Stjórmálafræðideild

MA-ritgerð í alþjóðasamskiptum

Iceland’s Arctic Strategy

Security challenges and opportunities

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Júní 2010
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Júni 2010
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Abstract

In recent years there have been great changes in the High North as result of global warming and climate change. This has drawn increased attention towards the region from various global actors, among them the actual Arctic states and international organizations. The Arctic Council is one of the main forums dealing with Arctic affairs. All its members have stated the importance of continuing to work together within the council and behaving according to international law and treaties. UNCLOS and IMO are important in that respect.

The Arctic states either have published or are working on publishing their national strategies for the region based on the strategic importance and potential economic benefits the opening of the Arctic can have. Some sabre rattling has been taking place between Arctic states but it is not likely that there will be military conflict in the region over unresolved disputes.

International organizations like NATO and the EU have shown interest in greater involvement in the region. The Arctic states do not have a common policy on whether to open up the Arctic for the organizations or not. Russia is taking a harsh stand against any interference by them in what it describes as a priority Russian zone of interest.

Iceland has published its Arctic strategy. The key to Iceland’s strategy is continued cooperation with the Arctic Council. Therefore it is important to avoid any behaviour that gives the five Arctic literal states grounds to meet outside the Council's forum. The strategy gives a good indication on what Iceland wants but not on the way it wants to go to achieve that goal.

Work needs to be done within the political elite and administration and with the help of scholars to define the security needs of Iceland. A complete study of the security needs of the state is needed which covers both civil and military security. The tendency of the political elite to avoid touching on security concepts must stop so that there can be logical debate on the matter. That is the prerequisite for an active, up-to date and comprehensive Arctic strategy that fulfils both the economic and security needs of the state.
Preface

My interest in the Arctic region and the changes there can be attributed to my work as an Air Traffic Controller with first the Icelandic Civil Aviation Authority and later Isavia ohf. Because of my work controlling aircraft flying between Europe and North-America through the Icelandic Control Zone I experienced on a first-hand basis the flights of Russian strategic bombers inside the Icelandic Military Air Defence Identification Zone (MADIZ). That sparked my interest in the political meaning of these flights, what signals they are sending and why after such a long time Russia started such flights again. Later on I began focusing on what this development really meant for Iceland, how it affected the security of the state and how Iceland was responding to those flights.

My Bachelor degree is in History and my Bachelor thesis was on the Operation of the Icelandic Defence Force between 1974 and 1991. In order to continue studying the relations between Iceland, USA and NATO it made perfect sense to go into international relations with security studies as a theme in my Masters programme. During the Masters studies I wandered between courses on the Middle East and small state studies, always trying to broaden the horizon but with the strategic importance of Iceland always holding its place in my academic heart.

It was during the later stages of my Masters studies that I made the final decision to focus on the Arctic in my 30-credit MA thesis. I applied for an instructor and was so lucky that Alyson Bailes was given the task of handling my thesis. Without her guiding hand this task would have been much more difficult and not as interesting and I want to thank her for her guidance during those last few months. In the end I would like to thank my girlfriend Inga Gerða for her patience and support when I kept talking endlessly on various geopolitical, security and strategic issues while studying the topic and writing the actual thesis.

Reykjavík 20.4.2010

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1. Introduction

The Arctic region\(^1\) has historically been one where the great powers have shown little interest. Due to the climate in the Arctic it could not be exploited for any great economic gain for the states. The few inhabitants of the Arctic have been indigenous peoples with a long history of settlement in this cold and harsh climate, living off nature and feeling comfortable outside of the world’s spotlight. Explorers have indeed travelled to the Arctic, both to find shorter shipping passages from Europe to Asia and to document the nature, fauna and flora: but those explorations were not always successful and often the only result was the death of the members\(^2\). This all explains why the region was felt as unsafe for travel and there was little incentive to take advantage of such economic potential as it had.

In recent years all that has been changing. There is a new interest in the region due to climate change. The world medium temperature is rising due to the green-house effect and that has a big impact on the Arctic region. The melting of the polar ice is a fact that cannot be overlooked: the rate of the melting is ever increasing and some scientists predict that in the year 2013 the icecap will disappear during the summer\(^3\), making it possible to sail straight across the North Pole. This has both negative and positive effects for the inhabitants of the Arctic. The negative effects are too many to go into, but - to name a few – they include an uncertain future due to drastic weather changes, change in behaviour and

\(^{1}\) The Arctic is defined as the area above the Arctic circle at 66°33’, encapsulating eight percent of the Earth’s surface. Another definition is the area north of the 10°degree C Isotherm for July, that moves the circle further south in the maritime areas. The first definition will be used in this paper.

\(^{2}\) One of the most famous Arctic Expeditions was the Franklin Expedition in the year 1845. The Expedition was to search for a northwest passage to the Far East but ended in the death of all 129 crewmembers. Source: Kennleyside, Anne; Bertulli, Margaret; Fricke, Henry C.: “The Final Days of Franklin Expedition, New Skeletal Evidence”. *Arctic, Vol. 50*. The Arctic Institute of North America, Calgary. 1997. Pages 36-46.

\(^{3}\) This is maybe an extreme estimate; a more likely date is around 2030, but the Arctic is going to be ice-free during the summer much quicker than previous calculations (mentioning dates from 2040-2100) had suggested. Source: Amos, Jonathan: *Arctic summers ice-free ‘by 2013’*. BBC 12.12.2007. http://news.bbc.co.uk/2/hi/7139797.stm (Accessed 24.1.2010).
availability of wild animals that the ingenious people live off, and the need to adapt very fast to a new situation. The main positive effects of the reduced polar ice are that the shipping distance for goods between Europe and Asia will shorten dramatically, and an open sea will make it possible to harvest the energy resources that wait patiently to be exploited on the Arctic sea-floor. This in turn will or at least should lead to new opportunities for the inhabitants of the Arctic and the Arctic states, among others.

There are five Arctic littoral states, i.e. states that have coastlines around the actual Arctic Ocean: Russia, USA, Canada, Denmark (because of Greenland) and Norway. In the Arctic Council, the only international organization dedicated to the region as a whole, there are eight member states: the five littoral Arctic states and with them Iceland, Sweden and Finland. The last three states also have a high interest in the Arctic because of the proximity of the Arctic Ocean to their borders and the influence that anything that happens in the Arctic will have on their national waters (Extended Economic Zones, EEZ) due to this closeness. The member states of the Arctic Council all have part of their landmass north of the actual Arctic Circle, in the case of Iceland the landmass is very little but a substantial part of its EEZ is north of the line. Each of the eight Arctic states has developed a strategy for the Arctic, defining what they see about the Arctic as important for their national interest and how they want to tackle the future issues and problems of the region.

The Arctic states have not yet solved all the problems that have arisen regarding the High North. There is still dispute over territorial claims made by several states over areas of the ocean floor rich in resources, for example natural gas and oil. How they will be solved is not certain at the moment, though it will most likely not be by military means. Some scholars say that there is a certain possibility of limited conflict in the Arctic but it will most likely not escalate into total war between states. With the oil reserves of the world on the decline it is very important for states to find new economically feasible reserves. It is

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4 From now on when talking about the Arctic states I refer to the eight member states of the Arctic Council.
estimated that around 13% of all undiscovered oil reserves and 30% of all undiscovered gas are to be found in the Arctic region. Those numbers are only estimates based on various assumptions as a result of research on the seafloor and other factors but are not a scientific fact; some scientists estimate the resources to be higher, other lower. How large a part of them is exploitable is another unknown variable. Most of those vast resources are in parts of the Arctic that lie inside the EEZ of states and there is no dispute about their ownership.

The amount of un-harvested energy makes the Arctic a very important region both for the Arctic states themselves and for larger organizations like the EU. The level of international interest has been rising for the past few years, among scholars and politicians alike. This development will only continue as the Arctic becomes more accessible for shipping and drilling for energy resources. States will formulate even better strategies for the Arctic and hopefully the disputed claims will be solved. Until then we, the scholars, can best illuminate the issues by looking at what has been done until now, and how that has changed the position and prospects of the Arctic states in particular.

In this thesis the focus will be on Iceland. Even though Iceland does not have any claims towards territorial waters in the Arctic the area is very important for this country. What happens there ecologically, economically and politically is of great importance and will have great impact on developments within Iceland and in its international relations. Therefore Iceland is following very closely what is happening in the High North. For a state of the size and importance of Iceland it is very important to be proactive, not reactive, to ensure some influence on the outcome of the matter at hand. All theory and practice underlines that small states must be very active to have influence on the matters they have an interest in. Iceland for example has focused on fisheries in its international relations and has the status of an expert nation in that field. Based on that it is clear that small states can have real impact on matters close to their heart if they can only stay focused in their approach towards the goal they seek.

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7 Iceland has solved the dispute it had over its EEZ with Norway and Denmark.
This is not the first and will not be the last MA thesis on the Arctic. Two such theses have in fact been written at the University of Iceland\(^8\) in recent months. *Hvítauðn, svart gull og opið haf: breytt landfræðiþólitik norðurslóða*\(^9\) (e. White wilderness, black gold and open ocean: changed geostrategic politics of the High North\(^10\)) by Atli Ísleifsson is about the political implications of the opening of the High North for the States involved. *The increased strategic importance of the High North and its security implications for Iceland* by Gustav Pétursson\(^11\) is about the security challenges the opening of the Arctic presents for Iceland. I will try to stay away from the work already done on the matter of the Arctic in these cases, and to focus instead on the changes in the security strategy of Iceland following the opening up of the High North. By doing so I hope to fill in a gap left by the work that Atli and Gustav have done. I will be looking at the actual Arctic strategy of the Arctic states and what that means both in regard to the future role of international organizations that have an interest in the region, and for Iceland itself. The changes in the climate, most notably the decrease of the icecap, and the opening of the shipping routes have already brought big changes for Iceland and will have greater impact in the future. It is difficult to predict the actual timing of further changes, for example how soon it will be possible to sail straight across the North Pole - in 5 years' time or 50? Therefore I will not be going into the underlying changes in great detail - that has been done by other scholars - but I will be going into the reaction of the states to those changes and possible further reactions by those states. A second research question will be whether Iceland has a strategy for the High North at the moment and if so, whether it is adequate for the security needs for the state. If not, what will be required to cover this dimension, and where to place it within an overall national security strategy?

\(^8\) There is also comprehensive work being done in the University of Akureyri, where an MA course is offered in Polar Law, and several MA theses are being written there at the moment. Margrét Cela, MA scholar from University of Iceland, is working for her doctorate from the University of Rovaniemi in Finland on an Arctic topic at the moment.


\(^10\) Translation by Author.

The theoretical background will be mainly provided by realist theories but there is no single theory that can cover all the necessary elements regarding the High North and Iceland. This will make it necessary to add insights from different theories, among them security theories and small state theories, but without using theories that work against each other. The next chapter goes into the selected theories in greater detail.
2. Theories of International Relations.

Theories of International Relations are mainly about the behaviour of states in the international arena: how they interact with each other and why they behave in a certain way, what to expect and how can one state react to other states' behaviour. There are, however, many variables in what dictates the behaviour of states and it is difficult for theories to cover them all. Outside forces and influences have a big impact and may come from another state, nature itself or NGOs (non-governmental organizations). Forces within the state are just as important as outside forces. States must react to forces both within and outside the state itself in order to survive. Theories are about explaining how those forces act and interact, and why states do certain things rather than others that at first glance may appear more logical. Theories are not able to predict in detail what happens in the future but are more about explaining why things tend to go in a certain direction. Good theory must be able to display patterns of cause and effect that have some reliability: scholars should be able to use that theory to explain events in the past and the most likely overall course of events in the future.

There is ample need to be very sceptical when using and looking at theories of International Relations, and critical analysis is very important. There is no actual way to 'prove' (in the strict scientific sense) a theory of international relations. Theories in IR are different from laws in the sense that laws are proven in a scientific way but theories are drawn from observations. Laws are constant but theories change. But if you can use the theory on difficult examples from history, including explaining scenarios where a state behaves otherwise than its usual pattern, then scholars are likely to agree that the theory is valid. Furthermore, theories go through revisions and changes in order to fully cover present problems. For example, during the cold war there was not high emphasis

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14 Ibid. Pages 41-42.
on broader 'security' theories: the predominant theory was designed to explain how the USSR and USA dominated the world, and the interaction between them, which could be charted above all in 'hard' military terms. Today, however, more complex and comprehensive security theories are gaining importance because of a growing focus on the danger to states from global terrorism, WMD proliferation and more 'natural' threats like pollution and climate change. Theories thus change over time, and it is very likely that even theories that remain valid for the present time will not remain so in the future.¹⁵

It follows that there is no absolute truth in theories of International Relations, which in turn explains why it is not possible to use one theory to explain every aspect of a difficult matter like the High North and Iceland. It is necessary to look into the whole range of theories and see which theories can help us to understand what is going on regarding the Arctic. Realism is the basis of theoretical work in this thesis but also small states theories and new definitions of security. Those theories can help us understand why some solutions might not work while others could solve the Arctic dilemma in better ways; why the Arctic states behave in certain ways, and what dictates their current security strategy. Small state theories will be used to explain Iceland’s position in relation to the other states and institutions involved, and also what Iceland can do to maximise its gains from the situation. Nevertheless, as the first foundation of the theoretical approach is Realism, it is a logical step to start by looking at that theory in more detail.

2.1 Realism

Realism is one of the most important theories in International Relations.¹⁶ It is very popular among scholars, maybe because it was one of the most popular theories during the cold war. It also one of the oldest IR theories, and one of the first texts written with a clear realist mind-set is History of the Peloponnesian War by Thucydides which describes the war between Sparta and Athens around 500 B.C. In that war Athens and Sparta used their military strength to overpower weaker states, either scaring them into alliance or destroying them. The right of

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¹⁶ From now on I will use IR as an abbreviation for International Relations.
the strong is to do what he wants and the weak must just suffer through it. This view also stresses the need to act while there is still some hope that the state can have influence on future events, e.g. act before the enemy becomes so strong that there is no way to overpower him\footnote{Keohane, Robert O.: “Realism, Neorealism and the Study of World Politics”. Page 7.}. There can thus be examples where preemptive strike can be justified in order to minimize the threat towards one’s own state. Today the USA is using this principle to explain its actions in Iraq. On the realist view, there is no such thing as justice and human morals in the struggle for power. Human nature is what drives states and their leaders forward\footnote{Dunne, Tim; Schmidt, Brian C.: “Realism”. The Globalization of World Politics.Oxford University Press, Oxford. 2006. Page 166.}. The leader of the state was the central figure in Machiavelli’s book\textit{ The Prince}\footnote{Machiavelli, Niccolò: The Prince. Duncan Baird, London. 2007.}. His duty was to adapt to the changes in the world politics and protect his state\footnote{Dunne, Tim; Schmidt, Brian C.: “Realism”. Page 166.}.

These books were written a long time ago and many might think that they would not be applicable to today’s theories on world politics. But Hans Morgenthau followed in the footsteps of Machiavelli when he came forward with his theory in the work\textit{ Politics Among Nations}, now seen as one of the foundations of modern-day Realism\footnote{Morgenthau, Hans: Politics Among Nations: The Struggle for Power and Peace. New York. 1973.}. It was written in the year 1948, shortly after World War II ended and right in the beginning of the cold war. It marked a new dawn for Realism and secured its position as the leading IR theory during the cold war. The Realism that Hans Morgenthau wrote about is often called Classical Realism to separate it from later day’s Structural Realism (also known as Neorealism)\footnote{I will go into structural realism later on in the paper.}.

Morgenthau said that the human nature had influence on the laws that governed world politics. He thereby linked world politics to societies where human nature is very important\footnote{Dunne, Tim; Schmidt, Brian C.: “Realism”. Page 166.}. The core of Classical Realism as a theory is the anarchy among states in international politics. The word anarchy doesn’t mean that there is constant military conflict between states but rather that there is no power bigger than the state and the states are in constant struggle for power and security, a struggle which can be relatively peaceful or evolve into full-fledged
war. The state is therefore the ultimate power and the most important player in international relations. The state thus becomes the central focus of Realist theory, as the main actor in world politics. What Realism means by saying that there is no greater power than the state is that the state is the highest functioning power, and organizations like the United Nations (UN) can only function if states are willing to let them function.

This was very clear with the League of Nations, the predecessor of the UN. The USA did not take part in the League of Nations and that decision left the organization much weaker than it should have been, given the role that Woodrow Wilson, president of the USA from 1913 to 1921, had played in establishing it and the fact that USA came out of WWI as a very powerful state, moving from being isolated in North America to being a global actor in very short time. The League of Nations was supposed to act as a common ground for discussions and a forum to prevent wars and because of this agenda the organization needed to have all the most powerful states within it. When any such organization needs to act against a state that does not follow laws and regulations set by the organization, other states need to provide the tools and forces on its behalf. Still today, the UN does not have the raw power or the force residing in military or other assets to act upon its own resolutions. States must do that in the name of the UN; including cases where they volunteer to use force under UN mandate for certain purposes. A good example of this is the first Gulf war (1990-1991) where UN forces led by the USA drove an Iraqi invasion army from Kuwait, and all the troops deployed came from states volunteering them for the mission. The UN, acting as a higher power over Iraq through the Security Council and its resolutions, could not bring the violent competition for power - i.e. the power-seeking behaviour of Iraq - to an end; other states had to do that.

E. H. Carr published his book The Twenty Years’ Crisis 1919-1939 in the year 1939. This book is just as important as one of the main pillars of Classical Realism as Morgenthau’s work. Carr demonstrated that the Liberalism theories of the post-WWI era did not work, as they had no actual founding in real life; and

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this opinion was then confirmed after WWII. The theme of his book was the underlying threat of force in all international processes and institutions: meaning that political interests and bargaining in world politics are dominated by power politics. But Carr also tried to show how Realism could lead the way towards peaceful change. To achieve this there needed to be compromise between morality and power. Morality was supposed to be foundation of all political life\textsuperscript{27}.

In the anarchical nature of world politics states often look at their positions as a zero-sum game in relations to other states. Thus a state looks at certain decisions and options facing it and calculates the gain it can expect to get compared to other states. If one state gets more from a deal the other state gets less. All that the state does, economically and politically, is transformed into power, the power to control human beings' action and thoughts\textsuperscript{28}. Power is an important tool, not only to use internally in the state but also to secure the state externally. The state can only be functioning as independent state after it has organized its power.

So states are the key, but what drives them forward? Because of the anarchical nature of the world states must take care of their own security. They cannot trust other states to help them or take care of their security for them. States are self-interested and are only willing to secure other states against danger if they gain something from it themselves. In this respect too, human nature controls the power-seeking behaviour of states\textsuperscript{29}. A prime example of this principle is the past relationship between USA and Iceland. Those two states made a defence agreement in 1951 based on NATO's Washington Treaty\textsuperscript{30}. The USA was to take care of the defence of Iceland (which itself had no armed forces) and had a host nation status in Iceland. During the cold war the USA spent millions of dollars in Iceland in building up an airbase that also served as an international airport for civilian use, but also lent Iceland money on very good terms. This was all part of

\textsuperscript{28}Dunne, Tim; Schmidt, Brian C.: “Realism”. Page 173.
\textsuperscript{29}Dunne, Tim; Schmidt, Brian C.: “Realism”. Page 167.
keeping Iceland happy so the US base could be at relative peace in Iceland\textsuperscript{31}. With the breakdown of the USSR in 1991 the need for the base in Keflavík was gradually eroded and during the next years there was a dramatic reduction in the forces stationed in Iceland. Then in the fall of 2006 the USA withdrew the last soldiers and jets from Iceland, putting an end to 55 years of “visible defence” in Iceland\textsuperscript{32}. This decision was not very popular among a big part of Iceland’s political elite but nonetheless the USA decided that this was in their best interest.

Looking at this historic decision through the eyes of the realist we can assume that the USA did not feel the need to have the base here in Iceland any more. Their strategic gain was so little that it was not worth the cost of keeping the base and because of that USA decided to close it down. The risk of alienating Iceland, an important ally during the cold war, by doing so was calculated as so slight that Washington finally decided to take the step unilaterally without going into formal negotiations with Iceland. Iceland being the small state just had to accept the fact that USA was leaving with its forces, and had to start looking for ways to ensure its security through other means than visible defence. This is an example of a strong state doing what it wants while the small state must just watch and suffer. Of course that is an over-simplification and many other aspects must be kept in mind, for example the need for the forces stationed in Iceland to be redeployed for ongoing wars, economic interests and so on. To understand completely what happened between Iceland and USA in the summer and fall of 2006 it would be necessary to have more than just realist theory in mind, but this case helps to show how Realism can serve as the foundation for other theoretical


\textsuperscript{32}The minimum defence for Iceland, defined by the Icelandic government, changed over the years. In the year 1993 the minimum jets needed in Iceland to have credible forces was 12 jets but in the year 1999 it had declined to 4. Sources: Ministry of Foreign Affairs: Öryggis og varnarmál Íslands. Reykjavík. 1993. Page 47. And; Ministry of Foreign Affairs: Öryggis og varnarmál Íslands við aldamótin. Reykjavík. 1999. Page 27.
work. It is often the base that dictates the behaviour of states but other theories can explain the smaller details that the Realist theory is too big and cumbersome to cover. This is the reason why the Classical Realist theory is the foundation for other theoretical work regarding the Arctic and the security issues it has for Iceland and how Iceland is working to overcome those issues.

When looking at security in realist theory, security is defined in terms of avoiding or resisting attack from other power-states; of security from invasion by other states or in the case of invasion, the ability to repel it and protect the core values of the state. The main purpose of each state is not only to protect its citizens but also to protect the state itself, since survival of the state authority is the precondition for all other goals. To do that the state needs power, and in the case above Iceland borrowed the power of USA for its own protection during the Cold War. However, states can ultimately only rely on themselves for their survival; it is a self-help system where every state must think of itself first. States can work together for some period of time, either individually or in larger groups as in organizations like NATO, but in the long run the state cannot depend on such cooperation for all its security needs.

In Classical Realism the biggest threat (the only threat) to a state’s security is the military threat from other states. The original theory does not cover threats from non-state actors, for example terrorists. This flaw in the classical realist theory has resulted in many attempts to adapt and improve it, making it more comprehensive so it can deal with more issues than just state threats. Before we look at those attempts we will have a look at another major theory that many scholars see as the main rival to realist theory.

