

## Cooperation in the High North: the case of Iceland

Gustav Pétursson

Faculty of Social Science, University of Lapland & University of Iceland

**Abstract:** The melting of the Arctic ice is opening new shipping routes through the Arctic; thus making Arctic resources more accessible. The opening up of the High North and its increasing strategic importance, means that Iceland, like other Arctic countries, must find ways to deal with risks and threats associated with these changes. Unlike the Cold War period, when Iceland was mostly concerned with traditional military security; it is now faced with multi-dimensional security risks and threats, in areas covering military-; political-; economic-; societal-; and environmental security (Buzan *et al.* 1998). Many of them are problems that Iceland is not able to solve by it self and therefore needs to cooperate with external actors to meet these challenges. Iceland can seek to respond to these threats and risks through the Arctic Council the European Union, as well as NATO.

### The Arctic Council

The reason why the Arctic Council is important is because its role to build trust after the cold war, between Russia and other Arctic states, as well as promoting environmental protection and sustainable development in the Arctic. The Arctic Council is an attempt at the creation of a shared and cooperative Arctic region, and as such represents an important phenomenon in international relations and a new geopolitical approach, where control and security is not sought through the mere exercise of power but by achieving a socially secure and environmentally sustainable order (Heininen, 2004). The Arctic Council does so by getting the circumpolar Arctic states to cooperate as well as encouraging sub-regional cooperation and academic cooperation.

Although the Arctic Council is an intergovernmental organization the

indigenous population of the Arctic have a permanent participation status in it through various indigenous organizations. The access that indigenous people have to international cooperation through the Arctic Council is rare if not unique. It has given them a voice and a platform to discuss issues of human development and pollution in the Arctic on a intergovernmental level, even if the indigenous people's representatives are not on the equal footing as government representatives as they are also of course citizens of these same governments (Heininen, 2004).

The work of the Arctic Council is carried out in six working groups that were originally established under the AEPS programme. These groups are:

1. Arctic Monitoring and Assessment Program (AMAP). Gathers and processes data about the origin and nature of pollution in the Arctic and

- its effects on the environment and the Arctic inhabitants with special emphasis on indigenous people.
2. Arctic Contaminants Action Plan (ACAP). Is involved in contingency plans in the field of pollution prevention with special focus on Russia;
  3. Conservation of Arctic Flora and Fauna (CAFF). Is concerned with gathering information on Arctic biodiversity in order to develop preservation methods in the face of rapid climate change;
  4. Emergency Prevention, Preparedness and Response (EPPR). Is a forum for consultation and cooperation among the Arctic countries on ways to prevent and respond to environmental threats and disasters in the Arctic Region;
  5. Protection of the Arctic Marine Environment (PAME). Focuses first and foremost on preventive measures against marine pollution;
  6. The Sustainable Development Working Group (SDWG). Was established in 1998 and its function is to promote sustainable development within the Arctic Region. Many projects of the SDWG are in cooperation with other working groups as most projects touch in one way or another on sustainable development;
  7. Arctic Climate Impact Assessment (ACIA). Its function is to gather scientific data on the effects of climate change on the Arctic and issue policy recommendations.

Iceland has been most active within CAFF, PAME and SDWG of the working groups within the Arctic Council. Iceland provides CAFF and PAME with office facilities in Akureyri as well as funding a share of the activities of the CAFF working group. During Iceland's chairmanship in the Arctic Council, the institute of Vilhjalmur Stefansson in Akureyri was responsible for publishing the "*Arctic Human Development Report*" - a project which was undertaken under the SDWG. Iceland has on the other hand been less active within ACAP as well as EPPR. Iceland has not attended ACAP meetings on the grounds that its work is primarily focused on pollution within the Russian Arctic. Iceland is also the only Arctic country which has not participated on a regular basis in the works of EPPR. The reason for this is primarily that EPPR's original function was concerned with response and search-and-rescue in ice-covered areas of the High Arctic (Ísland á norðurlóðum, 2009). In 2004 the functions of the EPPR's working group were extended to include preparedness and response to environmental threats and disasters in the Arctic Region, with the main emphasis on safety concerning extraction and transport of oil and gas as well as the transport of radioactive material and pollutants.

The Arctic Council, as mentioned before, is an important organization because it promotes cooperation between actors in the Arctic region, including both states and non-state actors as evidenced by the observer statues of indigenous groups within the Arctic Council. This makes it important for any state with presence and/or interests in the region to have its voice heard within the Council, and

that clearly implies a continuing or even increased Icelandic effort to use all relevant Arctic Council mechanisms. Although the Arctic Council is successful in fostering cooperation in the Arctic, however, it does not have any regulative powers and its decisions are therefore based on a soft law agreement between its members. The Arctic Council thus functions more as an advisory body to governments that are trying to seek common solutions to common problems, while sensitive issues like territorial/legal disputes, security policy and military security are excluded from the agenda of the Council.

