

Historic, Current and Future Icelandic, Faroese and Greenlandic Security Policies

Rasmus Gjedssø Bertelsen

Aalborg University

Denmark

1 Introduction: Structural, environmental and political conditions for security policy making in the High North Atlantic

Security policy in the Faroe Islands, Greenland, and Iceland has historically taken place in a nexus of structural, environmental, and political conditions which pose particularly challenges for such policy – a situation that continues and which will continue to take place. This article examines these conditions for broad security policy-making and implementation in the region in a historical, current and future perspective.

It shows how these three societies have historically addressed and currently address security policy, where the experience of Iceland as the only fully independent state is enlightening. On this basis, the article discusses how these societies can address future developments with regard to climate change and increased self-government in the case of the Faroe Islands and Greenland, which is a central, but often overlooked, political development in the region. Security policy here is conceived broadly as covering the exercise of sovereignty, participation in international security orders such as NATO, well-grounded and researched debate and policy-making, law enforcement, intelligence, civil defense, marine resource management, environmental protection, provision of search and rescue, air and sea surveillance, among other issues.

The Icelandic case is substantially longer than the Faroese or Greenlandic, since Iceland is the only one to have run the full course to independence. Therefore Iceland is the only community to have had to design and implement the full range of security policy.

2 Iceland: Setting the Direction for North Atlantic Microstate Security Policy

The history of the independence politics of Iceland and how its foreign and security affairs have been managed at various stages of self-rule is of value for discussing current and future Faroese and Greenlandic self-rule and possible independence. The independence trajectory of Iceland has inspired Faroese independence politics in particular and is therefore important for understanding self-rule developments in the Faroe Islands and Greenland.

The Viking settlers of Iceland in the 800s and 900s AD formed an independent commonwealth, which in 1262 was absorbed by the Kingdom of Norway. In 1380 the Kingdom of Denmark and the Kingdom of Norway merged under a common king, which brought Iceland, Greenland, the Faroe Islands, Shetland and Orkney into this union. In 1814, Norway was forced into a union with Sweden at the Kiel peace after the Napoleonic wars, but left the Faroe Islands, Greenland and Iceland under the Danish crown. In 1845, the Viking age assembly, the Althingi, was reconstituted as a consultative assembly to the absolutist king of Denmark, and in 1874 it gained legislative, budgetary, and taxation powers over domestic affairs, leaving the executive under Danish administration. In 1904, Iceland gained home rule with an Icelandic executive under an Icelandic minister responsible to the Althingi (Nordal and Kristinsson 1996).

The Kingdom of Iceland emerged as a sovereign independent state in 1918 tied to the Kingdom of Denmark in a personal union of a common king. Denmark willingly agreed to this step to press rights of self-determination for Danes in North Schleswig under German rule in view of the World War I settlement. This acquiescence is an example of how Denmark will give up sovereignty in the North Atlantic for interests closer to home. The Kingdom of Denmark executed the foreign affairs of the Kingdom of Iceland and represented it diplomatically, but the foreign policy was set by parliament in Reykjavik, which, for instance, chose not to enter the League of Nations for neutrality reasons. This personal union was mutually dissolvable after 25 years, and in 1944 Iceland dissolved the union and declared the republic. The Kingdom of Denmark played no role in the foreign or security affairs of Iceland after the German occupation of Denmark on 9 April 1940 (Nordal and Kristinsson 1996).

The Danish-Norwegian navy had operated sporadically in the North Atlantic since the late 1500s exercising Danish-Norwegian sovereignty. With home rule in 1904, Denmark decided

to build the first purpose-built inspection vessel, Islands Falk, completed in 1906. In 1913, the Althingi adopted the law on the Coast Guard Fund laying the financial ground for Icelandic coastguard activity. With the union treaty of 1918, coastguard duties were carried out by the Kingdom of Denmark until the Kingdom of Iceland would take them over, which was expected. The Royal Danish Navy continued some inspection duties around Iceland until 1940. In 1919, Althingi adopted legislation authorizing the leasing or buying of coastguard vessels. The Fisheries Association of the Westman Islands south of Iceland bought a used trawler in 1924 as a rescue and support vessel, Þór, which quickly became sponsored by the Icelandic state as a coastguard ship and armed in 1924. In 1924, the first purpose-built Icelandic coastguard vessel, Óðinn, was commissioned in Denmark and entered service in 1926. The Icelandic coastguard was particularly successful in enforcing Icelandic jurisdiction over territorial waters and the economic exclusion zone in the cod wars with the UK in 1958, 1972 and 1975 (Landhelgisgæsla Íslands).