2.2 Liberalism

Liberalism is also very important as a theory in IR. It may not be as widespread or have as wide a following over the years as Realism, but it offers an alternative and thus puts pressure on Realism to evolve with changes in the world’s politics. Liberalism has indeed enjoyed brief spells when it has been the dominant theory, bigger than Realism, but these have been few and far between. Since the

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33 Dunne, Tim; Schmidt, Brian C.: “Realism”. Page 174.
beginning of WWI there has been almost constant friction between two or more powerful states and that has had influence on what theory is most popular at any given time. War and mistrust between states fuel realist thinking while Liberalism is based on self-restraint, moderation, compromise and peace - according to the definition by Stanley Hoffmann\textsuperscript{34}. From this it is clear how large the gap is between Liberalism and Realism, but also what major changes would have to happen in order for classical liberal theories ever to gain momentum again.

Woodrow Wilson is one of the leading writers of the classic liberal doctrine. He said that the state should be self-determinant. Open governments responsive to the public opinion were the key to a peaceful world as well as to the idea of collective security\textsuperscript{35}. When Woodrow Wilson wrote \textit{The Fourteen Points}\textsuperscript{36} he was not only thinking of how to end WWI but also how to end all future wars. He wanted to make arrangements so that in the future world wars would not occur. The League of Nations was supposed to be the key to that result by providing an arena for democratic settlement of disputes. For that to happen it was necessary to break down the old colonial empires and establish a collective security regime. This is the key to the Liberalism that can be found in Woodrow Wilson’s writings. He thought that the undemocratic nature of international politics was the reason for conflicts and by making them more democratic there would be a better chance for peace\textsuperscript{37}.

The uprising of Nazism and the outbreak of WWII almost killed off the old Liberalism and marked the new beginning for Realism. If the liberal theories worked of the interwar years, WWII should have been avoided, but as has been pointed out above the League of Nations was not powerful enough in the event to stop wars from starting. The key to collective security is that “each state in the system accepts that the security of one is the concern of all, and agrees to join in a collective response to aggression”.\textsuperscript{38} This can work on paper but in a political setting where there is mistrust and insecurity between main political actors it is

\textsuperscript{35} Ibid. Page 187.
bound to fail. Powerful states need to see the benefit to themselves from joining in a collective security system that is effective against other big states: when this works it is called balance of power theory, a theory that is linked with Neorealism. NATO is based on the idea of collective security, but the difference between NATO and the UN or the League of Nations is that there is one superpower in NATO surrounded with friendly lesser powers (but still powerful states, like France and UK), while in the UN there are two or more rival superpowers fighting for superiority.

The economy is very important to every state; it is the foundation for the state’s survival, both in the matter of giving the citizens bread to eat but also by providing the foundation for its defence and thus survival among other states. Freedom of trade is another key anchor in the liberal doctrine. A capitalist state, where there is a free market economy, is much more likely to have a free democracy without government restrictions. If there is free flow of goods between states there is a chance that governments will calculate the costs of war to be too high and therefore seek other ways to pursue their interests in the relationship with other states. From this starting point the ‘McDonalds’ theory of war prevention was invented in 1996. Thomas Friedman said that no two states with McDonalds restaurants had ever gone to war with each other. The key to that theory was that given globalization and a strong enough middle class to sustain a McDonalds branch, the government would have to consider an alternative to war because the middle class doesn’t like to wage wars: it is too used to the good life of fast food and so forth. The Caucasian war of August 2008 between Russia and Georgia – to give just one example – has disproved this theory. States can overlook economic gain for their greater interests. If the state gains relatively more from aggression towards other state than from doing nothing it is always a possibility that this may lead to limited conflict or war.

Liberalists believe in the good in the human race: that people are mostly good and willing to work together for peace and prosperity, for social progress and the common good. Wars and other examples of bad human behaviour are the

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result of corrupt social institutions and misunderstanding among leaders\textsuperscript{41}. It follows that wars and injustice can be avoided with education and enlightenment among leaders. Liberalism was the reason for the first International Relations (IR) education programme being established at Aberystwyth in the year 1919\textsuperscript{42}.

The Holocaust of WWII made liberal thinkers re-examine their own theories and ask questions such as whether the human race was really good. It was difficult to believe in the goodness of the human race in the immediate aftermath of one of the biggest genocides in history. Liberalism came under overall scrutiny but did not disappear completely from the range of IR theories. The result was that Liberalism became more pragmatic and from the 1970s enjoyed new life span in the form of Neoliberalism.

2.3 Neoliberalism

Neoliberalism is a modernized version of Liberalism, having many of the same principles but at the same time clearly different from the classical version. Robert O. Keohane is one of the main scholars of Neoliberalism. He is maybe most famous for his book \textit{After Hegemony}\textsuperscript{43} which was first published in 1984. Neoliberalism does agree with Realism and Neorealism that there is anarchy in world politics and that there is no greater power than the state. But Neoliberalism looks at why states choose to cooperate most of the time with each other, even in the anarchic international system. The answer is seen to lie in the story about the prisoner’s dilemma. It is a story about two prisoners, each in a separate interrogation room being questioned about an alleged crime. Each one is told that if one of them confesses and the other doesn’t, the one that will confess will go free and the other will get a long prison sentence. If both confess they will get somewhat reduced prison time but if neither confesses they will get a short sentence based on lack of evidence. It is thus best for them both that neither should confess. The interrogator is trying to get both to confess so that they will both go for a relatively long time to prison\textsuperscript{44}. If either or both of them confess it will result in mistrust between them and difficulty in the relations if they are ever

\textsuperscript{42} Dunne, Tim: “Liberalism”. Page 192.
\textsuperscript{44} Mingst, Karen A.: \textit{Essentials of International Relations, 3rd edition.} Page 63-64.
going to work together again. Also if they have been working together for some time there is mutual trust between them that they do not want to destroy.

In world politics where states must deal with each other time and time again, they must work together repeatedly. There is an increased tendency for (most) states to work together and to seek mutual benefits which also improve the future relations between them. It is in the interest of the individual state to cooperate, even though this means that it will get a slightly worse deal from cooperation on a given occasion than it would if it were not to cooperate. Recognizing this fact constitutes rational thinking on behalf of the state: thus there is no need for neoliberalist theory to assume a fine human characteristic of state leaders that makes them work together, only to rely on cold rational thinking.

This cooperation will continue as long as there is continuous interaction between states. Institutions are one of the frameworks for this cooperation, providing a structure on which the cooperation is grounded and a guarantee of its future continuation. This helps to make clear how institutions are important for the security of states: without them the security needs of states would not be fulfilled. But institutions do not work only on security needs; they also cover human rights issues, economic issues, the environment and etc.

Institutions are highly important when dealing with the High North. The Arctic Council is the only organization that has all the Arctic states within it and is focused solely on the Arctic. Within the Arctic Council the indigenous people in the Arctic also have their representatives along with the nation-states. It covers among other things economic, environmental and human rights issues but not hard security. Thus the Arctic Council may in principle act as an arena for peaceful solutions to the unsolved disputes in the High North along the lines predicted by Neoliberalism. But for that to happen there must be a common will among the Arctic states to use the Arctic Council for this purpose.

2.4 Neorealism

If Realism is the most important classical theory then Neorealism is the most important modern IR theory. It is, as the name suggests, based heavily in Realism

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45 The Arctic Council will be covered fully in individual chapter below.
but deals better with the question of why states do compete with each other and why world politics is like it is. It is a theory of international politics, not domestic politics, so it cannot give predictions on what will happen in the future; but it can explain why things happen in a certain way and give an overall idea of how states will react in relations with each other.

Kenneth N. Waltz published his book *Theory of International Politics*\(^{46}\) in the year 1979. Waltz is one of the most important modern theorists of Neorealism and even one of the most important theorists of all time in IR\(^{47}\). He actually calls his theories Structural Realism to separate them from Classical Realism. The main difference between those two theories is in the actual framework of the theories. Neorealism says that the structure of international politics is anarchy (thus the name Structural Realism). Waltz takes Classical Realism and reinterprets it so to make it a more rigorous theory. By doing so, he hopes to make it better suited to deal with various aspects of world politics and to predict how states will behave in the structure that is presently predominant in international politics. If there was a structure other than anarchy, for example hegemony, then states would behave in a different way. What Waltz wanted with his Structural Realism “was to do the following:

1. Develop a more rigorous theory of international politics than earlier realist had done.
2. Show how one can distinguish unit-level from structural elements and then make connections between them.
3. Demonstrate the inadequacy of the prevalent inside-out pattern of thinking that has dominated the study of international politics.
4. Show how state behaviour differs, and how expected outcomes vary, as systems change.

5. Suggest some ways in which theory can be tested and provide some examples of its practical application, largely to economic and military problems.48

In Waltz’s Structural Realism the structure of international politics is the focus. He says that with the lack of higher authority over the state there is a structure of anarchy. This structure limits the possible behaviour of states; states are not able to control it. The structure itself determines possible outcomes49. Each state has a certain position in the structure, and states are the units that make up the structure. Their position is based on the capabilities and power of each state.

The balance of power is important in Neorealism just as in Realism. The difference is that the structure of the international system controls how the balance of power is divided between states50. Thus there is some kind of stability in the system based on the structure and the balance of power. Power is not only military power but can also be economic power, control of natural resources and so forth: in other words, all the assets that state can and will use to influence other states to do what they would not do without such pressure51. Based on this it is clear that larger states that have more capabilities (natural resources, military resources, economic resources etc) are more powerful than smaller states. Stronger states will also have more variable resources than smaller ones52. States are not always power-maximizers. They want first and foremost to be safe and secure. So often states just seek the amount of power they need to be just that, secure enough in a turbulent world. Not all states drive for world domination53. This makes it possible for small/smaller states to influence matters that are of great importance for them. Larger states have an interest in a greater variety of fields than smaller states, so if small states focus their resources on some specific matter then it is possible for them to get results not in accordance with the size of the states involved.

50 Ibid. Page 68.
53 Ibid. Page 334.
States are the units in the structure and the structure of world politics is anarchy. This is the most important difference between Neorealism and Realism. By making a clear distinction between the unit and the structure Waltz gives the IR scholar a better tool to analyze and predict state behaviour. But the units in the system can have influence on the structure itself. This is a dynamic system where the unit and the structure exercise force on each other. Thus the system can change over time because of pressure from the units. This makes it important to not just study Neorealist theory, which is a theory of international politics, but also theories of domestic politics. Without understanding of domestic politics IR scholars can only handle some problems that concern us, not all of them. Until there is a theory that can combine international and domestic politics in such a way that it is clear and workable IR scholars and students must separate these two fields but study them both at the same time, in order to understand the dynamics going on between the unit (state) and the structure (the anarchy in the world system).

When Waltz wrote his text on Neorealism there was still a cold war going on between the USA and USSR. It was a bipolar world system, dominated by two strong powers each with its followers. Before WWII there was a multipolar system with many strong powers, some rising, others falling. This had its influence on the theory because it led to the realization that the largest units in the system at any given moment have much to say on the fate and the nature of the system. When dealing with critics who said that the theory was not able to handle changes in international politics Waltz argued that changes originate in the units of the system, not in the structure, and that changes in the structure of the world system will result in new theories. If the world political system should change from anarchy to a hegemonic system with world government, for example, then new theories would be needed to deal with the politics of that system.

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58 Ibid. Page 343.
Since Waltz’s time the world political system has changed again, from a bipolar system to a unipolar system. Today there is one superpower, the USA, and a few other large powers (Russia, China, India, UK, France, Germany, etc). This has not resulted in the US becoming the official world government: it has much to say on many issues but still has to adjust to the positions of other states regarding most of those issues. Thus there is still anarchy in the world system, in that states are still trying to secure themselves through a balance of power in relation to other states. They do, however, use different methods than before; especially in Europe where the region has attained a kind of stable peace unknown for centuries. Neorealism has as such survived these transformations in the real world without losing its importance. One of the reasons lies in the events of 9/11: since the terrorist attacks of September 11th 2001 states have shifted their security thinking into new dimensions, starting to recognize that today there are bigger threats to states than just other states. International terrorism is high on the threat list and even though this threat is not part of the original Neorealist/Realist tradition it can be dealt with by those theories.

Neorealism simplifies Classical Realism. It takes two key concepts, the structure of anarchy and balance of power, and makes them the main focus of the theory. By doing so the Neorealist theory manages to be much simpler than Classical Realism and better suited to serve as a foundation for other theories. On the other hand, Neorealism has major limitations in explaining changes in the international system. It cannot explain rapid changes very well, as the structure that it is based on does not allow for such changes. The theory sees the world structure as limiting possible changes among states and slowing them down. This is maybe the biggest flaw of Neorealism; but it does not affect the importance of the theory. Realism and now Neorealism is the most important theory in IR today because it is well suited to be the foundation for deriving more detailed theories of security.

The Arctic is an arena still open for big power realist competition because there is no strong local security institution or enforcement system. The Arctic Council is the main organization in the region but is struggling to stay as the main arena for cooperation since it does not handle hard military security, as pointed out above. This limits what the Arctic Council can do to solve the problems in the
region. All the other Arctic states must wait for the US, as the sole superpower, to start focusing more on the Arctic and its interests there. The solutions to issues like continental shelf claims are likely to wait until the US shows greater interest in the region. For other issues where the US has no direct interest, however, such as the Norway-Russia contention over certain aspects of the governance of Svalbard, the respective states must find their own solutions.

2.5 Security for whom and from what?

When IR scholars talk about security they are not always in agreement what they mean by that word. How to categorize security; against what threats do states need security, and is it just states that need to be secure in modern world?

Different IR theories have different approaches how states can fulfil their security needs and different answers to why the states are insecure in today’s world. The definition of security has not changed much over the years. Walter Lippmann59 defines security thus: “a nation is secure to the extent to which it is not in danger of having to sacrifice core values if it wishes to avoid war, and is able, if challenged, to maintain them by victory in such a war.” But Barry Buzan60 said that “In case of security, the discussion is about the pursuit of freedom from threat. When this discussion is in the context of the international system, security is about the ability of states and societies to maintain their independent identity and their functional integrity.” Those two are modern day definitions of security and it is clear that they are in line with the view of Thucydides and his view of security in the History of the Peloponnesian War61.

To be completely secure the state needs to be able to pursue its values without interference from other states or non-state actors and non-governmental organizations (NGOs). Other states cannot be able to influence the decision making process of the state regarding any issue in such a way that the state is forced to do other things than it would normally do. States have two ways to increase their security; they can do it internally or externally. Increasing security internally is about domestic issues, for example increasing control and stability by

60 Ibid.
61 Thucydides: History of the Peloponnesian War.
economic means, military power and so forth. External increase is pursued through international politics, for example by strengthening one’s alliances, influence and protection\(^62\). The increase of the security of one state can decrease the security of another state according to the balance-of-power theory; for example if one state increases its defence weapons other states can see them as part of attack capability. Weapons are very seldom restricted only to the passive defence of states, for instance if they are fixed in the same place all the time. But then again, better security for the homeland can free up soldiers that have defence capabilities for other tasks, including possible attacks, at least in the eyes of surrounding states.

Realist scholars are often divided into offensive Realists and defensive Realists according to what line they see as the proper one to follow in ensuring the state’s security. Offensive Realist writers in security studies, like John Mearsheimer, suggest that relative power is more important than absolute power. States should try to weaken their enemies and increase their power in relative terms\(^63\). Offensive Realists are very pessimistic about world politics and doubt that peace will ever be prevailing for a long period of time. Defensive realists are a little bit more optimistic: they feel that International Organizations (IO) can be of some help in getting states to work together but in the long run those organizations cannot keep states from fighting each other. Defensive Realists are very worried about the tendency of states to cheat on agreements regarding security issues. States will try to cheat, i.e. not to keep their end of the bargain in the hope that the other state will keep its end and will thus come off worst, weakening its relative power\(^64\).

In recent years the security concept has gone through both lateral and horizontal changes. Different IR theories have had different views on security threats, both for the state and the individual. Neoliberalism looks at institutions as an answer against the security threat but also to help in other issues, like economic and environmental governance. Neorealism looks at the capabilities of the state as

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\(^64\) Ibid.
the source for its security against military threats but notes that those capabilities do have to be protected also. Michael T. Corgan has talked about the extension in security thinking that has occurred among US thinkers since the Afghanistan war in 2001, moving onward from a traditional IR base. It is now seen that the state is not the only unit that needs to be secure. The individual and the international system are now also part of the units that need to have a security agenda and some sort of protection. The concurrent broadening of the security concept widens the range of threats and issues of concern to include terrorism, crimes (international, domestic and organized crimes), environmental issues, unassimilated immigrants, disease and cyber attacks along with traditional military security. This makes it much more difficult for any single state to be secure against the full range of threats it faces. The state needs to be highly adaptive and to have a huge amount of resources so as to be able to protect itself and its citizens. Because of the vast variety of international threats against any given state at any given moment it is very difficult to make a comprehensive national security policy that tackles all threats against the state. Thus it is necessary for the state to prioritize its vital national interests and work first and foremost against threats to those; to re-evaluate the security needs of the state regularly, and be ready to change its policy in accordance with changes in world politics.

The individual has other security needs than the state even though they are linked most of the time. The individual needs security from violence in any kind of form, economic freedom, and the liberty to move around and do what he wants as long as it doesn’t hurt other persons. The more secure the individual is, however, the more restricted he is in his life. If a person wants to be completely secure he must admit to severe restraints in what he can do and when. Most people are not willing to have their life to controlled by those restrictions and therefore there cannot be complete security for any individual. If the individual wants freedom he must be ready to face life in insecure world - there is a clear link between security and freedom. Most states try to balance the amount of freedom with security, and try to find some middle ground where the state is just secure.

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65 Corgan, Michael T.: Lecture at the University of Iceland: What Does the US Mean When It Says "Security". Date: 11.02.2010.
67 Ibid. Page 50.
enough for the individual to enjoy his freedom. From a human perspective the state can both be the source of threats towards the individual and the means to become secure\textsuperscript{68}. If the state doesn’t respect the individual’s civil rights the state becomes one of the threats the individual must face. This can be very difficult for the individual to solve because the state usually has much more resources than the individual and can threaten the individual more easily and across a wide front than vice versa.

When looking at possible security threats towards the state, individual and the system it is possible to divide them into three categories; A. Hard security threats, B. Middle security threats and C. Soft security threats. Some threats might fit into more than one category, for example terrorism, but it is necessary to divide those threats into groups in order to better understand how and why states have to react to them. The categories of threats in more detail are as follows\textsuperscript{69}.

A. Hard security threats: Traditional military threat, Proliferation of WMD. Intra-state conflict, Terrorism (both international and domestic).


This list is not exhaustive. There are many other issues that states must consider, but the key is that the state has the obligation to take care of both its own security and the security of the individual within the state. It also has to take part in maintaining the security of the global system. System security can be conceived not just in terms of avoiding world war but also as depending on environmental issues that affect more than one state, for example the cutting of the Amazon rain-forests in Brazil will affect the climate of the whole globe in the long run. That

\textsuperscript{68} Ibid. Page 49.
\textsuperscript{69} Bailes, Alyson. The Security Spectrum. Handout from lecture at University of Iceland; Non-State Actors and Non-Military Security.
makes it a global systemic security threat that every state must take part in solving. If Brazil needs to cut the rain-forest to survive economically and other states need the rain-forest to produce oxygen so the world can survive there has to be found some solution between them. For example, limits might be agreed on how much Brazil will cut and it might get some economic assistance in return from other states. The key is that systemic threats are too big for one state to handle them by themselves. All affected states must work together towards a common solution. In the case of global warming there has been work going on to limit it and protect against its effects for many years. The Kyoto Protocol\(^70\) and the Copenhagen Summit\(^71\) were steps on the way to a permanent solution but that solution is still far away.

Security theories show that there are much more at stake in the High North than just traditional hard military security. Even though the military security has traditionally been most important for states other security issues are gaining importance and will continue to do so. For the High North the climate change is the greatest security aspect as it is fuelling the changes in the region and thus is the key to other security challenges. Iceland must therefore look at the High North from a broader security perspective than just military security.

### 2.6 Small state theories

Small states must behave differently from larger states in the world politics. There are many reasons for this, the most obvious being the lack of resources that small states have, which makes them less capable than larger states to tackle all the problems they face. But that doesn’t make it any less important for them to try to solve their problems, not least the threats to the security of the small state. Such states may use different methods to influence other states, often seeking leverage through International Organizations or institutions instead of their limited ability to apply pressure directly\(^72\). Small state studies are a growing branch of IR and


political studies, where scholars try to explain how and why small states often behave differently than larger states, what makes them vulnerable and how they can maximize their resources. The first problem that small state studies faces is how to define a small state.

The traditional small state studies use population to define the size of the state and put it into its ranking among the world’s states. Population is indeed an important factor but there are many other variables that must be considered when defining the relative size of the state. Population alone cannot give the right picture of relations between states, in size and ability. Tom Crowards shows in his article *Defining the Category of “Small” States* that land size and GDP are essential factors in evaluating the size of states. Combining them with population as three points of measurement to find where the state fits among the nations gives a fairly good indicator of the status of the state. The main problem with this way of measurement of the size of the state is the cut-off point. Where is the boundary between a micro-state and a small state? What land mass should be used for distinguishing between small states and micro-states? How about population or GDP? These are all questions that scholars of IR are asking and trying to get to some agreement about. It is a difficult matter and some states that consider themselves to be small states would according to some theorists be categorized as micro-states. Another point that has to be addressed is how many categories of states there are. Crowards has 5 groups; micro states, small, medium-small, medium-large and large. States can have some parameters placing them in the small state category and others in the medium-small state group. Crowards says that if a state has two points out of three that are typical of a given group then the state will be categorized into that group. If the state has one point in any three groups the state will be categorized into the second group from the smallest size; that is the second point counted from the smallest group will decide the category of the state.

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74 Iceland is considered by its political leaders to be a small state but according to some statistics like population should be in the micro state group.
76 Ibid. Page 149.
It is also important to look at how the state behaves and how the state and its neighbours consider the state, i.e. whether they consider the state a small state or not. If a state acts outside its group it can move to a higher rank/category. Raimo Vayrynen considers both internal and external opinions held about the state as a reference point in ranking a state as a small, middle or a large power. Such subjective factors must be considered alongside objective criteria such as land area, GNP, military budget, interactions between states and industrial production etc. The opinion held about a state is in turn influenced by the state’s behaviour. If the state represents values that are admired by other states it gains prestige. This prestige can and will affect the status of the state among the nations and can lift it from small power status into a medium power. The state can thus be a medium power or even a large power in certain issue-areas where it has focused its resources, while in other fields it can remain a small state. A good example is the case of Iceland and fisheries; nobody will disagree that Iceland is a small state in most fields, but when it comes to fisheries and the sustainable management of fish stocks Iceland has a high degree of prestige. Thus it may be argued that Iceland has a middle power rank in that field of international affairs or even a large power rank, just because of its reputation as a fishing nation and the work the state has done in the past the establish that reputation.