## European Union

The European Union (EU) is already an important actor in the Arctic region as three of the eight Arctic Council members: Denmark (on behalf of Greenland), Finland and Sweden are also EU members while further two Arctic Council members: Iceland and Norway are closely linked to the EU through the European Economic Area Agreement (EEA). It is safe to say that the EU will be directly affected by the altering geo-strategic dynamics that Arctic resource extraction and increased Arctic shipping are producing in the Arctic region. Much of the Arctic oil and gas that will be extracted by Russia and Norway will most likely go to European markets seeing how 60-75% of its gas imports and around 46% of its oil imports are exported from Russia and Norway (Godzimirski, 2007). The EU has considerable interests at stake in Arctic shipping as traffic through the Northern Sea Route will most likely be predominantly

between European and Asian ports (traffic between Asia and ports on the eastern North American seaboard would logically traverse the Northwest Passage instead), while the opening up of the Arctic would also offer business opportunities to various companies within EU member states.

The Commission's proposal for a European Union Arctic Strategy which saw the light of day in November 2008 articulates EU interests as well as proposing action for EU member states and institutions. The EU Arctic Strategy revolves around three main policy objectives (Communication from the Commission to the European Parliament and the Council, 2008) that are:

- Protecting and preserving the Arctic in unison with its population;
- Promoting sustainable use of resources;
- Contributing to the enhancement of Arctic multilateral governance.

The strategy can be regarded as an attempt by the Union to approach the risks and opportunities within the Arctic region from a holistic point of view, as attention is given to societal and environmental dimensions of security as well as the traditional, state-centric, military and political dimensions. The EU's stress on the former is not only a matter of 'values' but reflects the fact that these (and the future of oil and gas business) are where it has the most practical clout.

Attention is given for the need to improve emergency response management within the Arctic region by increasing cooperation on prevention, preparedness and disaster response among the Arctic states. The

strategy points out that the EU could have a role in increased human security cooperation, and pegs the Commission's Monitoring and Information Centre as being able to contribute to strengthening the disaster response capacity of the Union within the Arctic region (Communication from the Commission to the European Parliament and the Council, 2008). The EU could also play an important role in increasing maritime shipping security in the Arctic region through its maritime surveillance capabilities. The Commission is already exploring the possibility, in liaison with the European Space Agency, to develop a polar-orbiting satellite system that would allow for better knowledge of ship traffic as well as faster reactions to emergencies.

The Commission's proposed approach to Arctic governance is that new legal instruments in the Arctic - such as a comprehensive 'Arctic Treaty' on the Antarctic model, favoured inter alia by the European Parliament - are not the correct tools to deal with issues at hand. (This reflects the view of the most concerned European nations since the same position was adopted in the 2008 Ilulissat declaration signed by Norway and Denmark.) Instead Arctic governance must rest on already existing obligations. UNCLOS must be at the foundation of any such system and any Arctic governing scheme must ensure security and stability, sustainable use of resources and open and equitable access as well as strict environmental management (Communication from the Commission to the European Parliament and the Council, 2008). To this end the EU stresses the importance of the International Maritime

Organization as well as the Arctic Council. The strategy also highlights the importance of not excluding any of the Arctic EU member states or Arctic EEA EFTA countries from dialogue and negotiations regarding the Arctic region. Although the EU can be viewed in the role of a facilitator between states with interests in the Arctic region, it nevertheless does not shy away from issues where the EU sees itself as having important interests. The importance of freedom of navigation and the right of innocent passage in newly opened routes and areas is stressed in the Commission document, which can be seen as a response to the Canadian position that the Northwest Passage lies within Canadian internal waters.

Although the EU has identified the strategic importance of the Arctic, and has taken a large procedural step towards a strategy for sustainable development of the region, with emphasis on environmental protection and sustainable exploitation; the fact remains that it does not have direct access to the area as none of the Arctic littoral states is an EU member - aside from Denmark which could lose that position relatively soon with Greenlandic independence. This may of course change if Iceland, which has applied for EU membership, becomes an EU member in near future. If it enters it would bring a large area of the North-Atlantic under the legislative purview of the European Union, including the North Atlantic sea-routes that ships traversing the Northwest Passage or the Northern Sea Route towards Europe will have to sail as well as tankers carrying oil and liquefied natural gas to markets in Europe and North-America.

Pending such developments, for the moment the revamped Northern Dimension (ND) is the EU's own main tool to influence developments in the Arctic. The Northern Dimension serves as a cooperation framework between the EU, Russia, Iceland and Norway and covers a broad area from the European Arctic and the Sub-Arctic areas to the southern shores of the Baltic Sea (Northern Dimension Policy Framework Document, 2006). Its objective is:

To aim at providing a common framework for the promotion of dialogue and concrete cooperation, strengthening stability, wellbeing and intensified economic cooperation, promotion of economic integration and competitiveness and sustainable development in Northern Europe.