Michael Corgan (2002) in his overview of Icelandic security policy since the settlement of the island in the late 800s shows the core security policy to have been the sheer distance from European conflicts. Internal Icelandic conflict, however, opened the door to Norwegian domination in 1262. This security through distance was fundamentally broken during World War II by technological advances in long-range flying, making Iceland a strategically vital location for control over North Atlantic air and sea space and the connection between North America and Europe. This development led to first British and shortly thereafter American occupation of Iceland during WWII.

Iceland's strategic importance increased further with the onset of the Cold War. Icelandic political leaders addressed this strategic pressure through continued partnership with the United States regarding the airfield at Keflavik, its founding membership in NATO, and the bilateral U.S.-Icelandic defense agreement from 1951 basing troops and aircraft at Keflavik. This policy firmly placed Iceland under the protection of the United States against covert or overt Soviet pressure. In addition, the base earned valuable foreign currency for Iceland, and the search and rescue helicopter assets were valuable additions to Icelandic emergency services.

The base was also an extremely contentious element in Icelandic politics and society, and by many seen as a threat to cultural and linguistic uniqueness. Corgan explains well to readers unfamiliar with Icelandic society and history the concern of this society to preserve its language and culture. This concern is a *de facto* security policy concern for Icelanders as well as other nations and groups with small populations. The development and preservation of the language and culture of a very small society is a particular challenge. The Icelandic nation has been particularly successful in this endeavor through a consistent linguistic policy of creating logical Icelandic words for new terms. This policy has the democratic advantage that a new word through its components ought to be understandable to any speaker of the language without the educational background to know the meaning of the ancient Greek or Latin words behind many words in other Western languages.

For Iceland, being a microstate with very small institutions (though very competent, proven by the nation's very high level of human development) and with no military heritage, hampers domestic debate and policy-making. Corgan shows the value of the development of indigenous security policy and research institutions for Icelandic debate and policy-making as well as for creating a native vocabulary in the field: the parliamentary Icelandic Commission on Security and International Affairs and the Department of Defense Affairs in the Ministry of Foreign Affairs since 1979. Creating a native security policy and strategic studies vocabulary was a particular challenge because of the lack of military tradition, small, less specialized organizations and the linguistic "defense" policy. Corgan shows the importance of such a native vocabulary and how, especially, the above mentioned parliamentary commission contributed to the development of this vocabulary and broader knowledge of these questions. Since the end of the Cold War and the U.S. withdrawal from Keflavik, the demand for renewed debate and analysis has reappeared. A security studies institute was agreed to by the Conservative-Social Democratic government (2007-2009), which, however, did not materialize. The threat assessment commission established by the then foreign minister has been inactive and has not delivered any report.

These lessons are extremely relevant for the Faroe Islands and Greenland, facing identical structural and historical conditions as microstates with little, if any, military heritage.

They must develop such vocabularies in Faroese and Greenlandic together with domestic expertise. The Faroese can, because of close linguistic ties, benefit much from the Icelandic efforts. The Greenlandic efforts can hopefully contribute to circumpolar Inuit empowerment.

The 2006 U.S. withdrawal from Keflavik was a shock to Icelandic security policy and forced Icelandic authorities to undertake a wide ranging review of security policy, organization, and capabilities, which is the topic of Gunnar Þór Bjarnason's study (Bjarnason 2008). When the U.S. government informed the Icelandic government on 15 March 2006 that it would withdraw its four fighters with search and rescue helicopter support from Keflavik before the end of September of that year, it was a major defeat for Icelandic policy. The conservative Independence Party-led governments since the end of the Cold War had averted U.S. disengagement from Keflavik and maintained the twin aim of avoiding unilateral U.S. decisions and maintaining U.S. air defense capabilities at Keflavik. The U.S. decision was a negation of both aims.

This new situation forced the Icelandic government and authorities to review organization, legislation, and capabilities with substantial development and innovation of Iceland's broad security policy, authorities, and capabilities. Initially, Minister of Justice and Ecclesiastical Affairs, Björn Bjarnason, seized the initiative in the policy response to the U.S. exit. Bjarnason was a central and internationally well-connected, security policy-maker for many years and a leading personality on these questions in the pro-U.S. and pro-NATO Independence Party. In the 2007-2009 Independence Party-Social Democratic coalition, the foreign minister was Ingibjörg Sólrún Gísladóttir from the pro-EU Socialdemocratic Alliance. These two individuals and their ministries were the main actors and competitors responding to the U.S. withdrawal and the response was divided between their organizations (Bailes 2007).