When looking at the Arctic Eight states it is fairly clear that USA, Russia and Canada are all large states. Iceland is a small state. Finland, Sweden, Norway and Denmark would all go into the medium-small category of Crowards which will be used in this thesis. According to older criteria using a population cut-off point of 10 million inhabitants, all the Nordic states would be considered small states. Iceland has a very clear profile as a small state/micro state that the rest of the Nordic states do not have thus making it difficult to rank them together in the same size group.

78 Ibid.
79 Sweden would possibly go into the medium-large group but here it is considered with the rest of the Scandinavian states in the medium-small group.
80 Apart from Greenland and the Faroe Islands, but since these territories are not fully independent (being under Danish sovereignty) they do not count in the strict sense as Nordic ‘states’.
One part of small state studies is to explain how and why the behaviour of small states differs from other states. One reason is the need of the small state to make a perfect use of all its resources. It usually doesn’t have such great resources that it can afford to waste them in any way on projects with limited benefits. This makes it important for the state to prioritize its policy issues and develop a comprehensive strategy regarding the security of the state. Alyson Bailes points out the need for the small state to form a strategy in the paper *Does a Small State Need a Strategy?* She offers the view that a small state actually has a greater need for a strategy than most states. This need is increasing with the broadening of the range of security issues that any given state must deal with. The small state is more likely to seek group dynamics in solving the demands of its strategy, to try to use the power of friends and/or institutions to help fulfil the strategic needs of the state. Last but not least the state needs to update its assessment of strategic needs and solutions regularly. Otherwise there is a risk that the real security needs of the state are not represented in the strategy of the state.

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3. Security implications of climate change

In the last few decades there has been a worldwide awakening regarding global warming and climate change. It has been labelled as one of the supreme modern security risks and increasing steps have been taken to mobilize various nations and institutions to tackle the issue. In the past 150 years the average temperature has risen by 0,8 degrees Celsius globally and by 1 degree in Europe\(^{82}\). It is difficult to estimate how fast the temperature will continue to rise: best case scenarios say that during the decade 2090 to 2099 the air temperature will rise by 1,1 °C but the worst case scenario gives the estimate of 6,4°C\(^{83}\). This means that the effects of global warming will only increase further, and if no steps are taken to stop the rate of increase it will be on such a scale that it will bring drastic and irremediable changes to the Earth’s environment. One of the biggest influences on climate change is man-made greenhouse gases\(^{84}\). Those come from various sources, from deforestation to burning fossil fuels and using fluorinated gases\(^{85}\). Many remedial efforts focus on curbing carbon emissions from all fields of human activity.

It is inevitable that some climate change will occur, but it is necessary to try to reduce it as much as possible because the effects are forecast to be so severe. Extreme weather events like heat waves, droughts and floods are linked with climate change, as well as longer term changes of habitat posing problems for agriculture, human health and human settlement, and it is difficult to foresee the full impact of the increase in global temperature in both the near and more distant future.

\(^{82}\) European Environment Agency: *About climate change.*

(Accessed 16.3.2010.)

\(^{84}\) Richardsson, Katherine: *Synthesis Report, climate change, Global Risks, Challenges & Decisions.*
University of Copenhagen, Copenhagen. 2009.

\(^{85}\) European Environment Agency: *About climate change.*
One of the regions that will be most affected by the changes that are occurring is the Arctic region. This does not consist of a permanent glacier over a landmass like the Antarctic, but rather of an ever-changing floating icecap. That leaves the ice much more vulnerable to changes in atmospheric temperature. The chain reaction when the ice starts to melt is hard to stop. Less ice means more surface of the sea is exposed to the rays of the sun and other heat sources. The ice and snow reflects about 80% of the sun’s energy but the sea absorbs around 90% of it. This means that the temperature of the sea will rise when it absorbs the energy of the sun and as the warmer water melts the ice from bottom up and the sun from top down, this will greatly increase the rate of melting of the ice. This melting cycle is called the ice-albedo feedback loop. The rise in the temperature in the Arctic is already about twice the average rise in temperature globally due to the sharper angle at which the sun’s rays strike the polar regions during summer.

Since the beginning of satellite tracking in the 1970s the ice has been receding and the past summers have had the lowest coverage of summer sea ice.

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ever recorded\textsuperscript{90}. A temporary reverse trend now seems to be setting in, however, and scientists are not certain at what time the Arctic will be ice-free during the summer months. Some say that it might be as soon as 2013\textsuperscript{91} but that is only an estimate, not a scientific fact. It is very difficult to make a prediction on this matter because of many uncertainties\textsuperscript{92}. What matters most is that the Arctic will only be ‘ice-free’ during a small period of time over the high summer months and some months will still have heavy ice cover\textsuperscript{93}. The ice pattern is also very unpredictable during the winter time, both in extent and also in thickness. The Arctic ice data for February 2010 show that the ice extent was below normal in the Atlantic sector of the Arctic but above normal in the Bering Sea. Overall, however, this still represents a 2.9\% decline over a ten year period and the fourth lowest coverage in February since satellite tracking began\textsuperscript{94}.

Thus the winter ice cover in future may be thinner, but will still be difficult and dangerous for ships to sail through it. Even without a whole icecap over the pole there will most likely still be floating icebergs in the hundreds, with sizes up to big houses, during the “ice-free” summer months. It will be necessary for the ships sailing in the area at that time to have strengthened hulls because of the floating ice-bergs, which will make navigation in the area extremely dangerous and especially so in bad weather. It can be difficult for ships’ radars to spot bergs in good weather but it becomes almost impossible in severe bad weather.

The weather is maybe the biggest unknown factor. What will happen with continuation of the climate change? Will there be even more severe weather changes with an increase in storms and cold weather fronts? Will that result in the Arctic becoming un-passable due to bad weather, severe storms and heavy seas?

\textsuperscript{91} Amos, Jonathan: Arctic summers ice-free ‘by 2013’.
\textsuperscript{92} Those uncertainties range from fast melting due to increased greenhouse effects to extreme cold weather due to volcanic ash blocking the sun which is quite likely in big eruptions like Katla eruptions. It is in no way possible for scientists to integrate all those variations in their calculations of timings for an ice-free Arctic.
What effect will that have on the prospects for oil and gas drilling in the region? At present, the icecap over the Arctic acts to some extent as a lid on a jar. It limits the possible behaviour of the sea, restricting what it can and will do. When the lid is off, the Pandora’s box is open and there is no way to predict what will happen and when. There are ongoing investigations on the behaviour of the sea and its dynamics both in open waters but also under the sea-ice but it is difficult to predict what can happen when such a big ocean becomes free from the icecap.

3.1 An open Arctic, what has changed?

The climate change and the possibility that the Arctic will be ice-free has had a big impact on the surrounding states and will continue to do so in the foreseeable future. It has opened up hopes of a new harvest from possible oil and gas fields. Preliminary work has begun on extracting those resources in few areas, for example Russia’s Shtokman gas field and Prirazlomnoye oil field. The amount of resources in the Arctic is hard to calculate but they can be anywhere between the 13% of undiscovered oil reserves mentioned above to the much reported estimate of 25% stated by the US Geological Survey with more than 80% of them lying offshore.

In any near perspective is not feasible to harvest all that amount, as only a small part if it is in oil and gas fields that are economically profitable. For the other part of it to become viable for the companies the oil price must rise or the extractive technology become better suited to working in the harsh environment of the Arctic. It is very expensive to operate in the Arctic and that has maybe the biggest impact on how willing the oil companies are to operate there. Many

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factors add to the cost, for example the distance from the markets, cost of transport of the product and difficulty in operating due to the weather. The uncertainty of how the weather pattern will evolve in the future with increased average temperature and less ice has some impact on the oil companies but may not be the decisive factor. The companies must go to the Arctic to get the oil, there is no comparable second option; so as soon as it becomes economically viable for them they will start to operate there in greater numbers. When that happens increased shipping to service the oil and gas fields will follow along with transport shipping for the products. The world’s demand is expected to rise by 50% by the year 2030 which will most likely make it profitable to mine the biggest fossil fuel fields in the Arctic Ocean.

Figure 2  Industrial development in the Arctic

http://maps.grida.no/go/graphic/industrial-development-in-the-arctic

Increased shipping of goods and products from Asia to Europe through the Arctic Ocean is one expected by-product of the opening of the Arctic. In the future the Arctic could become a feasible second option to use for transit of goods from Europe and Asia. This would take the ships from the more politically unstable regions of the Middle East and the pirate-infested South-China Sea\(^{100}\). Today there is the possibility to use the North/East or North/West passage part of the year, but is still not used by commercial vessels in great numbers even though it shortens the distance from production country to possible markets in some cases by half. The remaining obstacles include not just natural conditions but also for example the fact that the Russia controls the North/East passage and who can sail it; while the USA and Canada have not reached an agreement on whether the North/West passage is Canadian internal waters or an international strait.

The uncertainty over weather patterns and ice coverage makes it very dangerous for ships to use such routes; as has been mentioned before they have to have specially strengthened hulls and be able to withstand the harsh climate of the Arctic. That is even not always enough, and commercial ships may also need the escort of an icebreaker. Currently the US only has one active icebreaker, Russia has 18 and China, which lacks direct access to Arctic waters, has one\(^{101}\). Ships capable of operating in the High North are very expensive and it is very likely that scheduled transit through the Arctic will have to wait until there are some answers to all the uncertainties regarding operations there. In the year 2005 there were 262 ice-class ships in operation worldwide and 234 more on order\(^{102}\) so it is clear that companies and states are preparing for operating in ice-covered waters. If the passage over the North Pole itself opens up it might however change the willingness of certain states and companies to invest seriously in activity there. While many operators could be reluctant to work within waters controlled by other states, if the Arctic itself opens up and there is guaranteed free passage over it for all ships the picture could rapidly change.

\(^{100}\) Borgerson, Scott B.: Arctic Meltdown, The Economic and Security Implications of Global Warming.

\(^{101}\) Borgerson, Scott B.: Arctic Meltdown, The Economic and Security Implications of Global Warming.

The factor most strongly influencing increased shipping in the Arctic up to date has been the extension of new hydrocarbon fields being harvested\textsuperscript{103}. The quantity of shipping needed for successful operation of oil and gas drilling companies is large and very varied. Shipping density can only increase further with the possible opening up of new fields. This is also the biggest security threat against the nature in the Arctic. If there is an oil spill in the cold and vulnerable High North it can have a serious and long-standing impact on the region’s ecosystem, making the living space inhospitable for many species.

There are indications that fish stocks are moving their feeding and breeding grounds as a result of climate change\textsuperscript{104}. With the rising of the ocean’s temperature the fishing stocks in the North Atlantic are starting to move even farther north\textsuperscript{105} and possibly north of the Arctic Circle itself\textsuperscript{106}. This will increase the importance of the region, not least for states that rely on fisheries as one of the main foundations of their economy. Then the states must search further into the Arctic waters to fish.

Tourism has increased in the region and will continue to do so\textsuperscript{107}. With less sea-ice it is easier for cruise liners to operate in the area. Increased diversity in possible tourist attractions will increase the number of various-sized passenger ships in the region, ranging from smaller vessels to big cruise liners. This will create an urgent need for search and rescue vessels capable of rescuing large

number of persons at the same time. Also there will be need for larger and more numerous helicopters and airplanes for quick response in case of emergency.

In sum, with all the uncertainties about the Arctic - how fast it will become ice-free, how many weeks during the summer it will stay open and at what date each year it will be possible to sail through the passages - it remains difficult for shipping companies to aim at the Arctic as a possible transport route for goods between Europe and Asia any time soon. Yet other operations there have already increased and are likely to continue to do so, including fishing ships, cruise liners and service ships for existing oil and gas fields in the region. The Arctic Council estimated in the year 2009 that 6000 vessels of various sizes and sorts visit the Arctic marine area every year\textsuperscript{108}.

3.2. The emerging Arctic security agenda

The developments accompanying climate change and the possibility of the opening up of the Arctic are of great interest not only for the Arctic States but also the whole industrialised world. Such changes can have great economic impact, both in shortening shipping routes but also first and foremost in the possibility of exploiting the natural resources in the area. As noted these resources should include as a minimum increased tourism, fish, oil and gas. The major economic impact involved for the Arctic states makes the seas of the High North much more important for them, hence driving each state concerned to secure its interest in the region. The open Arctic could be a source for future wealth and stability but also the spark that ignites the powder keg. Greater economic exploitation does not only carry advantages for the nearmost states but can also have some disadvantages, mostly in the form of new security threats.

\footnote{Åtland, Kristian: \textit{Climate Change and Security in the Arctic}.}
The ‘hard’ security threat in the Arctic relates mainly to military threats from other states. Of the eight Arctic states five are members of NATO and are thus unlikely to come into mutual military confrontation regarding the Arctic, but will try rather to solve any potential confrontation within NATO or other frameworks. The remaining three, Russia, Sweden and Finland, are not part of NATO. Of these only Russia has any territorial claims in the Arctic itself. The current overlapping territorial claims between Russia, Norway, Canada and others and the possible grab for resources are the most likely reasons for any military confrontation. If that happens it is not likely that it will escalate into a global war, but more likely that it will be a limited conflict over certain specific issues. How likely it is that any such confrontation will happen is hard to say. It is difficult to use conventional forces in the Arctic because of the harsh environment and the lack of military bases. Any military conflict will therefore most likely

Figure 3


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109 Those five are: Iceland, Denmark, Norway, Canada and USA.
110 Limited clashes between these states cannot be excluded though; Iceland and UK used Coast Guard Vessels and Frigates during the Cod Wars and even shot warning shots at each others’ ships. Also according to Article five in The North Atlantic Treaty of 1949 any armed attack against a member states in *Europe or North America* is considered an attack on all member states (italics by author). Thus there is no guarantee that an attack on member state in the Arctic will trigger resort to Article five, although it is highly likely. Source: NATO: *The North Atlantic Treaty*. Washington D.C., 4.4.1949. http://www.nato.int/cps/en/natolive/official_texts_17120.htm (Accessed 2.4.2010).
be waged with airplanes and/or naval units\textsuperscript{111}, plus perhaps special force operations to secure key sites and facilities. The current Russian regime’s strong emphasis on securing its national interests in the High North with all possible means indicates that any military confrontation between any two states will include Russia on one side\textsuperscript{112}.

The middle category (as defined above) of security threats includes many: international crime, man-made accidents, natural disasters and financial breakdown to name just a few that relate to the Arctic region. It is not always easy to see connections between man-made security threats and a region like the Arctic that is both very scarcely populated and has its own distinct harsh climate. Because of the difficulty in patrolling the area it could however be used for international crime, smuggling of goods and people. The oil and gas drilling platforms can become victims of man-made accidents of various origins and kinds. One of the environmental issues that need to be handled is the fact that between 1958 and 1992 Russia dumped 18 nuclear reactors into the Arctic Ocean, some still loaded with nuclear fuel\textsuperscript{113}. Natural disasters are difficult to prepare for; as they tend to happen with short or no notice at all. The climate change has had the result of increasing the frequency of drastic weather changes, which can lead to more and bigger natural disasters. Pollution in the Arctic can have a big impact on the Arctic states and their sources of income, especially through contamination of the sea. If a state is too dependent on economic gains from the Arctic it can lead to possible financial break-downs if those sources are damaged or dry up within a short time, but also if the investments involved have not been solid and sustainable with adequate risk-sharing.

The third category of ‘soft’ security issues relates first and foremost to climate change, the very thing that is fuelling the changes and making the opening of the High North possible. This security threat is becoming so great that Anders

\textsuperscript{113} Borgerson, Scott B.: Arctic Meltdown, The Economic and Security Implications of Global Warming.
Fogh Rasmussen, NATO’s Secretary General, proposed that NATO countries should use the Alliance as a forum to discuss the problem and come with solutions\(^\text{114}\). What will happen if the climate changes continue at the rate they have been doing for the past few years? What will happen if the tundra in Siberia thaws out? How much of the green-house gasses buried there will be released into the atmosphere and what impact will that have on the globe? This is one of the biggest concerns for scientists today, as it could lead to a chain reaction increasing the climate change dramatically\(^\text{115}\). How will the climate change affect the indigenous people living in the Arctic? What will it do to their lifestyle and way of living?

These are all questions that need to be handled when looking at the Arctic in a broader sense, in order to understand what the changes there actually mean in terms of potential security threats, not only for the Arctic states but also for the individuals living there and the world as a whole. The most probable threats towards security, both environmental accidents and climate change, are very different from the usual threats that states face and need to be dealt with in a collective manner and by non-military means\(^\text{116}\). The next chapters will look at how individual states, and institutions, are trying to confront them.

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\(^{114}\) Åtland, Kristian: *Climate Change and Security in the Arctic*. Page 2.


\(^{116}\) Åtland, Kristian: *Climate Change and Security in the Arctic*. Page 3.

At the beginning of the Cold War, when the world's two superpowers were busy carving the world up into zones of interest, nobody could predict that the Arctic could be a terrain with such great economic possibilities as is becoming apparent today. As a result the region was left virtually untouched in terms of treaty systems, institutions and work processes to deal with matters that could arise there. Antarctica has its own treaty on how to deal with the continent, covering both ownership and demilitarization. There is no such treaty about the Arctic and it is highly unlikely that one will ever be agreed upon by the Arctic states. Instead, during the Cold War the Arctic was used and practised upon by the superpowers' nuclear submarines as a possible launch area for attacks on each others' homeland. The shortest distance between USA and Russia is over the Arctic Ocean and even today there is the possibility of an attack being launched from that area. NATO and Russia are very well aware of that and have taken counter-measures, including refining methods to hunt for submarines in the area and establishing a US anti-ballistic missile system in Alaska and Greenland. In short, the region as such was formerly important in possible conflict between the superpowers but not as an economically profitable area.

This has all changed and now the Arctic five\textsuperscript{117} states are busy trying to establish some sort of claim towards territories in the Arctic, albeit with varying levels of enthusiasm. The Arctic five states have all signed the UNCLOS\textsuperscript{118} treaty but the USA is still to ratify it\textsuperscript{119}. Those states met for the first time in Oslo for an informal meeting in October 2007\textsuperscript{120} and at ministerial level specifically to address Arctic affairs at Ilulissat in Greenland in May 2008. There it was agreed

\textsuperscript{117} The Arctic five states are states that have EEZ inside the Arctic Ocean.
that any dispute over overlapping territorial claims would be settled in orderly manner and by the existing laws of the sea. Accordingly the states saw no need to establish new sets of laws or rules regarding management of the Arctic or for settling future problems arising there. They furthermore declared interest in using existing international organisations to handle issues regarding the Arctic\textsuperscript{121}, including notably the Arctic Council. There are many affairs that need to be looked at in the Arctic, both potential hard security issues and security threats that civilian institutions will have to handle. The Arctic states are becoming well aware that there is a security dilemma they have to face in the Arctic and they have to move slowly and with respect to each other to avoid setting off an arms race in the region which would benefit no-one\textsuperscript{122}.

There are today eight territorial issues that remain unsolved in the Arctic\textsuperscript{123}:

1. Russia and Norway regarding continental shelves and economic zones in the Barents Sea. Talks have been going on for 35 years with no results. There has been a practical agreement on fisheries in so called “Grey Zone” since 1978.

2. Russia and Norway over the 1920 Svalbard Treaty. Russia interprets article 2 and 3 of the treaty as meaning that they have full rights to mining and fishing on Svalbard and in the surrounding waters but Norway says the articles only cover the 12 NM territorial waters around Svalbard, not the EEZ beyond them. Another possible conflict is over whether there is a Svalbard continental shelf around the archipelago and if it expands outside the 12 NM limit.

3. Russia and the USA, over an unresolved maritime boundary in the Bering Sea. In 1990 Russia and the USA reached an agreement on the boundary line that was a compromise between the sector line preferred by Russia and equidistance line preferred by the USA. Russia has not yet ratified the treaty but the USA did so the following year. There is a bilateral agreement from 1992 about fisheries in the area beyond the countries’ EEZ.

\textsuperscript{122} Åtland, Kristian: Climate Change and Security in the Arctic. Page 24.
\textsuperscript{123} Ibid. Pages 12-15.
4. USA and Canada in the Beaufort Sea. The USA wants to use the equidistant line to draw the maritime boundary between the two nations but Canada wants to follow the land boundary and the 141st meridian. The USA has not yet ratified UNCLOS and that is part of the reason that the two states have not yet reached an agreement. If and when the USA signs UNCLOS, the international Law of the Sea tribunal may settle the issue.

5. Canada and Denmark (on behalf of Greenland) over Hans Island. In 1973 Canada and Denmark reached an agreement on the maritime boundaries in the Nares Strait (between Greenland and Ellesmere Island), but they left out a 875 meters long area which Hans Island lies in the middle of. Hans Island is uninhabited and that makes it bit more difficult for international tribunal to decide on the claims made towards the territory. The Danish and Canadian governments have reached an agreement on solving this in a peaceful manner and have laid down a plan on how to do so.

6. Canada and the USA (with other maritime nations) over definition of the Northwest Passage. There are some 36.000 Islands from the Baffin Island in the east to the Baffin Island in the West, all of which are part of Canada’s sovereign territory. The passage between them is called the Northwest Passage. The USA considers the passage to be an international strait but Canada considers it to be internal waters within an archipelago. According to the Law of the Sea internal waters are controlled fully by the sovereign state, meaning that all passing ships must follow the rules and regulations of that state and furthermore all state vessels must apply for a permission to pass through.

7. Russia and the USA over the definition of the Northern Sea Route (Northeast Passage between the Atlantic and the Pacific). Russia claims the route as lying in internal waters but the USA considers them international straits. Russia is making all commercial vessels pay substantial fees for sailing the route, which is not yet a viable option for major year-round commercial shipping but could be so in the near future. The legal issue over
who has “ownership” over the waters must be clarified before commercial shipping can start using the route regularly.\(^{124}\)

8. The Arctic five states and their claims for continental shelf outside the 200 NM EEZ. According to UNCLOS there is a possibility for a state to claim up to 350 NM from the baseline (low-water line, or a straight line over fjords, the line all measurements are based upon) if it can prove that there is an extended continental shelf originating from its own territory in that area. States can control mining and harvesting on the continental shelf and control living resources on the shelf itself but not creatures living in the water beyond the EEZ. Therefore if the states in the Arctic can prove that they have extended continental shelf up to 350 NM they would control all fossil fuels extraction in that area. As the USA has not ratified UNCLOS it cannot make any claims towards an extended continental shelf but if it ratifies the treaty it will no doubt make such claims in regard to Alaska. Russia filed its claim in 2001 but has still to present better arguments/proofs for the claim. Norway filed a claim in 2006 and it has been recommended by the Continental Shelf Commission in April 2009. Canada and Denmark are at the present time working on their claims.