The ND can be a possible forum for Iceland to cooperate with the EU on matters of environmental protection and maritime safety as these fields are included among others in the priority sectors of the ND. Furthermore; the active participation of Norway and Iceland in matters relevant to the Northern Dimension is specifically articulated in the Northern Dimension Policy Framework ((Northern Dimension Policy Framework Document, 2006).

With or without full membership, what useful purposes could the EU's emerging High Northern role play for Iceland? Generally, the EU's presence in the Arctic might have the effect of alleviating possible military tension between Russia and other Arctic states. The EU's nature as a "soft" power means that Russia does not perceive

it as being a military threat, but instead as a potential partner in dealing with common Arctic problems as well as a provider of funds for various Arctic projects which Russia can benefit from. The EU's vision of sustainable and responsible exploitation of Arctic resources would certainly leave room for cooperation with Russia both on oil and gas and on fisheries if both sides could observe certain basic standards of fair trading and reliability.

A number of EU countries that are not Arctic powers such as the UK, France and Germany are getting more interested in the Arctic region and especially the strategic implications of the dimensions of oil/gas and climate change.<sup>1</sup> It would be in the interest of Iceland if these countries would coordinate their approaches through a focused EU strategy instead of competing with each other; although Iceland should also consider what special value it could possibly gain from its relations with each of them that would complement the closer Nordic relationships discussed earlier.

The EU as it becomes more involved can be expected to stay robust in asserting its own important strategic interests in the Arctic, which boil down mainly to access to energy resources as well as free and open shipping through newly opened routes. But the EU has lot to offer within the High North in other fields than hard defence and power-play: it has for example a grip on norm-setting in a number of governance areas of relevance (environmental, shipping safety, infrastructure standards etc) through the EEA membership of all of the Nordic countries, as well as being the most obvious partner in the U.S. new course on climate change (Bailes, 2009).

Whether Iceland becomes an EU member in the foreseeable future remains to be seen, although such a move would most likely benefit Iceland in the context of Arctic security. With Iceland as a member the North Atlantic would become an EU sea and the EU would be interested in improving the security and safety of the region and its transit routes as that would go hand in hand with increased energy security within the Union. Such a move would also enhance the political security of Iceland as it would be better situated to influence EU policy on the Arctic instead of residing on the periphery as it currently does.

## **NATO**

The increased strategic importance of the Arctic region has been drawing North Atlantic Treaty Organization's (NATO) attention in the area once again after the end of the cold war. It is quite understandable why NATO should be involved in the Arctic as all the Arctic littoral states except Russia are members of the alliance as well as five out of eight permanent Arctic Council member states. NATO is of course first and foremost a security organization that provides "hard" security to its member states, although its role has expanded since the end of the cold war as it has taken on crisis management such as peacekeeping missions in former Yugoslavia and Afghanistan.

Even though NATO is a hard security institution it has also a role to play in soft security cooperation in such fields as surveillance and search-and-rescue. The increased security and defense cooperation between Iceland and Norway and Denmark,

is based on the North Atlantic Treaty and the institutional framework of NATO. The same applies to the agreement between Iceland and the UK on increased cooperation between these two countries on matters of security and defense in the North Atlantic during peace-time, which the countries signed in May 2008. NATO has also taken on the provision of air surveillance within Icelandic aerospace after the departure of the U.S. in the autumn of 2006. The surveillance involves NATO member states sending fighter jets to Iceland for a short period of time; this cooperation that began in March 2008 was scheduled for a three year period and was kicked-off by France in May 2008 with the arrival of four Mirage 2000 fighter jets. Other NATO member states that have indicated an interest in participating in the air surveillance include Denmark, Norway, and the U.S as well as Spain and Poland (Ministry of Foreign Affairs, 2008).

Iceland's increased activity within NATO and further cooperation with other NATO countries may be viewed as an attempt by Iceland to draw on broader allied support to make up for the departure of the U.S. and closure of the Keflavik naval base. But Iceland is not the only NATO member in the region that is pushing for increased NATO involvement. Norway has been quite adamant about getting NATO further involved in the region – in the right way of course. Norwegian government officials have stressed that NATO should not be viewed so much as a "tool- box" of military capabilities, but it is equally important as a political institution with a role to play in the High North. As the alliance is at the core of the security and defense strategies of all

but one Arctic Ocean state, it can not avoid defining its role in the area.<sup>2</sup>

In January 2009 a conference entitled “*Security Prospects in the High North: Geostrategic Thaw or Freeze?*” was organized in Reykjavik by NATO with the support of the University of Iceland to discuss the security implications of the occurring changes in the High North and what role NATO could play in the region. The Chairman’s conclusions stress the position that the High North is of enduring strategic importance to NATO and that the Alliance continues to have legitimate security interests in the region. The development of relevant responses to some of the High North challenges should therefore be included in the ongoing transformation of NATO.

