him to turn to nuclear weapons in an effort to save himself. Why such a grave escalation would necessarily reduce rather than increase the perceived risk to the regime remains unclear if sufficient deterrent threats are made – especially since turning to domestic security forces and repression to counter challenges to the regime remains another option.

An intrawar deterrence strategy would address this problem by making clear that NATO will pursue its aim to restore the sovereignty and territorial integrity of its members while deterring actions that threaten its ability to achieve those goals. A decision to invade NATO, or to escalate in order to avoid defeat during the war, would heighten risks for the regime rather than lower them, tipping the scales toward adversary restraint. Such a deterrence posture would be more in tune with the realities of Russia's strategic culture, political system and role of warfare in its foreign policy.

Ultimately, the choice between escalation management and intrawar deterrence comes down to whether to emphasise fighting a war safely or deterring its outbreak in the first place. Making war safer for Russia's leaders, however, will increase its likelihood, which in turn increases existential risks for all involved powers, even those geographically distant.

WHAT FOLLOWS

WHY DOES THIS MATTER NOW?

Strengthening NATO's deterrence posture requires associated strategic thought.

WHAT NEEDS TO CHANGE?

NATO needs to make intrawar deterrence a central component of its military strategy.

WHAT NEEDS TO BE DONE?

NATO adoption of an intrawar deterrence strategy should also be reflected in practical-level work, particularly in wargaming.



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Europe's latest energy shock lays bare the cost of fossil fuel dependence

2026 has been a year of energy crisis for Europe, and no quick solution is in sight. The US-Israeli attack on Iran, the closure of the Strait of Hormuz and Iranian retaliation against energy infrastructure in the Persian Gulf have led to serious supply disruptions, declarations of *force majeure* by producers and profound uncertainty about future trade.

For the European Union, the world's largest importer of energy, 2026 marks the second major supply crisis in only four years, a 'double shock' that began with the loss of imports from Russia in 2022. Absorbing the first shock was complicated and only possible through fast diversification, the creation of new dependencies – notably on the United States and Middle Eastern producers – higher prices and partial deindustrialisation. The cumulative cost of the second shock may be even higher, as it comes in the context of a more acute security, economic and climate crisis.

Both present-day challenges and historical responsibilities require the EU to take urgent climate action.

Indeed, Europe's energy crisis is not just about security. It affects every aspect of the 'energy triangle' – sustainability, affordability and equity, as well as security.

The sustainability crisis was for everyone to see in the summer. While the EU continued to burn large volumes of fossil fuels (often originating from dubious partners), unprecedented heatwaves and protracted droughts affected almost the entire continent and caused an estimated 10,000 excess deaths. The ramifications for the resilience and security of European energy systems are also clear. Drought affected hydropower production and river-based transport. Nuclear reactors in France and Hungary were switched off due to the lack of cooling water at a time of peak electricity demand linked to air conditioning. As far north as Poland, coal-fired power plants had to be put offline due to insufficient water in the Vistula River to cool them.

The economic side of the energy triangle is affected by both security and climate. The supply crises and the uncertain outlook have driven up energy prices, which in turn have led to generalised inflation. The cost of this situation is borne disproportionately by poorer Europeans and may further benefit anti-establishment parties, with elections looming in key EU member states in 2027. Meanwhile, beyond hindering the production of hydro- and nuclear power and causing spikes in electricity demand, the climate crisis has a wider effect on the European economy. Costs have been estimated at 1% of GDP in the summer of 2026 alone and may reach 5–7% in Southern and Central European economies by 2030. At a time of growing geoeconomic competition, the EU's competitiveness is negatively affected by energy costs that are higher than those of many of its competitors.

In order to tackle this conundrum, Europe must consider a few essential facts in the energy-climate nexus. First, it is the fastest-warming continent with the largest cumulative historical emissions, together with the United States. Both present-day challenges and historical responsibilities require the EU to take urgent climate action. Second, Europe's energy security will no longer come from fossil fuels. The unreliability of suppliers and supply routes, the sheer cost of fossil energy and the impact of further emissions on the continent have made this abundantly clear.