In the High Seas portion of the Arctic Ocean there is the right of innocent passage by all ships. That will also be in effect on the extended continental shelf that any state might be granted by the Continental Shelf Commission. In territorial waters there are more limits on what ships can pass through and under what circumstances. This is all covered in article 17 and 19 of UNCLOS.\(^ {125}\)

The Arctic is becoming a new focus for nationalistic propaganda by certain states' representatives. In domestic political terms it is somewhat of an issue for survival for some of the governments concerned, implying that their toughest

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\(^{124}\) Two German commercial vessels, belonging to the Beluga Group, were the first ones to successfully navigate the Northeast Passage in the summer of 2009, accompanied by a Russian icebreaker. The trip was delayed for a year due to delayed permission from Russian authorities. Source: BarentsObserver.com: First through Northeast Passage. 9.9.2009. http://www.barentsobserver.com/first-through-northeast-passage.4629485-116320.html (Accessed 4.4.2010).

language may be aimed at the public locally while they do not follow through quite such a harsh stand in international relations. At the same time there is doubtless an element of signalling to other states to take care. This rhetoric can be seen in the speeches and actions of Russian, Norwegian and Canadian politicians. Their comments do have some effects in the international arena, not least in spurring each other to more frequent and tougher statements, but in terms of real strategic planning there has often been a rather superficial response. Realist, zero-sum game thinking is very difficult to use with good results in solving all the problems in the Arctic. One of the reasons for that is that the main fossil fuel fields are within areas that are not part of the disputed list above. Therefore it would not be in the interest of the states to go to a new Cold War over a relatively peaceful region, with few problems, and where those problems could be solved without military power or an arms race. Even so, on a realist view states have to prepare for the worst, and part of that has involved measures and plans to renew/increase some of their Arctic military power: on which more below. The Arctic states do not trust each other completely, and this is clearest in the behaviour of Russia vs. the other states. Russia sees the other states' activity in the Arctic as a direct threat against itself and its interests. That in itself will hamper any idea of demilitarization of the region.

It is not clear how those issues will be solved. If the USA wants to share the benefits of UNCLOS it must ratify that convention, but doing so will mean delivering some key issues into the hands of an international tribunal which might decide against the US side. Washington might therefore opt to wait with ratifying UNCLOS until it has made bilateral agreements on the most important issues of the moment, such as the Canadian claims on internal waters. There is an agreement in force that states that US icebreakers may sail through the Northwest

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Passage without seeking formal approval. But now it is becoming possible to sail the passage without icebreakers and then the USA might want to use the Passage for state vessels without consulting the Canadians every time. If they can reach agreement soon about that and the disputed area in the Beaufort Sea, it might push the USA to go ahead with ratifying the convention in order to make a formal response to the continental shelf claims of the other states and to come with one of its own.

In recent years all the eight states who are members of the Arctic Council have published a national Arctic strategy of some sort. Often it is a comprehensive strategy on its own but linked with the overall strategy of the nation. If any state wants to maximise its gain from the Arctic and protect its interest it is vital that it has a good strategy to follow where its interests and what it wants from the region are clearly stated. It has to have some sort of a battle plan, and this is important not least for small states, because otherwise they cannot guarantee that they can get their fair share from the region.

Strategy is also needed to handle the security threats that the Arctic offers. There must be some comprehensive plan to make it possible both to handle individual threats and to coordinate the work of different units within each state. As already argued, some threats are so difficult to handle that the states must work together on solving them, including not only the issue of the climate change itself but also imminent threats to the lives of citizens of various states travelling through that area. Search and rescue plans must be coordinated between the Arctic states in case of large-scale accidents in the Arctic waters. The states must be able to rely on the help of the others without having to think of territorial issues; who owns what water, who has responsibility for the rescue etc. Therefore the solution to the security dilemma might seem to be cooperation between the states, but seen under the realist/neorealist perspective it will always have to be recognized that the other party is there for a purpose. What he wants is not always the best for you, but it is necessary to work with him on various issues while staying aware of his true nature.

130 Each state's individual strategy will be covered below.
4.1. Russian strategy for the Arctic

Russia has been one of the most active players in the Arctic, and for the Russians it is very important for them to establish themselves as the leading nation in the Arctic before the USA joins the race. A common theme of rhetoric among Russian politicians is that Russians should not let others shape the rules for the game being played but should do that themselves. Russia has by far the biggest coastline in the Arctic, the biggest EEZ and a potential extended continental shelf claim. The largest deposits of fossil fuel in the Arctic are found off the coast of Russia in areas that are well within its acknowledged established EEZ. The Northeast Passage, which the Russian call the Northern Sea Route (NSR) is fast becoming usable during the summer months though (as noted) it is not commercially feasible at the moment. In September 2008 the Russian government published the “fundamentals of state policy of the Russian Federation in the Arctic for the period up to 2020 and beyond” which was Russia’s first Arctic policy to be published in seven years. This is perceived as the currently valid Russian strategy for the Arctic.

Historically, in Soviet times, the entire sector between 32° eastern and 168° western longitude was treated as Soviet territory by the Kremlin in the so-called 1926 “Sector decree”. There are very limited foundations for this claim in modern maritime laws. The 2001 claim which the Russian are now updating and seeking to justify is slightly more modest than the old “Sector decree”. What the Russians want to accomplish with the claim is to assert their general status and control in the Arctic. They want to secure waterways and natural resources there that have been for a long time regarded as Russian and to prevent them becoming controlled by others. This is not only a nostalgic vision that the Russians are acting upon but a matter of the state's own future. In July 2007 Dr. Vladimir Frolov published an article in the Russia Profile magazine where he states that "Russia needs to find new sources of fuel" and points out that “the Arctic seems

131 Parkhalina, Dr. Tatyana: Lecture at the University of Iceland 18.1.2010.
132 Author's copy is named: Foundations of the Russian Federation National Policy in the Arctic Until 2020 and Beyond, but the difference in the name can be explained by different translators translating from Russian to English.
like the only place to go”\textsuperscript{135}. The Arctic is the foundation for future efforts to rebuild Russia as an economic, political and military superpower\textsuperscript{136}. To do that the Russian authorities will, of course, need a plan on how to exploit the resources there but also the technical and financial capabilities to do it.

In the new strategy for the Russian Federation in the Arctic there is a clear indicator of the importance of the Arctic for the future of the Russian state: it is stated that in the year 2020 the Arctic should have become the “leading strategic resource base for the Russian Federation”\textsuperscript{137}. This is a very challenging goal but necessary for any hope of maintaining the economic stability achieved with the increased export of fossil fuels in recent years. Oil and gas extraction is not the only use of the Arctic the Russians foresee; they also want to have control over the Northern Sea Route, both because it is important as highway for transporting goods into remote areas of Russia but also to regulate the traffic going through that route for environmental safety purposes and search and rescue. This is a strategic priority in the national policy along with organizing more effective transit and transpolar air routes\textsuperscript{138}. It is very likely that icebreakers will have to be deployed with traffic going through the passage and fees paid for the service provided. The Northern Sea Route should be usable by the year 2015, so by that time the necessary infrastructure and guidance system needs to be in place\textsuperscript{139}.

Today Russia has the largest icebreaker fleet in the world but it is ageing very fast. Part of the Russian strategy is to renew this fleet and to build three new nuclear powered icebreakers\textsuperscript{140}, the first due to be launched 2010, but it is likely that this production will be delayed for a few years at least as the result of recent economic depression\textsuperscript{141}. The new icebreakers are very important for successful and secure operations in the Arctic Ocean. As has been stated there is no guarantee of how the ice-extent and weather will change on a monthly basis so it

\textsuperscript{136} Åtland, Kristian: Climate Change and Security in the Arctic. Page 10.
\textsuperscript{139} Ibid.
\textsuperscript{140} Borgerson, Scott G.: The Great Game Moves North, As the Arctic Melts, Countries Vie for Control.
\textsuperscript{141} Żyśk, Katarzyna: Russia’s Arctic Strategy, Ambitions and Constraints.
is necessary to have a capable fleet to operate in the region. The strategy states also that other nuclear powered vessels will have to be renewed, which is most likely a reference to Russian nuclear powered navy warships.

The Russian stance towards Western interference in the Arctic region has always been one of distrust and even hostility. Medvedev, President of Russia, recently stated that “Russia must defend its claims to mineral riches of the Arctic in increasing competition with other powers” and “Regrettably, we have seen attempts to limit Russia’s access to the exploration and development of the Arctic mineral resources”\textsuperscript{142}. Russia has for long been very sceptical of NATO and the potential interest it might have in the Arctic, also of the fact that Norway, which is a NATO member state and has been since the foundation of the organization, has sent warships to protect its fishing fleet off Svalbard\textsuperscript{143}. Russia did sign the Ilulissat Declaration where it was stated that the Arctic five states would use international laws to decide on disputes and international organizations to promote non-military-related cooperation in the Arctic. The key organizations mentioned there were the Arctic Council and the Barents Euro-Arctic Council\textsuperscript{144} and this is in line with the text in the Russian strategy for the Arctic, which says that Russia will seek to work with organizations that it is part of\textsuperscript{145}. That leaves NATO and EU out of the question in the mind of Russia, even to the extent where Russia’s Ambassador to NATO has stated that “NATO had nothing to do with or in the Arctic”\textsuperscript{146}. There have also been protests on the behalf of Russia over the radar and satellite stations at Svalbard, saying that they are in breach of the demilitarization clause of the Svalbard Treaty and complaining that at the same time Norway is trying to force Russia away from the archipelago\textsuperscript{147}. In assessing the Russian position, however, it must be borne in mind that the Arctic Council and the Barents Euro-Arctic Council cannot deal with hard security issues: indeed

\textsuperscript{142} AP: Medvedev says that Russia must push its claim to Arctic resources.

\textsuperscript{143} Åtland, Kristian: Climate Change and Security in the Arctic. Page 32.

\textsuperscript{144} Arctic Ocean Conference: The Ilulissat Declaration.


\textsuperscript{147} Åtland, Kristian: Climate Change and Security in the Arctic. Page 32.
it was at US request that hard security issues were excluded from possible projects of the Arctic Council\textsuperscript{148}.

Russia states its wish to cooperate in the Arctic regarding search and rescue operations,\textsuperscript{149} an issue that is very important for not only Russia but all the other Arctic states. There is no indication in the Russian strategy on how that should be done, or who should have overall command over rescue operations, and whether military vessels should be used or only other state vessels. It only says that there should be a “single regional search and rescue system”\textsuperscript{150}.

The Russian military has been going through renewal in recent years and will continue to do so according to the Russian strategy for the Arctic. Even so there is very little talk about hard security issues, such as possible clashes between states, in the new strategy. That is a bit of a change from the one from 2001 where military power was the focus for purposes of securing the Russian zone in the Arctic\textsuperscript{151}. Now it is international treaties that are the focus but the military is still seen as necessary for securing the borders of the Russian Arctic zone, and for patrolling the area in case of crimes, smuggling, unlawful fishing etc. There is an underlying tone of ensuring that the Russian Army stays capable of defending Russian territory and interests against other states. The Russian are for example preparing for an Arctic special purpose force (\textit{Spetznaz})\textsuperscript{152}, and at the same time there will be new border patrol units and satellites to cover the NSR\textsuperscript{153}.

The overall tone of the new \textit{Foundation of the Russian Federation National Policy in the Arctic Until 2020 and beyond} is not as militant as the rhetoric voiced by Russian politicians against the West on specific occasions in the last decade. It declares in the final paragraph that the goal is to strengthen both the Russian Federation's position in the Arctic and international security, as well

\textsuperscript{148} Borgerson, Scott B.: \textit{Arctic Meltdown, The Economic and Security Implications of Global Warming}.
\textsuperscript{149} Security Council of the Russian Federation: \textit{Foundations of the Russian Federation National Policy in the Arctic Until 2020 and Beyond}.
\textsuperscript{150} Security Council of the Russian Federation: \textit{Foundations of the Russian Federation National Policy in the Arctic Until 2020 and Beyond}.
\textsuperscript{151} Żyśk, Katarzyna: \textit{Russia’s Arctic Strategy, Ambitions and Constraints}.
\textsuperscript{152} Żyśk, Katarzyna: \textit{Russia’s Arctic Strategy, Ambitions and Constraints}.
\textsuperscript{153} Security Council of the Russian Federation: \textit{Foundations of the Russian Federation National Policy in the Arctic Until 2020 and Beyond}. 55
as to support peace and stability in the region\textsuperscript{154}. In the 2001 \textit{Maritime Doctrine of the Russian Federation 2020} it says that the Navy has the task of “protection of internal sea waters, territorial sea, exclusive economic zone and continental shelf of the Russian Federation and their natural resources”\textsuperscript{155} but all those tasks are more or less left out in the overall Arctic strategy. The reason is probably that it does not serve Russian interests to draw more attention from NATO and other military installations in the Arctic by spelling out such plans. Soon after the planting of the Russian flag on the ocean floor on the North Pole Russian scientists downplayed it as a territorial claim and said it was part of geographical discovery. But the political message is the fact that from now on, after 13 years away from the territory, Russia is back again in the Arctic, stating its rightful claims\textsuperscript{156}.

When looking at the overall policy of Russia today it must be kept in mind that it is clear that the Russian army will be equipped to handle small scale conflicts to begin with inside the Arctic region, and later on it is supposed to be able to defend the whole Russian Arctic zone, thus indicating that Russia’s real strategy is to protect its Arctic sovereign area with a rather militant stand\textsuperscript{157}. This fact, along with the renewed flights by Russian strategic bomber units around the territories of Iceland, Canada, US and Norway, makes clear that the Russian Federation is indeed planning for hard security matters even though they were mostly left out in the strategy paper.

4.2. Norwegian strategy for the Arctic

One of the first actions of the Norwegian government when taking office in the year 2005 was to declare that the Arctic region “would be Norway’s most important strategic priority area in the years ahead”\textsuperscript{158}. In December 2006 \textit{The

**Norwegian Government’s High North Strategy** was published\(^ {159}\). It is a very comprehensive strategy regarding what Norway wants to do in the Arctic and how. In March 2009 the Norwegian government published the paper *New Building Blocks in the North; The next step in the Government’s High North Strategy*\(^ {160}\). It covers what has been done so far and what the next steps are for the next 10-15 years. Norway has thus a very clear and up-to-date strategy on how to handle the Arctic problems and opportunities for the next decade or so, but it is very likely that it will be updated regularly as we have seen for the past few years.

Norway has joint boundaries with Russia both on land and sea and this has been a strong influence upon Norwegian Arctic strategy throughout the years. The primary concern for Norway in the past and present is its relations with Russia. During the cold war Russia was a clear military threat for Norway. The Russian navy and air force at Kola Peninsula could not move without radars on the northern part of Norway picking them up, which limited the surprise element that the Russians could achieve in any attack with that force, but also put those radar installations at great risk in the case of war. Today Norway considers that there is no hard security military risk to itself from Russia\(^ {161}\). Instead there are a few other issues that need to be addressed regarding the neighbouring state, of which coexistence in the North looms largest.

In the Norwegian strategy regarding the High North Russia is the only state mentioned specifically in relations to most of the issues Norway has to tackle, underlining the importance of Russia for Norway’s Arctic policy. Norway is very determined to solve the territorial issues with Russia in a peaceful manner with agreements on disputed areas of the maritime boundary. This work is going in and in 2007 Russia and Norway came to agreement on a small area in south Barents Sea\(^ {162}\). The Norwegian authorities want to expand the existing cooperation with Russia in fisheries into more fields for example oil and gas.

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education, border control, various issues regarding indigenous people etc. This is supposed to be done by bilateral contracts. In this way Norway is trying to solve the “Russian issue” without direct help from institutions like the Arctic Council and NATO, but at the same time retains them as a back-up for security purposes if the bilateral contract fails. The current Norwegian priority is to solve the remaining territorial boundary issues in the Barents Sea. This issue needs to be solved before the states can fully utilize the resources in that area. However if Norway were able to agree bilaterally with Russia that in a certain area in the Barents Sea - overlapping the disputed area - both states could drill for oil and gas according to certain rules and regulations, that would diminish the need to permanently settle the territorial boundaries.

In order to build up its relationship with Russia Norway is willing to inject funds into various projects, for example easing travel between the states, cooperation in education etc. This does not mean that the Norwegians really trust Russia and are willing to give way regarding important state matters. One of the discords Norway has with Russia is over the Spitsbergen Treaty of 1921 (which defines certain elements of international status and access in the Spitsbergen or Svalbard archipelago under Norwegian sovereignty) and its detailed interpretation. Does it cover only the territorial land and water of the Svalbard archipelago or does it cover also the EEZ? Norway considers the treaty to apply only to the territorial waters of Svalbard and furthermore that Svalbard is an important touchstone for the overall Norway High North strategy\footnote{Justis- og Politidepartementet: Report to the Storting on Svalbard: Svalbard policy entering a new era. 2008-2009. http://www.regjeringen.no/upload/ID/Vedlegg/Faktaark/svalbard_eng.pdf (Accessed 4.4.2010).}. Both the strategy document from 2006 and the update of it from 2009 state that Norway will “exercise sovereignty firmly”\footnote{Norwegian Ministry of Foreign Affairs: New Building Blocks in the North; The next step in the Norwegian Government’s High North Strategy.} which means it will not give up what it considers its rights regarding Svalbard. Norway wants to protect Svalbard and its nature and has reserved the right to limit access of any traffic around the archipelago for that reason. Norway is willing to work with Russia but not to have
Moscow dictate the policy of Norway, whether it is in matters of Svalbard, economic, security or energy policy\textsuperscript{165}.

The only real current area of concern for the Norwegian military is the northern part of Norway. It is important for Norway to maintain a visible military presence there to safeguard its interest in the Arctic\textsuperscript{166}. NATO is the back-bone of Norwegian hard security policy\textsuperscript{167} but Norway is aware that NATO cannot or sometimes will not handle all the scenarios that can arise\textsuperscript{168} and the government therefore takes a firm stand on the importance of having a national military presence in the region, reflecting its importance for the whole foreign and security policy of Norway. Norway is in the process of downsizing its military forces and hopes by doing so to redirect savings towards modernizing the military forces\textsuperscript{169} without compromising their ability to handle a wide range of challenges\textsuperscript{170}.

Norway accepts the Arctic Council as an important platform for discussing the changes that are happening in the Arctic, most importantly climate change. Accidents, both man-made and actual, can be very severe and have drastic impacts in the cold environment of the Arctic. Norway has some concerns over pollution originating in Russia and spilling over to Norwegian waters, and also about the possible hazards of increased traffic by super-tankers with oil from possible oil fields in the Arctic. The Arctic Council could be a forum where those issues are addressed, in line with its mandate;\textsuperscript{171} but Norway is also likely – in parallel - to use bilateral agreements and negotiations to address the issues of pollution in Russia. One reason is that the Arctic Council does not have a legal status and thus any agreements there are not legally binding for its members, as

\textsuperscript{165} Godzimirski, Jakub M.: \textit{High Stakes in the High North, Russian-Norwegian Relations and their Implications for the EU.}
\textsuperscript{166} Norwegian Ministry of Foreign Affairs: \textit{New Building Blocks in the North; The next step in the Norwegian Government’s High North Strategy. Page 38.}
\textsuperscript{168} Ibid.
\textsuperscript{169} Havik, Sten: \textit{Restructuring the Norwegian Defence Logistical Organization (NDLO).} Professional Studies Paper (PSP), Air University. 2007. Page 5.
duly ratified bilateral agreements are. Norway's readiness to find other ways at need to address issues of concern in the Arctic is shown by the fact that it was actually the first to convene a meeting of the so-called 'Arctic five' – though with less fanfare than subsequent meetings - at Oslo in October 2007\textsuperscript{172}. Other forums which Norway can use alongside the Arctic Council and the Arctic five meetings are the Barents Euro-Arctic Council (originally created by Norway as a wider framework for handling coexistence with Russia in the North) and the EU’s Northern Dimension. Each offers unique approaches since they have different member states and approaches to solve the problems.

Even though Norway is putting more focus on fossil fuels in the Arctic, fisheries are still very important for the Norwegians both in general and also in this specific area. There needs to be cooperation on fisheries, both to fix quotas for how much can be fished by each nation in any given area, and to fight illegal fishing and discarding of fish\textsuperscript{173}. Without cooperation it is likely that the fishing stocks in the area will not get the protection they need to sustain their numbers. Pollution will have a big impact on renewable economic sources, both on themselves and also on the image and market potential of the product. To solve this Norway needs to work with Russia and its strategy states the intention to seek the cooperation of Russia and international organizations like IMO and the Arctic Council on this matter. Norway has proposed special sailing routes along the northern coast of Norway that will separate traffic coming from and going to the Arctic as well as keeping it clear from the coastline. By doing this Norway hopes to avoid shipping accidents on that route.

Norway filed its territorial claims before the Continental Shelf Commission in 2006 and has received positive feedback from the Commission regarding these claims. Norway’s claim does not extend into the middle of the Arctic thus it has no stakes in the actual North Pole. There is not yet a date for the ruling on Norway’s claim but if it is not in conflict with other states’ possible claims the ruling might come before other states file their claims. Norway feels it is important to follow international laws, most notably UNCLOS, when

\textsuperscript{172} Norwegian Ministry of Foreign Affairs: The Arctic Ocean – meeting in Oslo.
\textsuperscript{173} Lahnstein, Erik: Arctic Frontiers Conference.
addressing the issues of continental shelf claims and other boundary issues. To maintain sovereignty and control over various small islands in the Arctic, most notably Jan Mayen, Norway is going to make sure that they continue to be inhabited by Norwegian citizens. This is important when there has not yet been a ruling on the claims made by Norway on the continental shelf.