Under the Ministry of Foreign Affairs, the Icelandic Defense Agency was established with the first defense policy act from April 2008, but closed again 1 January 2011. The agency's main task was operating the Icelandic Air Defense System with the NATO radar installations in the country. In addition, the agency maintained the security area at Keflavik reserved for visiting NATO forces, collaboration with NATO and other defense and security related tasks. This situation was an example of a civilian authority conducting the affairs of a military or a ministry

of defense. In the absence of an Icelandic military, practical security and defense policy is divided between the Ministry of Foreign Affairs and the Ministry of Justice and Human Rights.

The domestic security functions under the then Ministry of Justice and Ecclesiastical Affairs, now the Ministry of Justice and Human Rights, were particularly developed. The police services and Icelandic Coast Guard fall under this ministry. A driving force here was that the search and rescue capabilities of U.S. forces at Keflavik would no longer support the Icelandic Coast Guard and other emergency services (Bjarnason 2008). Revised civil defense legislation established a Security and Civil Defense Council responsible for policy, composed by the prime minister (chair), the minister of justice and ecclesiastical affairs, minister of transportation, minister of environment, minister of health, minister of foreign affairs and minister of industry, together with relevant senior civil servants and heads of agencies. The legislation also established a new coordination and control center for all civil defense and search and rescue work, bringing together relevant authorities and emergency services supported by a new Tetra communications system.

The Coast Guard leased new helicopters, acquired a new DASH 8 Q300 surveillance aircraft, and commissioned a new ship. The national police has established an intelligence analysis unit. A North Atlantic Coast Guard Forum has been established inspired by its namesake in the North Pacific collaborating on security issues as illegal migration and drug trafficking, fisheries, environment and search and rescue. Icelandic Minister of Justice and Ecclesiastical Affairs, Björn Bjarnason, suggested developing this Forum into a standing multilateral coast guard force in the area. The domestic security functions have close cooperation and joint contingency plans and have established cooperation with their sister organizations in neighboring states, in particular Norway, Denmark, Britain and the United States (Bjarnason 2007a; Bjarnason 2007b; Bjarnason 2008; Bjarnason 2008).

Iceland was particularly hard hit by the international financial crisis of 2008. Iceland received unprecedented amounts of attention of an unprecedented negative nature in this connection (Chartier 2010). The three main banks of Iceland, Kaupthing, Landsbanki and Glitnir, all collapsed within a few days in October 2008, representing the overwhelming part of the Icelandic financial sector. This banking collapse led to an unprecedented economic and political

crisis for Iceland internally and externally. It brought down the Conservative-Social Democratic coalition government in office, replaced by a caretaker government, which was elected in general elections shortly after. Externally, the crisis brought the Icesave conflict with the United Kingdom and the Netherlands over reimbursement of British and Dutch compensation of depositors to the Icesave online accounts in Landsbanki in the two countries. The Icesave conflict was in all likelihood the greatest foreign policy crisis independent Iceland had ever faced. It saw Iceland isolated even from the other Nordic countries as well as the rest of Europe, which chose to side with UK and the Netherlands, as did the International Monetary Fund (Jóhannesson 2009; Jónsson 2009; Thorvaldsson 2009; Halldorsson and Zoega 2010; Magnússon 2010a; Magnússon 2010b; Aliber and Zoega 2011).

There are a number of lessons from the impact of the international financial crisis in general and the Icesave conflict in particular for the broad security policy of a microstate as Iceland of great importance for the topics of this study. This study points out the importance of the absolute size of Icelandic society, its large relative capabilities and very limited absolute capabilities. All these aspects came into play in the causes and consequences of the international financial crisis in Iceland.