Paradoxically, resistance to ambitious climate action has been increasing. This is driven by the lobbying of energy-intensive industry and industrial farming, rather than just the fossil fuel sector and the far right. Their positions are being mainstreamed in centre-right parties, which are turning their back on the European Green Deal, arguing that it places too great a financial and bureaucratic burden on companies.

However, it is becoming evident that the costs of inaction are higher. Europe is now, more than ever, faced with a transition imperative, dictated by both climate- and security-related realities. Continued attempts to dilute jointly agreed energy and climate targets will only slow the EU's low-carbon development, widening the technological gap with China, undermining competitiveness and ensuring dependence on increasingly unreliable fossil fuel supply chains.

The EU must fully harness no-regret measures such as energy efficiency improvements and greater grid interconnectivity, while prioritising public support for innovation and clean technologies and ending subsidies for the fossil fuel sector. It must ensure the democratic legitimacy of the transition by providing direct income support and social protection measures to those disproportionately affected by price hikes or investment needs.

A coordinated effort, similar to that required by institutions and civil society during the Covid-19 pandemic, is necessary to facilitate the transition by adapting lifestyles and society, thereby also boosting resilience. A multilateral approach is also necessary to respond adequately to the global challenge of climate change and accelerate the energy transition. Hence, the EU must continue efforts to directly address the global climate crisis, building upon multilateral frameworks while also pushing for partnerships with other major actors such as China, Brazil, Japan and India.

None of the measures proposed here are fully novel. Most of them are included in the European Green Deal launched in 2019. Instead of diluting them, the EU should use them as a foundation for further ambition. Ultimately, not just the security, affordability and sustainability of energy systems depend on these efforts; it is a matter of Europe's overall resilience in the face of an unprecedented climate crisis.

WHAT FOLLOWS

WHY DOES THIS MATTER NOW?

Europe is facing a second major energy supply shock in four years, while climate change is simultaneously increasing the economic and security costs of relying on fossil fuels.

WHAT NEEDS TO CHANGE?

Europe needs to address energy security, affordability and climate action as interconnected challenges.

WHAT NEEDS TO BE DONE?

The EU should improve energy efficiency and grid connections, invest in clean technologies, protect those most affected by the transition, end fossil-fuel subsidies and strengthen international climate cooperation.



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All revved up, middle powers look for traction

Against the background of intensifying great-power rivalry and a possible return to sphere-of-influence politics, 2026 witnessed a wave of calls to arms by so-called middle powers. Canadian Prime Minister **Mark Carney**, speaking at the Davos Economic Forum, declared that the old global order was dead and gone and urged middle powers to forge functional coalitions. Finnish President **Alexander Stubb** similarly made a strong case for values-based realism, advocating plurilateral, purpose-built coalitions of the willing while continuing to strive for a revival of multilateralism. Foreign-policy analysts such as **Stewart Patrick** have alluded to “the middle power moment”, pointing to the key role that second-tier powers can play in sustaining international cooperation and in finding functional solutions in a world where UN institutions and norms are under threat.

The real test is how much agency middle powers can exercise in a system still dominated by great powers.

Yet the discussion remains largely abstract, raising the more basic question of how to understand “middle powerdom”. Is there a coherent agenda that middle powers pursue, and by what means do they seek to pursue it? Will middle powers “save” multilateral cooperation, or will they rather rebrand it? And where does Europe, whose very DNA is rooted in multilateralism, fit into the picture?

Scholars and pundits often describe a middle power as a state with considerable power that nonetheless falls short of great-power status. Middle powers cannot shape the international system on their own, but they can exert influence through so-called niche diplomacy and active engagement on specific issues where they hold expertise or capacity. They often position themselves as mediators in global affairs, with a marked preference for multilateral solutions. Australia, Brazil, Canada, Indonesia, Norway, the Republic of Korea, and Turkey are among the states most frequently cited as examples.

The debate on middle powers reveals a few commonalities among this otherwise diverse grouping of countries. To start with, the term “middle power” is a form of self-identification. Carney’s Canada and **Anthony Albanese’s** Australia readily embrace the label, and many smaller states have followed suit, as it helps leaders explain their foreign policy course to domestic audiences in turbulent times. Second, what middle powers have in common is that they stand to lose out when the rules-based international order is in decline or when multilateralism comes under threat. They share the will not to let competition between the United States and China become the sole determinant

of the future international order. Third, middle powers express a genuine willingness to treat emerging states from the Global South as important partners in sustaining multilateral cooperation. They describe themselves as bridge-builders between the old order and the new one that is slowly taking shape.