Search and rescue in the Arctic is an issue that is important for all states in the Arctic and Norway and Russia have similar strategies on this. It needs to be coordinated between the states and they need to assist each other in search and rescue efforts. Norway has for example allowed the Icelandic Coast Guard rescue helicopters to use refuelling facilities at Jan Mayen. It is more important for Norway to come to agreement with Russia on cooperation on this as well as other matters noted before. Norway is very keen on showing that its national policies are no threat for Russia and that it wants to work with, not against the Russians. This goes so far that the very first statement in Norway’s strategy on how to take advantage of the opportunities in the High North is about the need to continue good relations with Russia, even before mentioning NATO, the Arctic Council or other cooperation that Norway is part of. Norway is however far from blind on the faults that Russia might have and the Foreign Minister of Norway has called Russia “not yet a stable, reliable, predictable state” when talking about the challenge of negotiating with Russia in Arctic matters. This can be seen as an admission of the difference in dealing with Russia and other states in the Arctic due to the way the powers in the Kremlin are working and the limitations that places on the way that Norway can interact with them.

The biggest threat towards the security and prosperity for Norway is the climate change itself. Norway has stated that even though the change offers new opportunities in the High North, there must be global agreement on a plan of

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176 Støre, Jonas Gahr: *Iceland and Norway – Neighbours in the High North.*


action to avoid the global temperature rising by more than two degrees. This global imperative, alongside the power politics, relations with Russia, and oil and gas interests that have already been discussed, is in fact the core of the Norwegian Arctic strategy.

4.3. Denmark’s strategy for the Arctic

The Arctic is a bit of a problem situation for Denmark. The main Danish interest in the area is the connection through Greenland and the territorial claims Greenland can make in the Arctic as part of the five littoral (coastal) Arctic states. Greenland was granted home rule in 1979 and in 2009 it took over all the responsibilities of running a self-governing state except foreign affairs, security and financial policy. Denmark still takes care of those things but in the future it is very likely that Greenland will seek full sovereignty, ending any kind of rule by the Danish government but perhaps still opting to have the Danish monarch as head of state. This would mean that Greenland would take all control of state affairs, including those matters regarding the Arctic. Denmark would not have any land mass in the defined Arctic region and would need to leave the Arctic Council as a member state and apply for observer status, while Greenland took over the Danish seat on the Council. Before that happens, however, Greenland has to deal with various internal problems, like alcoholism and a high suicide rate; and meanwhile Denmark is working with Greenland’s home rule authorities on collective Arctic strategy.

180 Ingimundarson, Valur: The “Scramble for the Arctic” and “ideologies of the Return”. Seminar at the University of Iceland on behalf of the Institute of International Affairs. 29.9.2009.
181 Another possible scenario would be that Denmark would define its Arctic interest as deriving both from Greenland and the Faroes. That would result in Denmark still having a claim to membership in the Arctic Council – no less than Finland and Sweden – on the grounds of its economic and security interests in an area with direct access to and in a close proximity to the Arctic region.
Today Greenland has the right to the benefits from its own natural resources, as established in the self-rule contract\textsuperscript{183}, but while Denmark has financial control it limits very much what Greenland can do with those resources. Denmark now pays Greenland an annual grant that will gradually diminish when Greenland starts benefiting from possible hydrocarbon resources in its EEZ\textsuperscript{184}. This means that any Arctic strategy that the Danish Government has today might not be the one that Greenland will abide by in the future. However, it is in the best interest of Denmark to establish as good a strategy as possible on how to handle the other Arctic states, the security issues and territorial issues for Greenland - and also a comprehensive plan on how, where and when to start exploiting the resources within Greenland’s EEZ - since success in all this will increase the direct profit Greenland gets, and decrease the financial help that Denmark has to provide, pending full independence.

Danish Arctic policy is coordinated with the Greenland home-rule government. This is very important as has been noted for the possible independence of Greenland. Even though Denmark has not been as active as Russia, Norway and Canada in Arctic matters the Danish authorities still take it seriously and are trying to come with a good comprehensive policy regarding the Arctic. In May 2008 the Foreign Ministry of Denmark published the strategy paper \textit{Arktis i en brydningstid} (English: Arctic in an upheaval) which contains proposals for a Danish Arctic strategy\textsuperscript{185}. Even though it is only a proposal at the moment, not an active strategy, it gives a good indicator on what the Arctic strategy of Denmark and Greenland will be.

There are two main objectives stated in the proposal, the first being to support and strengthen Greenland’s development towards increased autonomy, and the second, to maintain the position of the state (Greenland first and foremost and Denmark through Greenland) as a major player in the Arctic\textsuperscript{186}. It is clear from the start of the paper that this is to be done in cooperation with the home-rule


\textsuperscript{184} Ibid.


\textsuperscript{186} Ibid.
in Greenland. There is great focus on sustainable development, to protect the resources in the Arctic but at the same time use them for the benefit of the state. Denmark has a right to use the opportunities that climate change offers, in tourism, fossil fuels mining etc., but at the same time will work on the various security issues that come with climate change and the opening of the Arctic. Among those issues are the problems of a large and harsh area needing to be covered with search and rescue capability, the need to regulate shipping traffic and to protect the environment against pollution.

There has lately been a certain shift in the language used by the Denmark/Greenland government towards Arctic Affairs in the direction of a more proactive approach\(^\text{187}\). What may have triggered this change is the increased activity of Russia in the Arctic, including the 2007 flag planting on the bottom of the Arctic Ocean at the North Pole. The fact that energy prices have increased substantially in the last few years also plays its part. Access to fossil fuel energy has become a very important security issue for every state and Denmark is now looking towards finding cheaper and more dependable energy resources than it has previously had access to\(^\text{188}\). The EEZ of Greenland is one of the most important potential sources for Denmark’s energy security needs.

Most of the issues regarding the territorial boundaries of Greenland have been solved; the sole major issue is who owns Hans Island in the Kennedy strait between Canada and Greenland. As already noted, for many years the Canadian and Danish governments have been struggling over ownership. The struggle is characterized by each state’s navy going there from time to time with a flag and bottle of strong alcohol and leaving it on the tiny island, thus making claims to possession. National ministers also make periodic speeches about the ownership of the island, claiming that the other state is trespassing; but both governments are very civil and let each other know before each flag planting ceremony. At the same time those governments are working together in Afghanistan and holding


\(^{188}\) Møller, Per Stig: Speech by the Foreign Minister at the conference on energy security: Charting new strategic challenges. 23.1.2009. http://www.um.dk/nr/exeres/c00cc322-a7cb-4b52-85d5-f672a91787f2.htm (Accessed 10.4.2010).
joint military exercises in the Arctic\textsuperscript{189}. This struggle is thus not prohibiting them from working together, and a plan has now been agreed by both governments on how to determine the ownership of the tiny island. Meanwhile, the flag planting has stopped for now.

Denmark is working together with Canada on exploring the bottom of the Greenland continental shelf and trying to establish any connection with the Lomonosov Ridge, which is claimed to stretch right over the North Pole to the Russian continental shelf. It is expected that Denmark and Canada will file claims together to the Continental Shelf Commission. There is a possibility that Denmark could make a continental shelf claim for the North Pole: at least the politicians of Denmark have been using that rhetoric in their speeches\textsuperscript{190}. Any such claim will most likely be made in agreement with Canada since they are working together on finding proofs for their joint claims. Denmark has stated that all concerned states must follow international laws and regulations when establishing boundaries and making continental shelf claims and that there is no need to have new laws regarding the Arctic.

Denmark will boost its military capability in the High North in the coming years with a new joint-service Arctic Command\textsuperscript{191}. This is a direct consequence of the increased importance of the region as well as a response to the activity of Russia. This plan was published not long after the Russian Arctic strategy was made public where it was stated that the Russians will increase their military presence in the region (see above).

Denmark took the initiative for the Ilulissat meeting that was held in May 2008\textsuperscript{192} and chose what states and groups should be invited to the meeting, following the model of the event held a few months before by the Norwegians at

\textsuperscript{189} Ministry of Foreign Affairs of Denmark: Canada and Denmark team up for military exercise in teh Arctic. 9.4.2010. http://www.ambottawa.um.dk/nr/exeres/236f0706-d9d7-4300-84e2-b04201e7a61d (Accessed 10.4.2010).
\textsuperscript{190} Petersen, Nikolaj: “The Arctic as a New Arena for Danish Foreign Policy: The Ilulissat Initiative and its Implications”. Page 54.
Oslo. By doing so the Danes hoped to establish themselves as a major player in the Arctic. The meeting of the five Arctic littoral states was only intended to be held once but since then they have met for the third time, on Canada’s initiative. It took quite a bit of diplomacy to ease the tension among other Arctic Council members, both indigenous people and states, over being left out of the first meeting\(^\text{193}\). This was when the rationale was offered that the grouping was designed to tackle issues among littoral states. At the same time, Denmark has stated that the Arctic Council is important in dealing with security issues in the Arctic, most notably climate change. Denmark has the chairmanship of the Arctic Council from 2009 to 2011 and hopes to be able to secure a strong footing for the future work of the Arctic Council during that time\(^\text{194}\). Denmark as also pointed out that there must be global action to tackle the security problems that climate change is linked with, and part of Denmark’s own contribution was to host the COP15 conference in 2009\(^\text{195}\). Denmark is by doing that trying to establish itself not only in the Arctic but in the global arena, fighting climate change as a security threat.

### 4.4. US Strategy for the Arctic

The USA has so far been the Arctic state that has been the most relaxed over the changes it the Arctic and the possible consequences for national interests. The USA has not yet ratified UNCLOS but has stated in the Ilulissat declaration that international laws will be used to decide on territorial claims made in the Arctic as well as boundary issues. At the same time the USA insisted on keeping the UNCLOS reference in the Ilulissat declaration rather vague, whereas Denmark’s proposal had included references to specific articles of the Convention\(^\text{196}\). The

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\(^{196}\) Petersen, Nikolaj: “The Arctic as a New Arena for Danish Foreign Policy: The Ilulissat Initiative and its Implications”. Page 60.
USA is trying to avoid being bound to certain behaviour by international treaties and laws, not wanting the executive power of the US government to be controlled by outside forces.

It was one of the last acts of former president George W. Bush to publish a new US strategy for the Arctic. The previous strategy had been published in the year 1994. Since then the Arctic has gone through drastic changes and therefore there was a great need for an updated national strategy. The current US strategy is one of the newest that that Arctic states have published and also one of the most straightforward, giving a good indication of what the USA wants regarding the Arctic.

The strategy defines the Arctic as an area of great strategic importance for the USA both for its economic possibilities but also as a possible venue for attack on the US both by traditional military power and terrorist action. The USA will safeguard these interests in the region, with traditional military forces as well as early warning and missile defence systems. It will increase the capabilities of the US armed forces in the Arctic region to protect the national interest. However the strategy sees only a limited risk of military conflicts in the region and the USA will try to solve any disputes in a peaceful manner. It is of vital importance for the US that the Northwest Passage be accessible for its military and other state vessels without having to seek formal approval for the passage from Canada. It is thus very unlikely that the US will withdraw its claim that the passage is an international strait. As noted, another option would be to negotiate a contract with Canada for unrestricted access by US state ships through the passage; but then it would have a negative impact on the parallel US claim that the Northeast Passage is not Russian internal waters.

The USA has still to solve the boundary issues in the Beaufort Sea with Canada. The disputed area can contain valuable minerals and fossil fuel. The USA has stated that it will follow international treaties and laws when the territorial issues are decided upon in the Arctic. In this context, both US politicians\(^{201}\) and academics\(^{202}\) point out that it is very important for the US to ratify UNCLOS because otherwise they have no seat at the table that decides on those matters and furthermore cannot make claims for an extended continental shelf based on the law of the sea. In the Strategy paper it is stated that the best way to make continental shelf claims is by the UNCLOS\(^ {203}\). Russian flag planting on the bottom of the Arctic Ocean very probably influenced the US government in coming to this realization. It is likely that the President of the USA will try to have the treaty ratified sooner than later; but the USA cannot in any case make claims on the basis of its Alaskan territory for an extended continental shelf over the North Pole. The USA is currently working with Canada on surveying the extent of the continental shelf in the Arctic\(^ {204}\). In sum, the USA may seem to have been very relaxed over the Arctic for the past years, which has given cause for criticism from within the country;\(^ {205}\) but the Administration are now slowly picking up the pace and showing more interest in the region.

The US strategy puts a certain emphasis on issues like environmental protection. Pollution is a big hazard: the sources can be accidents from shipping and fossil fuel mining but also other industrial waste coming into the Arctic Ocean via the rivers that lead there. There needs to be multinational cooperation to come up with solutions to these issues. Some environmental protection groups want a regulation forbidding industrial activities within environmental protection zones. Others just want confirmation, by an action plan, that the industry will not


\(^{205}\) Borgerson, Scott B.: *Arctic Meltdown, The Economic and Security Implications of Global Warming*. 68
harm the environment in the region before corrective actions can take place. The USA authorities are certainly aware of the possible harm the increased activity in the Arctic can do to the region and want to address that along with the issue of climate change itself.

There is overall satisfaction with the work of the Arctic Council within the US government. The Arctic Council has a certain mandate and the US does not see any reason to expand it, at least not towards hard military security issues. In other fields the USA is willing to strengthen the work of the Arctic Council without increasing its costs or making it a full-fledged organization capable of creating legal obligations for the member states. The US thus aims to keep the Arctic Council as a body with limited resources and a mandate to work on the environmental, humanitarian and scientific issues in the Arctic.

At the Arctic Five meeting in Ottawa on 29-30 March 2010, US Secretary of State Hillary Clinton said that the three Arctic Council member states that were left out should have been invited to the meeting. All the states that have legitimate interests in the region should have been invited because important matters were on the agenda for all the Arctic states. There is no need to establish a new forum for discussion when Arctic Council exists. As noted, Canada was behind the meeting of the Arctic five this time and the statement made by Hillary Clinton has been looked at as a public rebuke in the Canadian media. It could have the effect of putting a stop to the Arctic Five meetings so that in the future all states will have seats at the table as well as representatives of indigenous people.

The USA has only one active ice-breaker at the moment and it is not ready to go into the Arctic with full force. The statement made by Hillary Clinton can also be read as designed to buy the USA a little time to build up equipment for the Arctic, and to bilaterally negotiate contracts regarding the Northwest Passage and the Beaufort Sea. On such a basis the USA could lead the future development in the Arctic, and if they come to bilateral agreement with Canada or Russia over

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certain issues it is likely that the other states will follow sort and become part of that agreement\textsuperscript{208} making it a multilateral agreement. It can be in the interest of certain, especially the larger, states to go this way and thus bypass the Arctic Council and other international organizations where the power of decision is in hands of more states. The bargain would be especially attractive if the US is ready to support the other states’ understanding of certain issues, for example definition of waterways.

4.5. The strategy of Canada for the Arctic

Canada has no overall comprehensive strategy regarding the Arctic. It has published a webpage with some indications what its aims are regarding the Arctic\textsuperscript{209} but there is no indication of an official strategic paper issued by the government yet. There have been published summaries of issues that are of interest for Canada\textsuperscript{210} but they do not cover the whole Arctic issue. Nonetheless Canada has been very active in the High North in recent years following a statement by the Canadian Prime Minister Stephen Harper in the summer of 2007 that the nation has to “use it or lose it”\textsuperscript{211}. There was a great publicity for Canada’s flag-planting war with Denmark over Hans Island\textsuperscript{212} but that has cooled now, the issue has moved towards a solution, and Canada has put its effort into more effective behaviour on a limited number of key strategy issues.

The key to Canadian policy as of today is increased presence in the Arctic\textsuperscript{213}, designed above all to support the claim that the Northwest Passage is Canadian internal waters, and thus to assert national control of its territories and waters. Canada has always treated the Northwest Passage as internal waters and

\begin{itemize}
\item \textsuperscript{208} Borgerson, Scott B.: Arctic Meltdown, The Economic and Security Implications of Global Warming.
\end{itemize}
will continue to do so in the foreseeable future. It is increasing its capabilities to monitor shipping traffic along the passage, for example with satellites, and also its military presence in the Arctic region\textsuperscript{214}. There has been criticism regarding the lack of Canadian involvement in the past in regulating the Northwest Passage, i.a. through mapping the passage and building ice-breakers\textsuperscript{215}. All these things could help Canada’s claims in the Arctic and the Canadian government is now trying to make amends, notably by publishing plans to build up to eight Arctic Patrol Ships and a deep water port in the region\textsuperscript{216}. Canada also wants to pass laws regarding shipping in its part of the Arctic region to protect the area against pollution and other harmful substances; for example alien living organisms in the ballast water of ships which could have harmful effects on the vulnerable ecosystem of the Arctic if released there.

Canada has tried to establish itself as a leading Arctic state, both in the eyes of the Canadians and also other states. The Canadians accordingly followed in the footsteps of the Danish government and invited the Arctic five states to a meeting in Ottawa 29-30 March 2009. The government of Iceland and representatives of indigenous peoples protested that they were not included in the meeting. As already noted, the US Secretary of State, Hillary Clinton, rebuked Canada for not inviting them along with Finland and Sweden. What effect that has on the continued cooperation of the so called Arctic five states is hard to say but it might cool things down a bit and there might be some waiting for any further meeting. Meanwhile the Arctic Council is fully functional under its limited mandate. Canada did recently block the EU application to have observer status with the Arctic Council\textsuperscript{217}, making it more difficult for the EU to influence the situation in the Arctic. Canada is against giving the EU access to the Arctic for various reasons, including the ban on seal-hunting the EU has agreed on and also the claim of EU that the Northwest Passage is an international strait.

As mentioned, Canada is working with both the US and Denmark to explore the bottom of the Arctic Ocean to try to map it and find proofs for their

\textsuperscript{214} Ibid.
continental shelf claims. Canada is also working with Russia and Norway in introducing weather and shipping alert services in the Arctic Ocean, using protocols from other oceans as a role model\textsuperscript{218}. This will become more important as the ice recedes and ship traffic increases. Demonstrating a practical sense of responsibility in a certain region can help states when making territorial claims even though the actions have no legal value per se. It shows the willingness of the state to make effective use of the area and provide services, not only for their citizens but for others as well.

There is a lack of indication what the policy of Canada is regarding fossil fuel and other valuable resources in the Arctic. It can be assumed that Canada will exploit the resources that will be found in its EEZ and extended continental shelf but there is no indication of when that can happen. Less than one percent of the Canadian GDP comes from the Canadian Arctic region\textsuperscript{219}. This will change in the future, not least if the Northwest Passage will become a regular highway between ports in the Atlantic and the Pacific Oceans. Better infrastructure along the Canadian coast will decrease the uncertainties and increase the savings that can be made on the route\textsuperscript{220}.

Canada’s behaviour regarding the Arctic seems to be basically a defensive posture. The Canadians are trying to establish a footing in the region and to uphold claims towards it without having specific plans or equipment to make use of it. Of course it is necessary to establish the legal rights to the area before it can be exploited, but nonetheless it is important to have some sort of strategy on what to do to gain the legal status and how to use it. There needs to be administrative will and capability to address the issues of the Arctic. Scholars in Canada have criticized the lack of real strategy\textsuperscript{221} on Canada’s part in the Arctic and made

\textsuperscript{221} Griffiths, Franklyn: Towards a Canadian Arctic Strategy. Canadian International Council. 2009.
suggestions on how to develop it better, both regarding sovereignty over disputed waters and also security issues\textsuperscript{222}.

4.6. China and the Arctic

There is no official Chinese strategy for the Arctic region but in recent years there has been a noticeable change in the interest of China in the Arctic. China has one of the strongest polar research capabilities. It has the largest non-nuclear icebreaker and is planning to build more ice-breakers, though not as big as the existing one\textsuperscript{223}. It has had temporary observer status at the last two ministerial meetings of the Arctic Council and has applied for permanent observer status.

China is taking the opening of the Arctic very seriously because it can see great opportunities in it even though China has no direct access into the region. If the sea-routes over the Arctic become feasible for sailing during at least part of the summer it will shorten the shipping routes for goods from China to the markets in Europe considerably. China is presently the world’s third largest economy\textsuperscript{224} and soon it is quite possible that China could become self-sufficient making it the more powerful force in international relations. Quicker access to markets could have considerable advantage for Chinese exporters. Between the years 2000 and 2008 the value of goods imported and exported between EU member states and China rose from 101 billion € to 326 billion €\textsuperscript{225}. There is a shared opinion among Chinese scholars that the Arctic route will become very important for the world’s economy in future\textsuperscript{226}.

China is also preparing for possible access to international waters and seabeds in the Arctic where it would be free to harvest resources. The Chinese government has sponsored researches by Chinese officials and scholars on various

\textsuperscript{222} Huebert, Rob: Canadian Arctic Sovereignty and Security in a Transforming Circumpolar World. Canadian International Council. 2009.
\textsuperscript{224} Larsen, Gry: Common Security Concerns of Norway and China. Conference with SIPRI, 1.3.2010.
\textsuperscript{225} Willis, Andrew: China lies at heart of Europe’s recovery, says Brussels. 19.5.2009.
\textsuperscript{226} Jakobson, Linda: “China prepares for an ice-free Arctic”.
issues regarding the Arctic, but the results have not been made public\textsuperscript{227}. China is thus preparing for the opening but trying to do it in such a way that it does not too much disturb the Arctic states. Too much interest too fast from China could lead to the Arctic states grouping together and closing the Arctic doors for China.

Norway and Canada have had bilateral talks with China regarding the Arctic. Norway is in negotiation on a free-trade agreement with China\textsuperscript{228}. Iceland has already negotiated a trade contract with China and in Reykjavik the Chinese Embassy is the biggest foreign embassy\textsuperscript{229}. China is thus slowly expanding its influence from being a regional power in Asia to become a global power. The Arctic could speed up the progress.

Even though China is laying low at the moment and does not have an active public Arctic strategy, the Arctic states must consider China when looking at the future of the region, especially regarding shipping and quicker access to markets. Japan is also showing interest in the Arctic and has applied for observer status with the Arctic Council as well as doing research in the Arctic region\textsuperscript{230}. There is no indication of a public Japanese Arctic strategy but it is reasonable to expect that Japan will publish one in coming years, just as China will most likely do. Both those states are large economics powers with the capabilities that go with that and have to be borne in mind when future Arctic strategies and institutional arrangements are considered.

\textsuperscript{227} Jakobson, Linda: “China prepares for an ice-free Arctic”.
\textsuperscript{228} Larsen, Gry: Common Security Concerns of Norway and China.
\textsuperscript{229} Jakobson, Linda: “China prepares for an ice-free Arctic”.
5. International Organizations and the Arctic

International organizations have limited access to the Arctic region. There is no legally binding document covering the Arctic in the way that the Antarctic Treaty covers Antarctica\textsuperscript{231}, and hardly any chance that the Arctic states can agree on one. The situation in the Arctic is too complicated and there is too much at stake: traditional hard military security, soft security issues and also great economic potential. There is very little chance that the states with their existing territories, non-disputed EEZ and continental shelf claims in the region will agree on leaving the rest of the Arctic free for all to use and exploit, with all the potential risk for their security and economy that will follow. In the strategy of the Arctic states – as surveyed in the last chapter - there are a few aims and principles that all have in common:

- Handle disputes in a peaceful manner and abide by laws and regulations, coupled with the insistence that there is no need to establish new laws or forums to discuss Arctic issues.
- Solve territorial boundary issues peacefully.
- Use already established forums to discuss Arctic issues, most notably the Arctic Council.
- Use military power to protect national interests in the region against military security risks, terrorism and possible criminal activity.
- Protect the sovereignty of the state’s Arctic region.
- Protect the potential economic benefits and use them for the gain of the state.
- Protect the pristine Arctic environment.