The NATO position, as it appears in the resulting conclusions, is a cautious and balanced one that defines it as a priority to preserve the current stability in the High North as a region of low tension. The rule of law is seen as the prerequisite for peaceful regional development, while UNCLOS is pinpointed as the essential legal framework for international cooperation and activities in maritime areas (Chairman’s conclusions, 2009).

The conclusions give equal importance to the strengthening of international cooperation between relevant stakeholders in the High North. That includes the Arctic states as well as relevant institutions such as NATO, EU, the Arctic Council as well as the International Maritime Organization (IMO) and the Barents Euro-Arctic Council. Special attention should be paid to increased cooperation between NATO and Alliance members on one side and Russia on the other, through already established frameworks such

as the NATO-Russia Council. Increased cooperation between the High North actors is all the more important since NATO acknowledges the fact that not all security risks and threats are best addressed by the Alliance: instead NATO should focus on where it can provide added value to regional security. The areas that NATO pinpoints as its fields of expertise are surveillance as well as response capabilities such as search-and-rescue at sea and disaster relief operation. NATO is already active in these areas in the High North as its air surveillance and maritime situational awareness in the High North is already contributing to regional security in the widest sense ((Chairman’s conclusions, 2009)

So far as an Icelandic judgement is concerned, it is fair to recognize that NATO has certain valuable competences that can have a role to play in enhancing security in the High North. NATO is nevertheless a military alliance which Russia remains sceptical towards (Jackson, 2002), even though the Alliance’s intentions in the High North are in no way sinister. This puts NATO in the difficult spot of adjusting its role as a security organization in the face of changing perceptions of what constitutes a security threat, while at the same time trying to persuade a major Arctic actor that its actions are not directed against Russia in a traditional cold war era power struggle. Iceland’s – as well as NATO’s – challenge with regard to Russia is therefore to utilise NATO’s capabilities in the High North without drawing a new demarcation line through the North Atlantic where Iceland would sit uncomfortably on the border of separate zones of influence as it did during the cold war.

NATO's ideal role in the High North can be described as being twofold. First, NATO has at the moment valuable capabilities in surveillance and search-and-rescue which would contribute to increased security in the High North for all players; and secondly NATO exists as before to cover the member states needs for military security. As such it has a role in creating a circumpolar strategic balance by holding back militarization of the region through appropriate military awareness and preparedness, thereby raising the threshold for any would be aggressor and reducing the temptation for any military adventure and provocation (Bailes, 2009).

## Conclusion

Overall, the different institutions and their roles in responding to the risks and threats that are associated with the increased strategic importance of the High North should be viewed as being able to complement each other as well as offering the possibility of some form of division of labour. Of the eight Arctic Council members there are three that are also EU members, five in total that are members of the European Economic Area, while four of the five Arctic littoral states are also members of NATO.

These different institutions have every reason, and the necessary means, to ensure a coordinated approach to the risks and threats in the High North. The Arctic Council and its nature as a "soft" institution serve a valuable function as a circumpolar forum for the Arctic states to address pollution and environmental threats as well as indigenous people's well being.

By excluding "hard" security issues from the table the Council can foster trust and cooperation between members that would probably be much harder in a different forum.

NATO and the EU are equally suited to deal with separate sets of issues in the Arctic. The EU would be an ideal candidate to further sustainable development within the region by including Russia in cooperative projects through the framework of the Northern Dimension; thus de-securitizing the region through soft power. NATO has valuable competences in maritime surveillance as well as search and rescue, but an increased NATO presence runs the risk of securitizing the region which can feed Russia's fear of encirclement as well as risking a demarcation of separate spheres of influence in the North Atlantic. This would not be in the interests of the stakeholders in the Arctic (including Iceland), not just because of risks of actual conflict but because many of the threats and risks in the Arctic region are transnational in nature and require widest possible cooperation.

## End notes

<sup>1</sup> The UK is currently formulating an Arctic policy of its own and France has appointed an Ambassador to the Arctic region while Germany has interests in maintaining good relations with both Russia and Norway, two of its major gas suppliers.

<sup>2</sup> See for example address by the Norwegian State Secretary Espen Barth Eide to the Defence and Security Committee, NATO Parliamentary Assembly, Oslo 23 May 2009,



and a speech by the Norwegian Minister of Defence Anne-Grete Strøm-Erichsen to the Atlantic Council of Finland, 11 May 2009.

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