The middle power narrative, therefore, has a common thread. Their battle cry as custodians of the rules-based order and saviours of multilateral cooperation in institutionally and normatively dire times has obvious appeal. Underlying it is a plea for “second-tier” states to act as active agents, not passive bystanders, at a time when the foundations and contours of the international order are being overhauled.

In protecting and revamping multilateral cooperation, the tools available to and utilised by middle powers are not, *per se*, unique. While they openly embrace loose networking beyond formal institutional cooperation as well as “ad hocism”, the chosen formats depend on the issue at hand and are often described through concepts such as variable geometry, flexilateralism or multi-alignment. Working with a broad range of partners in different constellations, including through informal networks such as the G20 or the BRICS, is a sign of middle powerdom in action. The essence of middle power cooperation is thus rooted in pragmatism and a recognition that values are not universally shared. For the

EU, the challenge is to defend multilateral cooperation without insisting that it must always take place through existing institutions.

Indeed, one of the important dilemmas for middle powerdom is the absence of a shared agenda or common ideological backbone. A critical fault line separates Canada, Japan, and the Nordics from Global South middle powers such as India, Turkey, Indonesia, Brazil and South Africa. The former aim to preserve the largely Western-created order that has generally served their interests, while the latter not only seek a stronger voice within it but also strive to substantially reform the current international system, including its institutions and norms.

Clout in international relations is also needed to provide public goods and address contemporary global challenges. This leaves middle powers in a paradoxical position: while great-power disengagement is accepted as a political reality, in practice they remain dependent on major powers. Many, including those in Europe and the Indo-Pacific, are also reluctant to alienate their allies, which leaves it unclear to what degree middle powerdom depends on the dominant states. Moreover, the discussions rarely ask whether the United States and China would, in practice, tolerate these countries exercising greater autonomy and influence. The real test, then, is how much agency middle powers can exercise in a system still dominated by great powers.

WHAT FOLLOWS

WHY DOES THIS MATTER NOW?

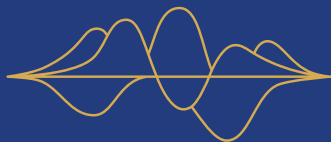
Intensifying great-power rivalry is weakening multilateral cooperation at a time when global challenges require more, not less, collective action.

WHAT NEEDS TO CHANGE?

Middle powers need to become better able to advance their interests and values independently of great powers, especially the United States.

WHAT NEEDS TO BE DONE?

Middle power governments, as well as the EU and its member states, should use their collective leverage to secure binding commitments and institutional reform, strengthen domestic support, and pursue networked cooperation alongside traditional alliances.



HELSINKI
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ABOUT HSF

Helsinki Security Forum (HSF) is a flagship venue for high-level, in-depth discussions on international security and defence, viewed through a Northern European lens. Organised by the Finnish Institute of International Affairs (FIIA), it convenes policymakers, military leaders, experts, and industry representatives to address the most pressing security challenges of our time.

Now in its fifth year, HSF has firmly established itself as a key gathering in the network of security conferences. Since its launch in 2022, it has provided a space for open, forward-looking discussions on issues that matter both to Finland and to the international community.

In 2026, HSF addresses topics such as European security and defence cooperation, transatlantic relations, technological sovereignty, defence innovation, energy and climate security, nuclear deterrence, and Russia's role in the European security landscape. The President of the Republic of Finland, Alexander Stubb, serves as patron of HSF 2026.

HSF is an invitational event, bringing together over 400 high-level participants relevant to international security each year. By combining a global outlook with regional insight, the Forum strengthens Finland's role as a convener of strategic debate.

HSF 2026 is organised with support from the Ministry for Foreign Affairs of Finland, the Ministry of Defence of Finland, the City of Helsinki, Patria, Fortum, Helsinki Shipyard and Sata Shipbuilding, ICEYE, Lockheed Martin, Nokia, STARK, and the Swedish Defence Research Agency (FOI).