• Address the security risks arising from climate change and ways towards solving them

• Protect the traditional way of life of indigenous people and allow their voice to be heard.

• Increase scientific research on and in the Arctic region.

There is no one forum that has the power or the agreement of all the Arctic states to handle all those issues. Some can and will probably be handled with bilateral agreements. Such agreements have been used with good results between some actors in the Arctic in the past and are an option that cannot be overlooked. Examples of bilateral agreements are the Iceland-Norway/Jan Mayen-Denmark/Greenland agreement from 1997 on continental shelf and boundary definition between Greenland, Jan Mayen and Iceland, and the 1997 Iceland-Denmark/Greenland agreement on continental shelf and fishery zone boundaries between Iceland and Greenland\textsuperscript{232}. Negotiation on boundaries is no simple task because of the potential economic implications they can have. Moving the line a few miles in either direction can result in severe gain or loss for the state in terms of economic benefits. Therefore it can be necessary to have some neutral state or organization to mediate if there is no chance of direct agreement. Another option is to establish a common area within which defined economic assets are divided by the member states, as Iceland and Norway have done in the Dragon area.

Several different international organizations and forums have been formed for and around the Arctic region to handle the security issues that have arisen and can arise in the future. This is part of the institutionalization of security cooperation in Europe\textsuperscript{233}. Also there has been growing interest from established organizations outside the region in gaining some kind of access to it and some of these have even formed their own Arctic strategy. Some established global rules and regulations can be applied to the region without having to adapt them specially, assuming the willingness of the Arctic states to follow them. Conversely, if one or more Arctic state is against a certain approach from an


international organization it is very difficult for the latter to gain access to the region without disturbing the delicate balance that exists there at the moment. Against this background we may go on to look at the Arctic strategies and ambitions of selected international bodies and organizations and what interest they have in the region. The institutions are divided into three groups reflecting the categories in this paragraph: purpose-built regional groups, global frameworks with Arctic relevance, and major Euro-Atlantic institutions with an emerging Arctic interest.

5.1. The Arctic Council, Barents-Euro-Arctic Council and the Northern Dimension

The Arctic Council was founded on 19th September 1996 with the Ottawa Declaration⁹. Its main purpose is to be a forum for the eight Arctic states – the littoral five plus Iceland, Sweden and Finland - to address soft security issues, most notably climate change and pollution. Russia was and is a big source for pollution in the Arctic Ocean and there is a risk that it can affect all the coastal Arctic states. The second objective is to address the issue of sustainable development in the Arctic region. The Arctic Council is the only Arctic forum involving all eight Arctic states and is unusual among international bodies in that representatives of the indigenous peoples take part in its work on a par with the states. The only limitation is that the indigenous groups do not have the power to vote on the issues, but their input is very important for the council and sought after. In that respect they have more power than those other states and organizations that have been admitted as observers. There are six permanent participating groups of indigenous people and the Council is more effective with them aboard than if there were only state participants⁸.

As already noted, the Arctic Council does not have legal personality as an international organization that can pass binding laws for its member states. Commitments to participate and fund the work of the Arctic Council are voluntary and all decisions made by the Council are by unanimous vote of all member states, so that in fact every state has a veto. The states can therefore protect

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themselves from any decision on behalf of the Council that is against their domestic policy interests. The USA in particular wanted the Council to be a forum for research and exchanging views when it was founded, not a forum for hard military security.

The Danish government holds the chairmanship of the Arctic Council for the years 2009-2011. In close cooperation with foregoing presidencies they have set forward common objectives for the years 2006-2012. The number one focus is the issue of climate change and the effects it is having on the people living in the area. The other issues on the agenda are: self-sufficient use of resources, environmental protection and living conditions of indigenous peoples. Finally the successive presidencies want to influence the work of the International Polar Year in such a way that its findings can be used to support policy making. From the management side they want to establish some sort of structure to better use the limited resources of the Council.

When looking at the issues under scrutiny by the Arctic Council it is perfectly clear that it is mainly human security issues that are dealt with, not state security per se. This limitation on the mandate of the Arctic Council weakens its grip on the full range of Arctic issues, combined with the fact that members do not have to follow the recommendations of the Council and even if these were binding, the Council has no way to enforce its decisions. Even though the Arctic states may talk of using the Arctic Council to address all the problems of the Arctic, they must know this cannot make literal sense without a considerable expansion of its mandate, resources and powers. When the US proposed to use the Arctic Council in its strategy as the main forum for solving problems in the Arctic and then criticized Canada for not inviting the three left-out Arctic Council members to the Ottawa meeting, it was in fact signalling that it reserved the right to make slower and separate progress on territorial issues, buying itself time to either ratify the UNCLOS treaty or to solve its problems bilaterally.

236 Ibid. Page 718.
The Barents Euro-Arctic Council (BEAC) was founded on 11th January 1993 with the Kirkenes Declaration. The founding states were Iceland, Norway, Sweden, Denmark, Finland and Russia, joined as a founding member by the European Commission (EC). The goal with the BEAC was to promote stability and peace in the region through cooperation and joint management in particular of the Norwegian-Russian border, and this has been generally successful. In the Kirkenes Declaration it was stated that due to the harsh climate and challenges of a large area with few inhabitants, the participants must work together to improve cross-border cooperation and thereby improve the local communities’ living standards. Indigenous people also have their representatives in the BEAC through the working group of indigenous people (WGIP). Canada and the USA among others have observer status in BEAC.

The main difference between the Arctic Council and the BEAC is that the BEAC is addressing economic issues while the Arctic Council does not include them in its mandate. As can been seen in the history of Europe after WWII, economic cooperation can increase stability in a region but other criteria must be fulfilled also. The presence of the EC in the BEAC is important in this aspect, as it has a long tradition of promoting economic cooperation. As noted, it has failed by contrast to get membership in the Arctic Council, or even observer status since Canada most recently vetoed it. BEAC does also include cooperation on environmental issues and sustainable development but not on a circumpolar basis, only within the Northernmost provinces of its member states.

It is stated that the BEAC will avoid duplicating the work of other organizations or working groups, which implies respecting the Arctic Council’s lead in the actual Arctic region as the forum to address the softer security issues. In the state strategies cited above the BEAC does not carry the same weight as the Arctic Council but it can serve as a model for the economic cooperation needed in certain areas in the High North. Norway is willing to seek further economic cooperation with Russia and could opt to use the BEAC because the Arctic

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239 Ibid.
Council is lacking some of the necessary competence to be fully functional in the Arctic.

The Northern Dimension is a cooperative framework between Norway, Russian Federation, Iceland and the EU designed to promote dialogue, strengthen economic cooperation, increase stability and sustainable development in northern Europe. It was founded in 1999 but got a new start with a new agenda in 2006. BEAC and the Arctic Council are members of the Northern Dimension and it is stated in the Political Declaration on the Northern Dimension Policy that the Northern Dimension will support existing forums and organizations. One of the main characteristics of the Northern Dimension and the new policy is the strong cooperation between EU and Russia in developing four Common Spaces. The ownership of the Dimension is in the hands of all the member states but the strongest agenda for it is economic cooperation in the western part of Russia together with neighbouring states. Indigenous people are not specially represented in the Northern Dimension. For the EU, the Northern Dimension and the BEAC provide to date its only direct and formal access to the Arctic region, so it has an obvious interest in strengthening the work of these organizations to strengthen its own voice – and perhaps offer useful models of cooperation – in Arctic affairs.

5.2. The global frameworks: UNCLOS and IMO

The United Nations Convention on the Law of the Sea dating from December 10th, 1982 has been named by all the Arctic littoral states as the basis for settlement of all territorial disputes in the Arctic. It is stated in the treaty itself that all disputes shall be solved in a peaceful manner. The convention does not

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245 Ibid.
provide instant solution to all possible territorial disputes in the Arctic but UNLOS provides all the necessary procedures already to find the solution given certain time\textsuperscript{246}. It is fully useable in the Arctic even though it was not designed specially for that area. The only problem is that the USA has not ratified the treaty. Without US ratification it cannot be used to solve territorial disputes which the USA is party to and – as noted- the Americans cannot use the treaty as a basis for their continental shelf claim. Furthermore all the procedures that are set up in the convention include the condition that all the parties should be in an agreement to use that solution\textsuperscript{247}. Both parties to a bilateral dispute must for instance agree on the conditions under which an international tribunal or court of justice will take over the dispute, if this happens after 5 year of no results or even not at all. This denies the possibility for the treaty to automatically take over issues after a certain time has passed since negotiations began.

UNCLOS is the best possible solution regarding contested territorial issues. It can be used as a foundation on which to base a bilateral agreement, or the special tribunals named in the part XV, \textit{Settlement of Disputes}\textsuperscript{248}, can be used. Especially important for the potential disputes in the Arctic is Article 76 of UNCLOS concerning the continental shelf, its definition, how to make possible claims and who takes the final decision. All the decisions made by the Commission on the Continental shelf are final and binding,\textsuperscript{249} making it the more important for the state to prepare its claims very well and leave no question unanswered.

States must agree and ratify the treaty on a voluntary basis; there is no general obligation in international law for them to do so. They can even make declarations when signing the treaty stating that they are exempted from a certain article. If a state after ratifying does not comply with the treaty the UN cannot force the state to do it\textsuperscript{250}. Other states need to do that in the name of the UN. All

\textsuperscript{248} Ibid.
\textsuperscript{249} Ibid.
participation is based on the state feeling it is gaining more from joining the treaty than from staying outside.

The International Maritime Organization (IMO) is the other international law body that the Arctic states have identified as a possible solution to problem areas in the Arctic. While UNCLOS will cover the territorial issues, economic boundaries and rights, maritime protection and rights to innocent passage, the IMO is the world leader in developing regulations for safety of shipping. Its measures are designed both for the protection of the shipping industry itself and for protection of the environment that the industry must operate in. It is also a voluntary organization and abides by the same rules as most of them; any state must see gains from participating for it to be willing to spend both time and money on the organization. The regulations/guidelines the IMO proposes are only politically, not legally binding.

The Arctic states want to use the IMO to regulate the shipping in the Arctic, for example to set up some standards of equipment and navigation skills. For example Norway wants to include in regulations about the Svalbard maritime zone the rule that ships need to have a pilot from the islands on board when sailing close to them because of the dangerous waters in the vicinity. Norway is also proposing certain procedures in the waters off the northern part of its mainland, whereby ships routing towards the Arctic will sail according to certain lanes and ships sailing from the Arctic will follow another separate route. The IMO could be the forum to address these issues as it has the special knowledge to research the needs, consider whether the proposed solution will be secure and formulate the detailed solutions. The knowledge base of IMO comes mainly from the member states and the specialists they have, but this provides an ample workforce for the tasks it covers. It is the states’ responsibility to see to it that all parts of their shipping industry comply with the regulations of IMO.

5.3. NATO and the EU

The North Atlantic Treaty Organization is the old cold war defence alliance of the USA and its allies, founded in 1949. Traditionally it is looked upon as the enemy

by the Russian Federation; and even today Russia is in general very suspicious of NATO operations and activities\textsuperscript{252}, especially if they are around Russian boundaries. The exception to this is maybe the conflict in Afghanistan but that is more due to the nature of how it started and under what pretext. Also it is a fact that the Russians were not against changing the government in Kabul, had tried for many years to do it themselves, and saw the Islamic extremist government as a threat to stability in Russia. NATO has been working with Russia through the NATO-Russia Council since 2002\textsuperscript{253} and through Partnership For Peace\textsuperscript{254}. This cooperation is one segment of the institutionalization of NATO Russia ties as an experiment to avoid new Cold War and to promote military and political dialogue between the former enemies\textsuperscript{255}.

In recent years there has been increased interest from NATO in the Arctic region. The opening up of the Arctic can have very severe security implications for the member states of NATO, including not just civilian security but also possible military security risks. NATO needs to address that issue because if there is a military confrontation it is very likely that the participating state will trigger article five – the mutual defence clause - of the NATO treaty\textsuperscript{256}. There must be a plan for how to respond, what states are willing to send what assistance and under what circumstances. NATO will also need consider whether states are withholding possible assistance and why; is it because they place the national interest higher than NATO interests\textsuperscript{257}, what is the reason for this and how NATO could react.

There is clearly need for more scientific knowledge on climate change, how it affects the High North and what possibilities it brings. To this end NATO co-sponsored with the Icelandic Government a conference in Reykjavik on 30th January 2009 titled: “Security Prospects in the High North: Geostrategic Thaw or Freeze?”, where both NATO official and academic researchers spoke about the security implications of the changes in the Arctic. The NATO Defence College

\textsuperscript{252} Zyžk, Katarzyna: “Russia and the High North: Security and Defence Perspectives”.


\textsuperscript{256} NATO: The North Atlantic Treaty. Article five.

later published a book based on the conference\textsuperscript{258}. This was the first serious step by NATO towards a better understanding on the Arctic issues and probably not the last.

The opening of the High North is not just matter for the Arctic states; it is a global security challenge that is attracting interest from all over the globe, most notably from Asia. NATO is aware of that and is looking at approaches that could help defuse the possible tension that NATO interest in the region can provoke from Russia. One way to do that is to involve the interested states from both Europe and Asia, thus trying to avoid a purely bilateral NATO-Russia standoff in the Arctic\textsuperscript{259}. However it might be difficult to have Russia accept the involvement of outside states in Arctic matters since – as already discussed - Russia is opposed to organizations that it is not part of becoming involved in the High North. Even though NATO may not become directly involved in the Arctic it is necessary for the organization to keep a finger on the Arctic pulse because it is not easy to predict the evolvement in the Arctic and NATO must be ready to grow up to new challenges as they unfold.

In the last two decades the European Union has played a steadily larger and wider role in European and global security affairs\textsuperscript{260}. The European Commission published its proposals for an EU Arctic Strategy in November 2008\textsuperscript{261} and the Council of Ministers drew on this to produce its first guidelines for Arctic policy in December the next year\textsuperscript{262}. This sudden activity is good indicator of the importance that the EU now places on the Arctic. In the 2008 paper it is stated that the EU has three main policy objectives:

\begin{itemize}
  \item “Protecting and preserving the Arctic in unison with its population
  \item Promoting sustainable use of resources
\end{itemize}

\textsuperscript{259} NATO: “Undir heimskautsísnum...”. Norðurskautíð: of heitt til að leída hjá sér?
\textsuperscript{260} Cottey, Andrew: Security in the New Europe.
• Contributing to enhanced Arctic multilateral governance

This is in line with the policy of both BEAC and the Northern Dimension without duplicating the focus of either of those regional groups. It is important for the EU to get access to the Arctic to have some influence on the regulatory framework that will be used in the region. It is offering its assistance in developing rules to follow, for example on management on fisheries and protection of the environment against pollution. The European Union does have a wide range of knowledge to offer and also a strong regulatory framework that can be used as framework for certain issues in the Arctic: but as of today it lacks direct access into the Arctic Ocean. Sweden and Finland are part of the EU but do not have Arctic coastlines. Greenland is not part of the Union even though Denmark is. Iceland and Norway have a close connection through the EEA.

As noted, Canada has so far vetoed the EU’s request for observer status at the Arctic Council which is the only circumpolar forum working today. Canada’s role in this is interesting since the EU, like the USA, has demanded that the Northwest Passage should be defined as an international strait. The EU will most likely apply again for observer status because it looks at the Arctic Council as the forum to address the issues of the Arctic region as a whole. It also encourages member states to contribute to the work of the Arctic Council working groups.

Russia’s attitude starts from the already cited fact that it is not willing to let international organizations into the Arctic region that it is not a part of. The EU and Russia are working very closely together on various issues, including in a limited part of the North through the Northern Dimension, and EU member states are among the biggest clients of Russian oil and gas exports. But that does not mean that Russia will look favourably to EU interventions in the Arctic. It might for instance try to block direct EU access to the region or at least to any new, non-Russian oil and gas resources for as long as possible, in order to maintain the grip Russia has on the EU as a market for its fossil fuels. The stability of the Russian economy is based upon that export and losing its biggest client could destroy all

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263 Commission of the European Communities: Communication from the Commission to the European Parliament and the Council, The European Union and the Arctic Region.
264 Council of the European Union: Council conclusion on Arctic Issues.
265 Ibid.
the plans the Kremlin has for the build-up of Russian power. Both the EU and Russia are aware of this connection and it might influence their future cooperation. The EU has a prima facie interest in alternate ways to gain access to the Arctic and if the Arctic Council route is blocked, it might choose to start with enhanced work by the BEAC and the Northern Dimension, increased economic cooperation with Greenland and even acceptance of Iceland into the Union.
6. Iceland

Iceland’s situation in global politics is in many ways special and unlike many others small states’ position. Iceland is in a very important strategic location in the middle of the North-Atlantic Ocean, right between Europe and the USA. During WWI Iceland was situated in what the British called their zone of interest. Iceland was still a part of the Danish kingdom: but to avoid Icelanders selling goods to Germany and thus breaking the embargo the British had imposed on the Germans, the British occupied Iceland with one “soldier” armed with a pen. The occupying force consisted of the consul Eric Cable. During the first world war he was in fact the ruler of Iceland and controlled who could sell what to whom etc.\textsuperscript{266}

Iceland gained sovereignty in 1918 but the Danish king was still the head of state, at least for the next 25 years. During this time the Danish government remained in charge of enforcing Icelandic foreign policy but Iceland dictated what the actual policy should be. It was stated in the 1918 Sovereignty Contract that in 1943 both the Icelandic government and the Danish king would gain the right to end the connection between the king and the Icelandic state unilaterally. When Denmark was occupied by Germany in 1940 the Icelandic government assumed the responsibility of conducting its own foreign policy. The British army invaded Iceland May 10\textsuperscript{th} 1940\textsuperscript{267} thus breaking the neutrality of the state. In 1941 the US army took over the protection of Iceland for the remainder of the war with the agreement of the Icelandic government, so that at this point Iceland was in fact infringing its own neutrality.

When the war ended the US army left the new Republic of Iceland after an unsuccessful attempt to lease land for military bases for 99 years\textsuperscript{268}. But soon afterwards there was an agreement made with the US government that an US civil company would run the Keflavik airport and it could be used for transporting

\textsuperscript{267} Ibid. Page 213.
military personnel and goods between USA and Europe\textsuperscript{269}. The Cold War started and soon the need arose to have some defence in Iceland. The government did not trust in neutrality as a solution any more. There were meetings between the Nordic states where a defence agreement between them was discussed but in the end they could not find enough common ground for cooperation, or agree on where the USA would fit in\textsuperscript{270}. Iceland consequently became one of the founding members of NATO in 1949, but it did state – and gained agreement - that there was not and would not be an Icelandic army: ie Iceland would fulfil its duties towards NATO by other means than raw military force. The NATO Treaty\textsuperscript{271} thus became the cornerstone of Icelandic defence policy and in 1951 the USA and Iceland made a defence agreement\textsuperscript{272} based on the NATO treaty. The USA took up host nation status in Iceland, providing military defence on behalf of the Icelandic state within the treaty framework\textsuperscript{273}.

During the Cold War Iceland played an important part in the defence system of the USA, providing an important outpost to monitor the activity of USSR submarines and long-range bombers. Iceland drew great economic gains from the US base, as it provided jobs for Icelanders, and more importantly Iceland got direct financial assistance from the USA. Successive right wing governments used the scare of the local communist party to pressure the USA to increase its loans and to get direct financial benefits. It was said that Iceland at that time was a good example of the weak state using its weakness as a weapon in relations with larger, more powerful state, or the ‘tyranny of the small’. Iceland could manipulate the USA to a certain extent because of the Americans’ need for the Keflavik base.

In 1991, however, the Cold War ended and suddenly Iceland was not as important as before for US military security. From 1991 to 2006 Icelandic politicians were fighting a defensive struggle to hold on to the US base at

\textsuperscript{272} Ministry of Foreign Affairs: Varnarsamningur milli lýðveldisins Íslands og Bandaríkjanna á grundvelli Norður-Atlantshafssamningsins.
\textsuperscript{273} Ibid.
Keflavik, while parts of the US government wanted to shut it down as a costly military station bringing little real benefit after the end of the Cold War. In 2006 the USA decided unilaterally that the few jets, choppers and soldiers left in Keflavik should be sent to other more important areas. There had meanwhile been a major shift in the US security focus from Europe to the Middle East\textsuperscript{274}. The USA was fighting two wars, in Iraq and Afghanistan, and at the same time it was reducing and shifting its forces in Europe. From the perspective that there was no threat any more from Russia – now seen as “neither friend nor foe”\textsuperscript{275} - and that the forces were needed elsewhere, the decision was understandable. However, today it can be questioned whether the US army should have stayed in Iceland due to upcoming importance of the Arctic region, in 2006 the US government was not considering the Arctic as very important in its foreign policy but that attitude is now slowly changing, as noted above, partly because of the need for the USA to respond to other states’ interest in the region.

When the US army left in autumn 2006, the Icelandic and US governments made an agreement based on the changed situation in world politics\textsuperscript{276}. It still stipulated that the US would still take care of the military security of Iceland but now only with mobile forces. This solution was in fact in line with prior strategies on the defence of Iceland, since the forces stationed in Iceland were not thought of as the whole defence force and reinforcements would always have had to be shipped to Iceland\textsuperscript{277}. Accepting these terms, however, demanded a change of attitude by the government of Iceland. It had previously always stated that it was important for there to be an element of visible defence in Iceland; otherwise it was obvious that the base was only for the USA’s own needs and that could that mean the end of the Defence Agreement between Iceland and the USA.