The antecedents of the crisis are heavily influenced by Iceland's small size. The very small size of Iceland's population means that the size of the Icelandic market is extremely limited, although the individual Icelandic consumer is among the wealthiest in the world. This very small market size forces any growth-oriented business to expand abroad, and that was exactly the case with the Icelandic banks. If they wanted to grow, they had to do so abroad, which they did spectacularly. At the same time, this growth was made possible by the high level of education, skills and foreign experience of many Icelanders, the relative capabilities. Icelandic banks expanded dramatically aided by access to cheap interbank capital, as happened throughout the international banking sector at this time. What was specifically Icelandic was the ratio between the foreign exposure of the banks, and the extremely limited size of the Icelandic national economy. This imbalance meant that the government of Iceland had no chance of saving its banks the way other countries saved their banks, which was possible because of a balance between the size of the banks and the national economy.

The small size of Iceland's population also aggravated the buildup to the financial crisis through the small absolute numbers of business and political elites. These elites were too interlinked with too little independence. The very limited absolute capabilities of Iceland were also clear in regulating the banks. With the exponential growth and foreign involvement of Icelandic banks, authorities with very limited resources and specialization suddenly had to oversee much greater and more complex banking operations. In the aftermath of the banking collapse, and especially during the Icesave conflict and managing this conflict, it is clear that Icelandic organizations have been very small for these tasks and been severely challenged concerning capability and specialization.

The Eyjafjallajökull eruption in 2010 greatly disrupted European air traffic in April of that year. This situation reminded Iceland and the world of the high level of geological activity in Iceland, and how this activity can affect Icelandic and international society. In Iceland, the eruption and the significant ashfall affected agriculture and infrastructure. Because of the wind direction air traffic out of Iceland continued, but the situation reminded of the possibility that Iceland could be cut off from the world air traffic-wise. The Cabinet-level Security and Civil Defense Council was activated for this emergency.

Climate change presents Iceland with both challenges and opportunities. As a highly developed country, Iceland is seeking to reduce its greenhouse gas emissions. Climate change in the Arctic may affect Iceland profoundly, socially and environmentally for instance, through the reduction of sea ice cover giving access to increased energy exploration throughout the Arctic or to trans-Arctic shipping. Increased energy production in Siberia has resulted in greatly increased oil- and gas-tanker traffic through Icelandic waters to markets in North America. This traffic carries potentially great environmental hazards in case of accidents and oil-spills (Utanríkisráðuneytið 2005; Utanríkisráðuneytið 2007).

The long-term opportunities for trans-Arctic shipping between the North Pacific and the North Atlantic have raised significant attention from the Icelandic government evidenced in the detailed 2005 report 'Fyrir stafni haf: Tækifæri tengd siglingum á Norðurslóðum' [Open sea ahead: Possibilities regarding navigation in the Arctic] and the 2007 international stakeholder conference 'Ísinn brotinn: Þróun norðurskautssvæðisins og sjóflutningar' [Breaking the ice:

Arctic developments and maritime transportation]. The Icelandic authorities see a number of environmental and socio-economic drivers pushing for trans-Arctic international shipping in the future: The fundamental environmental driver for the socio-economic drivers is climate change, where the extent of sea ice cover in the Arctic Ocean over the summer is significantly reduced and predicted to be reduced much further and thickness of ice throughout the year as well (Arctic Climate Impact Assessment 2004).

The socio-economic drivers are the growth in world trade, which is mainly shipborne, and energy and mineral exploration in the Arctic. The world economy is dominated by the North Atlantic and North Pacific areas, where the Northern Sea Route along the Siberian coast and the Northwest Passage north of Canada are the shortest connecting routes. The present gateways through the Panama and the Suez canals are used close to capacity and limit the future use of very large vessels, while there are no limitations in the Arctic Ocean. Significant advances in ship building technology allow for ships to break through single year ice without icebreaker support (Utanríkisráðuneytið 2005; Utanríkisráðuneytið 2007).

These environmental and socio-economic drivers have converged in Iceland to the formulation of a vision to make Iceland the North Atlantic transshipment facility at one end of the trans-Arctic route. The vision is a shuttle service by Arctic purpose-built ships between Iceland and, for instance, the Aleutian Islands which would be serviced by normal ships serving respectively the North Atlantic and the North Pacific (Utanríkisráðuneytið 2005; Utanríkisráðuneytið 2007).

The prospects of new shipping routes between the North Pacific and the North Atlantic may be motivating Chinese interest in Iceland and strengthened Sino-Icelandic relations according to Icelandic President Ólafur Ragnar Grímsson and news reporting (Underhill 2010; Anonymous2010).