ABOUT FIIA

The Finnish Institute of International Affairs (FIIA) is an independent research institute that works in connection with the Finnish Parliament. The Institute produces high-quality academic research on a broad range of topics related to international relations, security, the global economy and the European Union.

FIIA'S PRINCIPAL TASKS ARE TO

- » **conduct academic research**
- » **support political decision-making**
- » **participate in public debate**

FIIA supports political decision-making by producing research of a high academic standard and producing analysis for public use. The Institute's staff take an active role in public debate on international affairs, sharing their expertise and providing commentary on the rapidly changing global order. These times of radical uncertainty have underscored the importance of FIIA's role as a source of reliable, evidence-based analysis.

From 1961 to 2006, FIIA functioned as an independent research institute run by a private foundation. In 2006, the Institute was established by the Parliament of Finland in its centennial plenum. The Parliament provides funding for the primary operations of the Institute. FIIA is autonomous in its research activities and is governed by a nine-member board, assisted by an advisory council and a scientific advisory council.

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Ministry for Foreign
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The Ministry for Foreign Affairs, together with approximately one hundred diplomatic and consular missions abroad, promotes the security and welfare of Finland and the Finns, and works for a secure and fair world.



Puolustusministeriö
Försvarsministeriet
Ministry of Defence

As one of the ministries of the Finnish Government and leading authority in the area of national defence, the **Ministry of Defence** is in charge of national defence policy, provides guidance to the development of Finland's defence capability as part of NATO, directs international defence cooperation and coordinates total defence.



Helsinki is a happy, stable and smoothly functioning city. Regular surveys indicate that 90 per cent of our residents feel safe as they go about their daily lives. The City of Helsinki makes it a priority to work proactively with regional and national authorities to maintain high levels of preparedness and readiness, as we care deeply about the wellbeing of Finland's capital and its people.

Patria

Patria is a modern and international defence and technology company with over 100 years of experience. Through Protected Mobility, Defence and Weapon Systems and Sustainment Solutions business areas, we serve as a partner in critical functions on land, sea and air – when it is not an option. Patria is owned by the State of Finland (50.1%) and Norwegian Kongsberg Defence & Aerospace AS (49.9%).



Fortum is a Nordic energy company. We generate and deliver reliable energy while helping industries decarbonise and grow. Our core operations include low-carbon power generation, customer services, and heating and cooling. Fortum's power generation is already 99% from renewable or nuclear sources, with one of the lowest specific CO₂ emissions in Europe.



Helsinki Shipyard is the global leader in icebreakers, ice-capable vessels and other specialised vessels. We design, build, and sustain the most capable vessels for the toughest demands. **Sata Shipbuilding** specializes in complex steel fabrication and industrial product outfitting. Helsinki Shipyard and Sata Shipbuilding are part of Inoce, a privately owned international marine industrial group with operations in Canada, the United States and Finland.



ICEYE is the world leader in sovereign intelligence from space. We deliver continuous monitoring capabilities to detect and respond to changes in any location on Earth. ICEYE-built constellations serve customers in defence and intelligence, environmental monitoring, insurance and emergency management. We enable fast decisions that contribute to a safer future.



Lockheed Martin has been a trusted partner to Nordic nations for decades, delivering and sustaining combat proven capability across the region. Alongside our partnerships with governments and Armed Forces, we're committed to long-term industrial collaboration working with companies across the Nordics, including Patria and Insta in Finland, to drive innovation and transformation, strengthen deterrence, and expand opportunities.

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Nokia is a global leader in connectivity infrastructure powering the AI supercycle. We create the networks that connect intelligence, combining a complete connectivity view across fixed, mobile, IP, optical, core and data center networks. Through secure-by-design, AI-native innovation, Nokia delivers the trusted infrastructure that makes AI work at scale and advances connectivity to secure a brighter world.



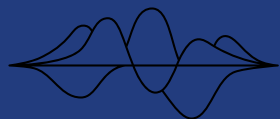
STARK is a European defence-tech company specialised in unmanned systems across multiple domains. Founded in 2024 in response to critical operational demands from Ukraine, STARK's unmanned systems are designed to meet the realities of modern conflict: AI-enabled, software-defined, and ready for affordable production at scale. STARK has a presence across Germany, Ukraine, the United Kingdom, Sweden and Greece with its headquarters in Berlin.



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