\textsuperscript{277} Ingimundarson, Valur: \textit{In memoriam: Orðræða um orrustuþotur 1961-2006}. Page 32.
The Icelandic authorities in 2006 were mistakenly obsessed with a military vacuum in the North-Atlantic, and failed to evaluate the situation correctly. The power balance in the relationship between USA and Iceland had changed. Iceland needed USA more than the USA needed it and therefore the USA could as it wanted while Iceland would just have to take the consequences – a clear case of the power of the strong according to the realism of Thucydides. In reality there was no real hard military risk against Iceland at that time and still is not. The real incentive for the Icelandic government to retain the base at Keflavik was purely for economical and domestic political reasons, as it provided lots of jobs in the surrounding area and brought in a steady income for the tax fund even though it had declined since the end of the Cold War. Furthermore the Icelandic government saved a substantial amount of money on maintenance of Keflavik airport and by being able to rely on the help of the rescue squadron at Keflavik, thus saving huge amount of money on the Icelandic Coast Guard.

Iceland is a very small state and can indeed by some criteria be defined as a micro-state, but most often it is placed in the small-state category. This has had a profound impact on Icelandic politics and society. Icelanders look on themselves as very independent people, and try to avoid being contingent on other states. History has shown however that Iceland does need to work with other states to fulfil the basic needs of the state. Under the revised defence agreement the USA is in fact still providing Iceland with one of the fundamental aspects of a state’s responsibility, namely military security. Iceland and NATO have reached an agreement about Air Policing for Iceland, whereby individual NATO member states will provide air surveillance in the Icelandic MADIZ on a rotation basis, visiting for a few weeks at a time four times per year. When the bank crisis hit Iceland it was decided to scale this down to three times per year.

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278 Ingimundarson, Valur: *Iceland’s post-American security policy, Russian geopolitics and the Arctic question*. Page 74.
281 Military Air Defence Identification Zone, approximetly same size as the Icelandic EEZ.
282 Ingimundarson, Valur: *Iceland’s post-American security policy, Russian geopolitics and the Arctic question*. Page 74-76.
More generally, the Icelandic government now has to develop and maintain its own security policy, starting out from bilateral and multilateral international obligations but independent from foreign pressure. The obligations that have been and will be predominant are Iceland’s commitments towards the USA and NATO\textsuperscript{283}. It was really only when the US army left that the government had to take over that responsibility and started working on a comprehensive security structure. One step to this end was the foundation of the Iceland Defence Agency (IDA)\textsuperscript{284} and the tasking of an interdisciplinary working group to conduct independent research on the security needs of Iceland\textsuperscript{285}. This research is the first of its kind done here in Iceland. It gives a certain idea what the threats are but is not a total solution towards the problem of establishing a national security policy which is still lacking. There must be political will to make that happen. Furthermore before the government can publish the security strategy for Iceland they must define what the word security means to them. Security can be defined in various ways and the Icelandic government still has not explained what meaning it attaches to security.\textsuperscript{286} In the government's coalition agreement from May 2009 it says that they will “work according to extensive concept of security and with emphasis on common international security”\textsuperscript{287} - which is rather vague.

There are in fact more diverse and basic weaknesses than this in Iceland’s security structure, some of which can be related to the fact that security itself is a relatively young issue in Iceland. Icelanders in general are not ready to talk about and address the issues of hard military security and the obligations of Iceland towards NATO. The US army base in Iceland was from the start very controversial in Icelandic politics; Iceland was and is supposed to be a peaceful nation without an army. Any reference to NATO and military security raises the

\textsuperscript{283} Explanation of Iceland’s NATO obligations can be found in the following report: Iceland Defence Agency: Varnarskuldbindingar Íslands, Greinargerð Varnarmálastofnunar. Iceland Defence Agency. 2010. Draft, Pending publication.

\textsuperscript{284} Iceland Defence Agency: Yngsta stofnun íslenska ríkisins. http://www.vmsi.is/stofnunin/stjornun/

\textsuperscript{285} Þverfaglegur starfshópur á vegum utanríkisráðuneytisins: Áhættumatsskyrsla fyrir Ísland, Hnattrænir, samfélagslegir og hernadfarlegir þættir. Ministry of Foreign Affairs. 2009


old ghost of militarization of the nation. Another important fact is the constricted resources that the current Icelandic security agencies receive. Since the bank crisis of 2008 there has been a serious reduction in the financing capabilities of the state and the important security institutions have had to swallow their share of cost savings. It is very likely that this trend will continue for the foreseeable future. One result is the proposed restructuring of the work of IDA into other existing institutions and the subsequent closure (planned for end-2010) of the agency itself\textsuperscript{288}. This lack of funding will most likely have its effect on the general Arctic strategy of Iceland as well as on specific societal security agencies.

On the other hand, even if Iceland is not used to and at ease with handling military security, it has had to cover civil security issues for decades. Iceland has shown that it has strategies to handle various threats, ranking from volcanic eruption to pollution at sea. Some of those plans are based on experience while others are based on estimates of what can happen and how Iceland should respond. The Icelandic Civil Defence system, based on an agency overseen by the Ministry of Justice, is responsible for protecting the Icelandic public in times of danger, both from military and softer threats\textsuperscript{289}. This institution has maybe the most experience in handling security related issues in Iceland, but at a more general level the fact is that the state is really still experimenting on overall security policy\textsuperscript{290}, trying to find harmony between hard and softer security issues. In fact there is no complete security strategy existing in Iceland at the moment that tackles both hard and soft security challenges\textsuperscript{291}. The Arctic, as the one of the focal issues in current Icelandic foreign policy, poses a double challenge against this background: it needs to be addressed with a strategy regarding what Iceland wants from the opening up of the Arctic, but also covering how Iceland is going to handle security threats originating in the region.

\textsuperscript{288} Ministry of Foreign Affairs: Skýrsla starfshóps um öryggismál og endurskipulagningu Stjórnarráðsins. Utanríkisráðuneytið. 2010.
\textsuperscript{290} Ingimundarson, Valur: Iceland’s post-American security policy, Russian geopolitics and the Arctic question. Page 78.
\textsuperscript{291} Ömarsdóttir, Silja Bára: The First Time Around: Iceland’s Security Policy in the Making.
6.1. Icelandic security institutions

As noted, the Iceland Defence Agency is the youngest institution in Iceland but is already under the threat of being shut down. When it was founded by Law number 34/2008\(^{292}\), it was a rather controversial action by the then ruling government\(^{293}\). The tasks assigned to the agency according to the founding law are in brief as follows\(^{294}\):

- Operation of the Icelandic Air Defence System.
- Participation in joint NATO Air Policing according to the law and to bilateral agreements Iceland has made.
- Operation of NATO buildings and areas according to the host nation function of Iceland.
- Preparation and running of Defence exercises held in Iceland.
- Operation of host nation support by the Icelandic government.
- Operation of data connections with the NATO information system.
- Participation in commissions and institutions of NATO as directed by the Foreign Minister.
- Cooperation with international organizations and implementation of international agreements as directed by the Foreign Minister.

This list is not exhaustive but gives a good indication of the work that the IDA is supposed to cover. The IDA appertains to the Foreign Ministry, in line with the tradition whereby the Foreign Ministry has always been the link to both NATO and to the American Iceland Defence Force when it had its base in Iceland - thus reflecting a clear difference in the oversight of military security versus civil security, which comes under the direction of Ministry of Justice.

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http://www.althingi.is/altext/135/s/0907.html

\(^{293}\) Ingimundarson, Valur: *Iceland’s post-American security policy, Russian geopolitics and the Arctic question*. Page 75.

\(^{294}\) National Assembly: *Varnarmálalög*
The IDA, for the moment, is thus the Icelandic government’s link to NATO. Among other things it has the necessary security clearance and the ability to perform security investigations on companies and individuals in order to give them security clearances as required. All communications with NATO above a certain level of classification have to be carried out using special equipment and by individuals who have been given a security clearance\(^{295}\). With the participation of IDA in the operational arm of NATO Iceland is taking more responsibility in its own defences, increasing the range of direct national contacts with NATO compared with when the USA was the main link\(^{296}\). The IDA has produced a paper that awaits publication about the Defence Commitments of Iceland\(^{297}\) which was one of the papers called for by an inter-agency working group on security issues and restructuring of the government offices\(^{298}\). The working group was established to fulfil the Left-Green and Social Democrat government coalition agreement (dating from May 2009)\(^{299}\) to restructure the IDA with the aim of shutting it down. The group’s report produced in March 2010 proposes that – in the context of a wider ministerial restructuring - there will be founded a Ministry of Home Affairs which will take over the ‘hard’ security commitments of the IDA, while the civilian aspects of its work will be integrated into other government bodies. The stated intent in the Law amendment nr. 581, parliamentary document nr 972, to the Defence Law from 2008 as proposed by the Government, the work being done by IDA is guaranteed to find an assured place within the administration while the actual agency will be shut-down\(^{300}\). This is supposed to make the distinction between civil and military security issues clearer, but the actual outcome will most likely be that hard security issues will be less clearly identified and less adequately dealt with within the Icelandic

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295 National Assembly: Varnarmálalög.
297 Iceland Defence Agency: Varnarskuldbindingar Íslands, Greinargerð Varnarmálastofnunar.
administration. It will also just increase confusion in the still new and fragile process of building up security expertise and the related working traditions in Iceland. Overall, the IDA seems to have been a victim of political horse-trading.

The Icelandic Coast Guard is the government body responsible for protecting the EEZ, Search and Rescue (SAR), ambulance services, bomb disposal and hydrography. It reports to the Ministry of Justice according to the Law on the Icelandic Coast Guard. To exercise its duties the Coast Guard has two vessels and a small research ship. It has three SAR helicopters and two airplanes. Much of this equipment is either rented or very old, desperately needing replacement. A new Coast Guard vessel is being built in Chile but the delivery date is not certain due to a recent natural disaster in Chile where the ship was damaged. The Coast Guard also has the responsibility of assisting the Civil Defence organization in their work. The range of duties for the Icelandic Coast Guard is well established under the Icelandic administration and there have been very few changes in recent years in its actual mandate, which has simply expanded because of the need to cover the vacuum left by the departure of the US SAR unit in Keflavik. Even though all politicians and the public agree on the importance of the Coast Guard, it has had to suffer a cut in finance since 2008 so severe that it cannot guarantee to respond to every emergency call there is.

The Environment Agency of Iceland has the task of protecting the environment against any harmful substance and promoting sustainable development of resources. In case of pollution in the sea the Environment Agency has the responsibility of responding to it. It is under the supervision of the Ministry of the Environment. The Environment Agency has equipment to handle small scale oil spills in harbours and the ocean but if there was leakage from larger oil tankers there is no equipment to handle that and assistance would be needed from abroad.

[301] Icelandic Coast Guard: Icelandic Coast Guard, main page. http://www.lhg.is/ (Accessed 17.4.2010).
The Icelandic maritime administration reports to the Ministry of Transport. It has the responsibility of promoting safety of shipping in the Icelandic territorial waters and EEZ\textsuperscript{304}. It operates harbours and navigational aids in Iceland as well as acting as the Icelandic representative at the IMO.

The National Commissioner of the Icelandic Police has the responsibility for operating the mandate of Civil Defence in Iceland\textsuperscript{305}. He acts in that capacity on behalf of the Ministry of Justice. It was in 2003 that the actual operation of civil defence was transferred from the Icelandic Civil Defence Board to the Commissioner of the Icelandic Police. This was done so that one government body would hold sole responsibility for the operation of all parts of the civil defence that come under the state mandate. The Commissioner coordinates the work of different institutions and volunteer organizations contributing to civil emergencies, and in case of emergency the actual command in the field is in the hands of the local chief of police.

The Civil Defence act of 2008\textsuperscript{306} states that it is the responsibility of Civil Defence to prepare, organize and implement plans to protect the public from harm, and also to protect the belongings of the public by the best possible means. The threats it covers can be of various kinds including the consequences of military threats, man-made accidents or nature itself\textsuperscript{307}. This shows that the Civil Defence has ‘hard’ security obligations as part of its mandate. The strategy of the Civil Defence is decided upon by the Civil Defence Council for three years at a time. Cabinet Ministers are part of the council as well as directors of institutions with security obligations. The Council is designed as a forum to coordinate the policy of the state within the administration, given that the responsibility and practical resources needed for civil and military defence within Iceland are divided in the hands of many different institutions and Ministries. It is difficult to change this arrangement because the political trend in Iceland has been for each Ministry to try to protect and perpetuate the institutions that belong to it. That can

\textsuperscript{305} National Commissioner of the Icelandic Police, Civil Defence Division: Almannavarmadeild RLS. http://www.almannavarnir.is/displayer.asp?cat_id=55 (Accessed 17.4.2010).
\textsuperscript{307} Ibid.
lead to turf wars inside the administration over what competence belongs to whom and more importantly, who should pay the bill.

One aspect of the security institutions that is special in Iceland is the dependence on unpaid volunteers. When the civil security system is activated much of the actual work on the ground is done by volunteers under the umbrella organization Landsbjörg (e. ICE-SAR). The individuals are trained for possible scenarios but the downside is that it is difficult to depend on volunteers if there is need to work for long periods of time on a certain project. Even though must companies have good understanding of the work being done by Landsbjörg they might not be willing to pay salary to an employee for the prolonged time when he/she is not earning money for the company. This points to the need to have a certain minimum of paid specialists working for the Civil Defence, or the possibility that under certain circumstances the Civil Defence would get the funding to employ itself the individuals needed for the work to be done.

6.2. Iceland’s strategy for the Arctic

The Arctic has been a prominent theme in Icelandic foreign policy since 2005. That year the Ministry of Foreign Affairs published a report about the opportunities that the Northeast Passage over the Arctic could offer for Iceland\(^{308}\). It was the first public report of its kind and focussed on Iceland’s potential as an important stepping-stone for goods being shipped from Asia to markets in Europe and vice versa. In Iceland harbours could be built to transfer the containers from the larger Arctic ships to smaller ships which would carry them to their actual destinations in Europe and North America.

Two years later, in 2007, there was a conference held in Akureyri under the title *Breaking the Ice*, where the agenda was the future of Arctic shipping. It was conceived as an Icelandic contribution to the Arctic Council’s work on the feasibility of shipping in the Arctic Ocean\(^{309}\). The conference was held with the support of private companies and included delegates from every Arctic Council

member state and also from China. The conference can be seen as an effort on Iceland’s behalf to open up discussion on the issue under Icelandic leadership, with the hope thereby of establishing Iceland as an important state in the Arctic. Iceland sought to build on its position not just as an Arctic Council member but also as a possible solution to certain problems regarding Arctic sailing and security.

The first true Icelandic ‘strategy’ for the whole Arctic was published by the Ministry of Foreign Affairs in April 2009 under the title 'Iceland in the Arctic'. It is the first comprehensive study focusing not only on the meaning of Arctic shipping for Iceland but on all the other key aspects as well, including possible oil and gas processing in the Icelandic EEZ, environmental protection and other security issues. The Arctic is also mentioned as a priority issue in the coalition agreement of the current government, where it states that the challenges in the area must be solved by existing regional cooperation, international organization and law. Therefore it can be expected that the region will get increased attention from the Icelandic administration in the near future.

The number one priority for Icelandic regarding the Arctic is regional cooperation. In Iceland’s view the Arctic Council is the forum that was specially created to handle the Arctic environmental and human security and it should therefore be used as such. As noted, in this context the Icelandic government sent a letter of protest to each individual state when the Arctic five states met separately for the second time at Ottawa in 2010. The letter stated that the Arctic is important for Iceland as a coastal state and all matters regarding the region should be on the agenda of the full Arctic Council. This is not the first time that Iceland has publicly protested the meetings of the Arctic five states: at the Senior Arctic Officials meeting in November 2007 it also voiced concern about the proposed meeting in Ilulissat saying that it would undermine “the Arctic

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310 Ministry of Foreign Affairs: Ísinn brotinn, próun norðurskauttssvæðisins og sjóflutningar.
313 Ibid. Page 11.
Council as the main venue for Arctic issues”\textsuperscript{315}. When Hillary Clinton, US secretary of State, rebuked Canada publicly for the Ottawa meeting the Foreign Minister of Iceland could not have been happier, stating that he was “very pleased with the response”\textsuperscript{316} (author’s translation).

More generally, also, Iceland does not feel that there is any need for additional international organizations or a new forum to handle international relations in the Arctic. UNCLOS and IMO can handle the legal issues over territorial disputes and functional regulations, but the Arctic Council is the main forum and Iceland will continue to do what it can to strengthen its work. The Arctic Council will become more important in the future, also in a political sense, with increased activity in the High North and therefore Arctic Council affairs will also gain importance as a task for the Icelandic Foreign Service\textsuperscript{317}. Finally Iceland is of the opinion that it is important to enhance the cooperation between the Arctic Council and the Conference of Parliamentarians of the Arctic Region, the BEAC and the Northern Dimension - always with the aim of supporting the work of the Arctic Council. What Iceland is trying to achieve with these prescriptions is to institutionalize the cooperation of all possible organizations in the region with the aim of strengthening the Arctic Council as the centre of all Arctic regional forums. It is even suggested in the strategy that it should be possible to establish some sort of cooperation between the Arctic Council and the West Nordic Council (a non-binding grouping of Iceland, the Faroes and Greenland within the larger Nordic Cooperation)\textsuperscript{318}.

6.3. Specific Arctic challenges and opportunities for Iceland

Turning to substantial issues, the perspective of the opening up of the Arctic has security implications for Iceland as well as the other Arctic states. There is currently no military threat towards Iceland and it is not likely that this will change in the foreseeable future. The renewed flights by Russian strategic bombers into the Icelandic MADIZ are not a threat towards the sovereignty of Iceland but rather a part of Russia’s efforts to register its presence in its own zone

\textsuperscript{315} Arctic Council: Notes from the SAO meeting in November 2007. Norway. 28-29.11.2007.
\textsuperscript{316} Bjarnason, Guðsteinn: Össur fagnar viðbrögðum Hillary Clinton. Fréttablaðið. 31.3.2010.
\textsuperscript{317} Ministry of Foreign Affairs: Íslанд á norðurslóðum. Page 14.
\textsuperscript{318} Ministry of Foreign Affairs: Íslанд á norðurslóðum. Page 21.
of Arctic interest. The flights signal that Russia exists as a power that needs to be respected and that the Arctic is of great interest to Moscow. However it is unlikely that Russia will attack anybody pre-emptively over Arctic issues at the moment: it has too much to lose and too little to gain thereby. Increased tension between states is a possibility in coming years but armed conflict not really. There are other security issues in the Arctic that are more important than the flight of an occasional Russian Bear and Russia needs to be part of the international solution to those problems.

Nevertheless there is a need for increased policing of the Arctic, not so much by military but by civilian agencies. There is a risk that the Arctic could be used for smuggling, terrorism and/or organized crime. Military power is not the best way to handle those threats but specially trained police or Coast Guard units. This risk is not great at the moment due to the fact that the Arctic is still largely closed to traffic for the greater part of the year and that there are very few ships available that can sail in the Arctic waters due to the ice cover. In the future, when the Arctic opens up and the Arctic states will have started exploiting the fossil fuel deposits, the Arctic can easily become target of terrorist or other non-state actors. Then it is essential that there should be a strategy in place on how to handle this threat.

The biggest threat for Iceland is the environmental threat. The risk of pollution in the Arctic, either by drilling accident or shipping accident, is a very high risk factor for Iceland; above all because of the dependence Iceland has on fisheries and the image of a clean, natural product in its food exports. As of today there is not much risk of oil spillage from drilling in Icelandic EEZ but shipping is another matter. The transport of crude oil through Icelandic waters has already started. Even though the tankers all have double hulls and state-of-the-art features for oil spill prevention most of them have a single propeller. If the ships lose power in an area with a strong current there is a high risk that they could strand on shore. Then there would be a major pollution accident. The Ministry of Transport has issued rules about sailing past the south-west corner of Iceland, an

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319 Parkhalina, Dr. Tatyana: Lecture at the University of Iceland 18.1.2010.
area with strong currents known to cause problems for ships; that hopefully will decrease the risk of accident on that route.\(^{321}\)

In the case of a ship losing power the Icelandic Coast Guard is helpless at the moment since it does not have powerful enough vessels to be able to prevent ships running aground. Even when the new Coast Guard ship that is being built arrives, it can only tow medium-sized tankers at the best. Cruise ships and larger tankers will have to wait for help from Norway or the Shetland Islands where there are more powerful ships available. If there are accidents in the Icelandic SAR area or EEZ then Iceland would have to respond, both to save potential victims and also to protect the environment from pollution. Iceland has an agreement with the Danish and Norwegian Coast Guard to assist in the case of emergency but the first line of defence is always in Iceland and that line must be able to handle problems up to a certain magnitude without outside help. In the future this can only become more important as traffic increases in the waters around Iceland, especially in the form of super-tankers and very large cargo ships. The *Arctic Marine Shipping Assessment 2009 Report* is a good indicator of the size of the potential problem and gives also guidelines in what needs to be done.\(^{322}\) The IMO needs to be active in solving the potential security risk because of increased shipping with the help of the Arctic Council. The Arctic states must be willing to work together on this issue and according to their national strategy papers they are willing to do just that.

There will be a certain amount of increase in shipping traffic due to fossil fuel being harvested in the Arctic, but if it becomes economically feasible to sail across the Arctic Ocean from Europe to Asia then a much larger increase in shipping is expected. That traffic will be different from the oil ships and will consist of ice-strengthened super-containership moving goods between markets. There are too many unknown variables to predict if and when trans-Arctic shipping will be possible but there must be plans on how to prepare for that possibility and respond when it becomes reality. Iceland could become a key state


in regard to the management of trans-Arctic shipping\textsuperscript{323}. Iceland could serve as a service station both for the actual trans-Arctic container ships but also for emergency response units\textsuperscript{324}.

The right to use the potential resources in the Arctic is important for Iceland, not just because of its history as a fishing nation but also because of the possible oil and gas harvest in the Dragon area. All such exploitation should be pursued with the protection of the marine ecosphere in mind, protecting the interest of the state but not undermining it by damaging the resources themselves\textsuperscript{325}. There needs to be scientific research both on the marine environment and the effects of climate change in the region. In the 2009 strategy it is stated that Iceland is the logical place to establish a centre for climate change studies\textsuperscript{326} using similar arguments to those used by Norway when it promoted Svalbard for such a research station. This shows how states are using a very wide angle of approach to pursue their Arctic agendas and that the tactics used can be very similar between them.

The Icelandic government state that they welcome the interest of the EU, UN and NATO in the Arctic and hope that it can lead to better understanding of the risks following the opening of the Arctic Ocean and make everybody better prepared to deal with them. At the same time Iceland hopes that this development will not lead to increased tension in the region\textsuperscript{327}. Russia has declared that it does not want a role for NATO or EU in the region and Canada is also against EU interference in the High North. This hard-line opposition from large Arctic states makes it very difficult for both NATO and EU to have much access, at present, in the region without disturbing the balance there and risk alienating either or both Russia and Canada. As part of the Arctic strategy the Icelandic government must consider carefully whether it is in Iceland’s interest that those organizations join the existing Arctic forums, for example through Arctic Council observer status.

\begin{footnotesize}
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\item \textsuperscript{324} Ministry of Foreign Affairs: Ísland á norðurslóðum. Page 44-45.
\item \textsuperscript{325} Ministry of Foreign Affairs: Ísland á norðurslóðum. Page 31.
\item \textsuperscript{326} Ministry of Foreign Affairs: Ísland á norðurslóðum. Page 60.
\item \textsuperscript{327} Ministry of Foreign Affairs: Ísland á norðurslóðum. Page 24.
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In sum, Iceland has great potential for economic gain in the Arctic and thus – if properly handled – for bolstering its economic and financial security in the longer term. If Iceland can wisely use the resources that possible oil and gas in the Icelandic EEZ provide for the state along with establishing itself as an important hub in the Arctic for shipping it will mean great things for the Icelandic nation. It will diversify the economy of the state from being highly dependent on fish and aluminium smelters towards a healthier economy that is better prepared for any crisis. A smaller, more homogenous economy is more vulnerable than a larger, multiform economy where an increased number of partners have a mutual interest. It is often difficult for small states to diversify their economy as it costs a great deal and they simply lack the resources, both human and economic, to attempt it. So if the opportunity is there it is important to grasp it.

6.4. Iceland’s options for the Arctic

It is clear that the current Arctic Strategy of Iceland is part of the overall civil security strategy of the state and reflects the current political mood. There was a certain rise in traditional realist rhetoric about the threat from the strategic bomber flights of the Russian air force but since the bank crisis of 2008 it has stopped. Not only scholars who have analysed the Arctic agenda but also government politicians agree that there is no risk of military conflict at the moment in the Arctic. However this can change and therefore Iceland cannot avoid addressing the issue of hard military security and having at least a provisional strategy on the nation’s security needs and how to fulfil them.

As a starting point, it must be clear when and under what circumstances the US army will come to Iceland to provide the security guaranteed in the Defence Agreement between Iceland and the USA. It must be clear that Iceland will be able to call on the US when Iceland deems it necessary, not leaving it totally to a US decision how to provide Iceland’s security: in other words defence must be a matter of cooperation between the two states. For Icelandic officials to be able to evaluate Iceland’s security needs it is important that the state continues working on military security both within NATO and according to any bilateral

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328 Ingimundarson, Valur: Iceland’s post-American security policy, Russian geopolitics and the Arctic question. Page 76-77.
agreement Iceland is part of. There must be constant evaluation of what is the current security structure, whether it fulfils Iceland’s needs and what has to be changed in order that it does so. Experience is something that is essential when handling security issues and it can only be achieved by taking part in the work needed to be done. Cooperation between the government institutions handling security issues and educational institutions is important to increase Iceland’s so far limited knowledge and discussion on military security. Open dialogue on the commitments of Iceland towards NATO and Icelandic security needs can only help the public to get used to the idea of state hard security without needing to link it directly with establishing and operating military units.

The official Icelandic Arctic strategy is clear on various issues, for example what the goal is for the Arctic region, but not so clear on how Iceland should get there. An important part of any strategy is a clear path for how the state is going to reach its goal. One of the problems so far hindering this in Iceland is the division between the administrative units. The strategy for the Arctic is made by the Ministry of Foreign Affairs and defines the goal, but other Ministries are responsible for getting there, and these Ministries – potentially with Ministers from another Party - might not agree on the strategy and the need for specific actions. Budgeting is also another problem: it has already been noted, for example, that the Icelandic Coast Guard is supposed to step up inspections in the Icelandic EEZ with all the costs this will involve but at the same time their budget is decreased. Even the new coast guard ship will have to be rented to other states on various short projects to raise funding for its daily operations in Icelandic waters! A strategy, no matter on what issue, that is drafted without direct involvement from all ministries that bear some of its costs and duties will never be as effective as one that is made with full participation of them all. Since the Arctic is deemed to be high on the priority list it would be wise to work on creating a new more comprehensive strategy on the Arctic that will include some indication of how Iceland will try to achieve the goals and what the cost is. The next step after that would be to earmark some funding and implement that strategy.

Iceland has few options on how to achieve the goal set forward in the strategy paper from 2009 in the light of the various theoretical approaches that might be applied. Iceland has so far relied overwhelmingly when handling security issues since independence on Realist theories of international relations, and if it continues to do so the evident choice for the Arctic strategy would be to increase the strength of the Arctic Council and focus on the work done there. The state is the driving force in the Arctic Council: the council itself doesn’t have legal power and its decisions are therefore in fact not binding for the member states. This gives increased weight to the state itself. It is not, however, necessary for Iceland to seek to expand the mandate of the Arctic Council into hard security issue or territorial claims. Iceland has its hard military security covered and faces no additional threat from the Arctic region as things stand. If the Arctic Council would start dealing in hard security there is a change that this one category would take much of the energy and time of the council away from issues that really need to be addressed, as well as highlighting the tensions between its larger members. That is not in the interest of Iceland. Furthermore Iceland does not have any territorial claims in the Arctic and is part of UNCLOS, which all the Arctic states have promised to respect when solving disputes, so there is no need to have the Arctic Council overlap the work done there. Having the Arctic Council as the main body handling the remaining security and strategic issues in the Arctic, however, gives the Icelandic government the flexibility and potential to maximize its gain from the region.

If Iceland were to take a more Neorealist approach to the Arctic, giving more weight to the strategic roles of institutions as such, the choice would still include using the Arctic Council but with a different perspective than before. It would be necessary for Iceland to increase its power in the Arctic by more than strictly national resources and one way to do that would be to draw NATO into the region. For that to be effective as a power increaser for Iceland the government would have to rekindle the strategic military importance of Iceland: and increased tension in the Arctic might well do that. Russia is against involvement of NATO in the region so it can be assumed that if Iceland would

330 Ministry of Foreign Affairs: Ísland á norðurslóðum.
push NATO really hard into the region it would increase the tension. State relations would still be the main driving force in the Arctic but states’ behaviour would be limited by the structure of world politics including whatever deterrent and restraining influence NATO can still exert. Changes are slow and difficult to achieve and it is particularly hard for small states, with their limited resources, to steer such changes by direct influence. If Iceland wants to change the terms of how states interact in the High North, NATO would offer the most obvious tool to impose a special structure on behaviour in the Arctic. A more structured environment in turn would be necessary to give Iceland the potential to reap its fair share of the benefits of the region.

The Liberalist approach would be to align with the EU in the Arctic. Iceland would use the prospect of Arctic access as a bargaining chip in its application process with the EU. The Union does not have access to the Arctic seas at present and Iceland could be their ticket into the region. The Union in turn looks at Iceland’s position in the North Atlantic as an asset and it would benefit from Iceland’s membership in that respect. Iceland would let the EU dictate the overall strategy and use the size of the Union to maximize the potential economic gain in that region. This would not cover military security needs but Iceland’s NATO membership could still take care of that. On this approach, Iceland should include NATO in the Arctic strategy but place its main focus on the EU. The economic potential in the Arctic will see to that there will not be conflict in the region since conflict would hinder all states’ abilities to harvest the resources in the Arctic. Therefore they will look at the economic benefits and are willing to compromise somewhat to gain the most from the region. The fact that most of the potential resources in the region are inside states’ undisputed EEZ makes this feasible, as if all of them would be in disputed areas the situation might be different.

When deciding on what approach to take regarding the Arctic it is important to have in mind that Iceland is a small state with limited resources. That fact is very clear at present. The Icelandic government is working hard on handling the aftermath of the bank crisis, the Icesave negotiations in particular,
and the EU application. Given the difficult political landscape in Iceland at present where everybody seems to be busy blaming someone else for his/her inactivity/activity in the crisis, added to the limited resources in manpower that the administration has, it becomes clear that the government has its hands full at the moment. This obviously limits very much what else can be done in the administration.

It is now one year since the Icelandic Arctic strategy was published but little has been done in implementing any of it, even though it is listed as a priority in the government plans. There has been little work on coordinating the necessary administrative units relevant to the Arctic and making a strategic plan defining what should be achieved by what time. This has to change. There is need for interministerial meetings deciding on ways to handle the Arctic issue. One forum for that might be the Civil Defence Council - as it represents all the respective units that have anything to do with Iceland’s challenge in the Arctic - or perhaps later on, the proposed new Ministry of Home Affairs. But while Iceland has to live with the limitation of smallness it is important that it behaves accordingly and tries to use it to its advantage, at least to minimize the negative effects. Maybe the most important way it can do that is by not spreading its political resources thinly over too many things. It must prioritize and work accordingly. The Arctic is important and should be worked on at the moment because Iceland cannot risk losing its place at the Arctic table. Even though there are limited resources available in Iceland at the moment it is important to keep working on this large and growing issue. The state must be willing to spend money to make money.

When choosing from the various Arctic options there is in this author’s view really only one option. Iceland should continue approaching the Arctic issue with the Realist approach to both security and international relations. With that approach Iceland as a state has the most influence on what is happening in the Arctic and how things will work out. It is a fact that there is anarchy in the world political system in the international relations understanding of the word. The state is the main actor in world politics and as such it is important not to limit the national room for manoeuvre too much. Iceland should insist, nevertheless, that international treaties will be respected in the Arctic. This is very important for small states when dealing with larger, more powerful states. Because of the size
difference the larger states could choose to ignore international treaties and do as they please, even if (usefully for the small states) the nature of both Cold War superpowers' interests in the Arctic limits this possibility at present. Other states will always think about their own benefit first and foremost, and do not help others without benefiting in one way or another themselves. This is very clear in the approach the British and Dutch governments have had in negotiating the Icesave debt with the Icelandic government, where they have made very clear from the start of the negotiations that they wanted to benefit from the loan to their fellow NATO nation. This requirement is understandable from a realist and economic point of view but what the story indicates most clearly is that size does matter and the political terrain has changed. During the Cod Wars Iceland benefited from its Cold-War strategic importance to ensure US backing in its dealings with the UK, whereas today the USA has been passive over all Iceland's troubles. As for smallness, it is very likely that UK could not behave as it has done if it were negotiating with USA under similar circumstances.

When the bank crisis hit Iceland in September 2008 the British government used an anti-terrorist law to freeze Icelandic assets in the UK and thus directly contributed to the fall of Kaupthing. It is very likely that the bank would have collapsed anyway but this act is a clear indicator of the threats that states must consider. The UK stated that it was protecting its own economy and was willing to use all means possible to do just that\textsuperscript{333}. The NATO membership of Iceland made no difference. This underlines that risks towards Iceland can come from within NATO as well as outside NATO. In article five of the NATO treaty it is said that an attack on one state is considered an attack on them all\textsuperscript{334} but it is not stated whether economic attacks will trigger that article. Although in the present case, the Icelandic government formally protested the behaviour of Britain and addressed the issue within NATO, no action was taken by the Alliance\textsuperscript{335}. The fact is that – as other small states like the Baltics have found when complaining of Russian economic aggression – the organization does only cover military security at the moment, while committing itself to a very limited part of civil security such

\textsuperscript{333} Ingimundarson, Valur: Iceland’s post-American security policy, Russian geopolitics and the Arctic question. Page 76.

\textsuperscript{334} NATO: The North Atlantic Treaty. Article five.

\textsuperscript{335} Ingimundarson, Valur: Iceland’s post-American security policy, Russian geopolitics and the Arctic question. Page 76.
as search and rescue and marine pollution in the Arctic. Economic issues are not part of NATO's mandate, which is another point underlining that it has a potentially very limited function in the Arctic and could easily just complicate things in the region.

It follows that Iceland cannot be sure of benefiting from increased attention by NATO to the Arctic and should halt any efforts at forcing the Alliance into a more active role in the region. Nor should it let other states, for example Norway, dictate Iceland’s stance in favour of increased NATO involvement. Iceland can help the organization in establishing an Arctic strategy but while there is no risk of conflict in the region NATO should stay out. Of course it is necessary for NATO to have a plan how to react if things get out of hand in the High North and Iceland should assist in making that plan. Iceland can have a prominent part in it because of the strategic position of the state in case of conflict in the region.

EU involvement in the Arctic will only complicate the matter for Iceland. It may help Iceland in its application for EU membership that the Union will gain access to the Arctic but it could also mean that the Arctic five states would increase the frequency of their meetings outside the Arctic Council in order to balance the wider institution's influence. Then Iceland would clearly lose its seat at the table that has the biggest influence in the region and that is the last thing that Iceland wants. Iceland's clear interest is to increase the value of the Arctic Council in tackling the risks and opportunities that actually loom largest for the state at present, and it should therefore avoid behaviour that will increase any tendency by other states to steer Arctic affairs from outside it. The EU can have valuable input into the region but it should be through the Arctic Council as an observer, not as an umbrella dictating the overall strategy of its member states on the Arctic issue. For Iceland’s part it needs freedom to develop and implement its own strategy. Of course Iceland, if it were a member of the EU, could and should influence the strategy of the Union but attempting this now would be very difficult through the EEA and is therefore not really an option at the moment.

336 Ibid. Page 77.
337 Ibid.
However if Iceland becomes a part of EU it must adapt its strategy and approach the Arctic according to the new situation. That is therefore something the Icelandic government must consider in its long-time strategy for the Arctic.

The Stoltenberg report\textsuperscript{339} from 2009 mentions the High North and possible grounds for Nordic cooperation in the region. It focuses on the environment, search and rescue as well as climate policy as main aspects of potential cooperation. These things can be handled within the Arctic Council if its mandate will be expanded to include search and rescue. Nordic cooperation and joint understanding of the need to address this issue within the Arctic Council could help in expanding the mandate. Of course it would be very wise to have all the civil security challenges addressed within one forum and the Arctic Council is the obvious candidate. The security needs of the other Nordic states are however to some extent different from Iceland’s and therefore their strategic priorities can be different, making cooperation difficult on some issues – most notably military security. The potential of Nordic cooperation is thus something that Iceland should look into but it is not high on the priority list. The Nordic states have a forum for cooperation within the Nordic Council and Council of Ministers and that could serve as a place to coordinate strategy within the Arctic Council.

7. Conclusion

In the beginning of this thesis two main research questions were posed. First was the reaction of the Arctic states to the changes in the Arctic region and possible further developments. The second question was whether Iceland has a strategy for the High North at the moment and if so, whether it is adequate for the security needs for the state. If not, what will be required to cover this dimension and where to place it within an overall national security strategy?

The strategies of the five Arctic littoral states have been used here as the main indicator of what national behaviour can be expected in the future and what has been done so far. The states have been shown to have different approaches to the Arctic, varying even among those who consider the Arctic the number one interest area for the future of their states. Some have been very active in the region but others not so much. All have however underlined the importance of using existing forums to address the upcoming security dilemma in the Arctic.

The Russian Federation is maybe the publicly most active state in the Arctic. Russian actions, like the planting of the flag under the North Pole, gain much publicity from the world media, partly because of their often cold war-like style but also because of other actions of Russia like the Georgia war of 2008. In fact Russia poses no military threat at the moment but there are civil security risks originating inside the Russian state, most notably pollution. This is an issue that will affect all the Arctic states and must be solved. There is work going on within the Arctic Council to address this among other 'soft' security risks. Russia has an active Arctic strategy that was recently published. It outlines the overall goal of the federation but has its limitations in addressing civil security issues. Russia considers the Northeast Passage to be internal waters for the most part and claims that it needs to regulate shipping on the whole route because of the high risks of sailing in the area. Russia is very much against any involvement of NATO and EU in the region.
Norway has an up-to-date strategy where the main interest seems to be to guarantee a good and healthy relationship with Russia. That is the key to successful operation in Norway’s Arctic region according to the strategy. Norway is working towards that goal within various organizations and forums but also keeping the option of bilateral agreement with Russia open. There is such an agreement in effect regarding fisheries in the disputed area in the Barents Sea. If Norway will be able to negotiate similar agreements over harvesting resources of the bottom of the sea it will decrease the pressure for solving the formal territorial dispute. Norway is preparing to work both together and in competition with Russia on fossil fuel mining, for example by unifying oil companies to make them stronger and thus better prepared to bid on projects against Russian energy giants. Norway deems Russia to be of no risk to its own sovereignty in the traditional military sense but is at the same time modernizing its armed forces, spending huge sums on military jets and vessels.

Denmark is working in close cooperation with Greenland on the Arctic strategy. It has maybe the least amount of interest in the Arctic among the littoral five and that is understandable because it will lose its direct access into the region when Greenland becomes fully independent. Until then Denmark is handling the foreign and security affairs of Greenland and thus needs to work conscientiously on the Arctic dimension, trying to do the right thing for the future of Greenland in the region. It is working closely with Canada on various issues, among them scientific research to establish continental shelf claims, despite having a non-solved dispute over ownership in Hans Island. The dispute had its fifteen minutes of fame around flag raising and the alcohol-related “war” between Canada and Denmark, resulting in an internet petition being started where Hans and Hans, imagined characters living on the inhabited island, asked to be left alone.

Canada has answered Russian sabre rattling in similar way with big Arctic military exercises and threats of interception by military jets if any unknown airplane comes close to their airspace. It is all part of a process of marking territory, but Canada has still to come up with a complete Arctic strategy. There are indicators of what it wants from the Arctic but no clear strategy on how to reach that goal. Meanwhile Canada is working both with Denmark and USA on scientific research on the Arctic sea-floor. Canada claims that the Northwest
Passage is internal waters but that view is disputed both by USA and the EU. Canada is against EU becoming involved in the region, partly because of the EU stand on issues like seal hunting and whaling for the indigenous population, and it has vetoed the EU’s increased participation in the Arctic Council.

The USA very recently published an updated Arctic strategy, partly as a response towards the increased activity of the other Arctic states in the region. The USA has still not ratified UNCLOS but has mentioned that it will abide to it when addressing issues of the extended continental shelf and territorial boundaries. The USA did veto a possible mandate for the Arctic Council to address hard security when it was founded and has stated that there is no need to expand the work of the council into that area or give it legal status. Thereby the USA is keeping all its options open to solve disputes either inside the Arctic Council or by bilateral means. There is a tendency within the US administration not to let international organizations dictate its strategy on issues of interest for the state. The USA does want however to use the Arctic Council to address security challenges that fall within its mandate. It has publicly rebuked Canada for trying to boycott the Arctic Council.

China has in the last years shown an ever-increasing interest in the Arctic. It is however not rushing into the region to avoid disturbing the peace in the Arctic and potentially unifying the Arctic states against itself. The economic power of China will make it an important player in the Arctic of the future, especially when the shipping routes open up. Then the possible easier and cheaper shipping routes will have a big impact both in Chinese and European economy. Meanwhile China has established a research station at Svalbard and is spending huge sums on Arctic research, both within and outside China.

The second research question has been answered several stages: first by looking at the structure of security institutes in Iceland, the legislation that founded them, their strengths and weaknesses, and whether they cover all necessary aspects of Iceland’s security and how. Secondly, Icelandic Arctic strategy has been discussed and questions raised on what needs to be done to fulfil the goals in the strategy, both regarding security risks and possible benefits. Where should Iceland really direct its focus at this time, and why?
The finding is that there is no complete, up-to-date security strategy valid for Iceland at the moment. The politicians express interest in developing such a strategy but their actions often limit the possibility of making it happen. There needs to be work done on defining the meaning of security for the Icelandic state and widening it out from traditional military security. If there is more open dialogue between scholars and politicians alike about various aspects of security it will make it easier to cover these issues. It is a serious handicap that every time that the word security or defence is mentioned in the public or political debate it is right away associated with military forces and NATO. Those two are highly controversial issues in Iceland and tend to split the nation up in factions according to their political views, without regard to the needs of the state and ignoring the fact that security does cover more things than traditional military security.

The Icelandic administration is more at ease in handling civil security issues than hard security, and there is a clear mandate on how that shall be done within the Civil Defence structure. The new Icelandic Defence Agency does not have a seat at the table of the Civil Defence Council even though that the council is formulating Iceland’s policy on security and even covers aspects of military security. It is not clear if this will change with the shut-down of IDA, when IDA's functions will not disappear but find a new home within other administrative bodies and institutions. Until then IDA handles all interactions with NATO, a task that was in the hands of the US armed forces when they were stationed here in Iceland. Iceland has been taking an ever increasing part in the work of NATO since the end of the cold war but the biggest changes happened after 2006 when Iceland had to come up with its own definition of its security needs.

The strategy of Iceland regarding the High North is not sufficient, as it stands, for Iceland to get maximum benefits from the Arctic region and the potential it has. There is a lack of clear strategy on how Iceland is going to achieve the desired results. Furthermore Iceland needs a better and more coherent overall security strategy to tackle the security challenges that the High North presents. Lack of knowledge on security issues among the politicians, among government specialists and academia is one part of the problem. The reason for that is among other things how recently Iceland had to deal with the whole gamut of security issues itself, ie since 2006. This deficiency must be addressed. Another
issue that is obstructing progress is the general nature and composition of Icelandic officialdom. Politically appointed officials have too much to say on issues in general, while too little attention is paid to specialists working in the field and their input. This can also been seen in regard to the bank collapse of 2008 where one of the reasons for the collapse was that the political elite paid no attention to the warnings they received from their own and outside specialists. If Iceland wants to avoid security collapse it needs to address this trend in the administration.

Iceland also tends to be reluctant to accept outside advice or commit itself fully to binding multilateral cooperation, whereas most of the coming challenges in the High North by definition cannot be tackled by a single state and least of all by a small, economically damaged one. Iceland should be looking for forums to push its interests in, but it should also make a realistic calculation of how it needs to behave and what favours it may have to do for others in order to get the minimum support it needs. There is never going to be another free lunch now the Americans have gone!

Multilateralism is the key to addressing the security challenge of the Arctic but Iceland must not forget that in the end Iceland itself is the only state that is fully responsible for its particular security needs. Bearing that in mind and calculating the potential effects of both NATO and EU involvement, it becomes clear that the realist approach is the correct path for Iceland in the Arctic and should be based on a multilateral solution to the security challenges within the Arctic Council. Iceland cannot trust others to bail it out all the time, neither on hard security nor on civil security. There must be plans defining not only what Iceland wants regarding the Arctic but also how Iceland is going to achieve that goal. There is need for cooperation between all the aspects of the Icelandic administration in order to achieve this, but most importantly Iceland must know what security means to itself. That will not happen without the political elite, the administration and academia working together on establishing the first true Icelandic Security Identity.
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