Iceland and China have been developing their relationship in various fields in recent years. Iceland was the first European country to initiate talks with China on a preferential trade agreement in 2006. The talks form part of a Chinese strategy of reaching out to smaller highly developed economies and to get a foothold in Europe before taking on the much more complex task of negotiating an agreement with the EU (Lanteigne 2008; Lanteigne 2010). Until the

financial crisis in late 2008 and Iceland's decision to seek membership of the EU, the negotiations with China seemed to progress well. China and Iceland are each other's exact opposites concerning absolute and relative capabilities. China has enormous absolute capabilities, while limited relative ones as an enormous developing country. Iceland has extremely limited absolute capabilities while highly advanced relative capabilities. Iceland benefitted from those advanced relative capabilities in its negotiations with China, it is able to offer sophisticated technology and know-how in, for instance, geothermal power generation and district heating and back then in financial services.

The EU is playing a greater role in societal security. Iceland has, in the wake of the financial crisis and the challenges of operating a very small independent currency, submitted a membership application to the EU, and the formal negotiation process has begun. However, only one party in the parliament, Althingi, the ruling Socialdemocratic Alliance, is wholeheartedly behind the application. The public has turned increasingly and decisively against EU membership since autumn 2008 (Samtök iðnaðarins 2010).

The main argument for EU membership was joining the Euro, but the sharp depreciation of the Icelandic Króna helped much in turning around the Icelandic trade deficit and improving competitiveness. There are two classic explanations for Iceland remaining outside the EU which still apply: the material unacceptability of the Common Fisheries Policy for a country basing its economy on fisheries (Ingebritsen 1998), and the rhetorical unacceptability of ceding sovereignty to a supranational body for a country which has gained independence after centuries of foreign rule (Bergmann 2009). A recent and influential reason for voter rejection of the EU is the Icesave conflict over deposit insurance of British and Dutch depositors in Landsbankinn, where the United Kingdom and the Netherlands backed by the EU coerced Iceland into politically taking on the Icesave obligations (Jóhannesson 2009).

The European Commission published a communication to the European Parliament and Council on 20 November 2008 on *The European Union and the Arctic Region* in response to the European Parliament Resolution of 9 October 2008 on Arctic governance (Commission of the European Communities 2008). This communication addressed three areas of engagement in the Arctic for the EU: 1) protecting and preserving the Arctic in unison with its population; 2)

promoting sustainable use of resources; and 3) contributing to enhanced multilateral Arctic governance.

The utility of this EU strategy for Iceland was subsequently set out in a ministry of foreign affairs note. Iceland noted the interest of the European Commission in trans-Arctic shipping, where Iceland sees great prospects for providing transshipment. The Icelandic ministry of foreign affairs concluded that Iceland as an EU member would be the gateway of the EU toward the Arctic Ocean and expected increased European investments in Iceland in Arctic research, energy exploration, and transportation in connection with resource exploitation in the Arctic and new navigation routes. There is no trace in the EU Commission communication of the EU taking on traditional security responsibilities, which NATO currently covers. Concerning immigration and law-enforcement, Iceland has been a member of the Schengen area since 2001 with access to common databases, etc.

3 Faroe Islands: Broad-spectrum Security Concept and Partnership with Denmark

The Faroe Islands were also settled by Viking settlers and eventually absorbed by the Kingdom of Norway around 1035, and thus eventually coming under the Danish-Norwegian crown. Independence-minded Faroese have always looked to Iceland and there were family ties between independence political families in the two societies around 1900 when Iceland gained home rule. The Faroe Islands were fully integrated as a county in Denmark, and the ancient assembly and court of law, the Løgting, was reconstituted in 1852 as a consultative and later county assembly (Harder 1979; Wang 1989; Wåhlin et al. 1994; Løgtingið).

The Faroe Islands were equally drawn into European conflict during WWII and occupied by Britain because of their strategic location in the North Atlantic. After the war, the Faroe Islands remained in the Kingdom of Denmark gaining home rule in many domestic issues in 1948, 44 years after Iceland, with the Løgting as legislative assembly. The Faroese home rule act excludes the constitution of the Kingdom of Denmark, citizenship, monetary affairs, and foreign, defense and security policy. The act divides between A and B areas of legislation, where the Løgting could take over the A items at its own or Danish request, and which

especially cover social policy, health care, business, education, and infrastructure. The B items, covering, of relevance here, police, radio, air traffic and natural resources, could be taken over by mutual agreement. This constitutional status left security policy, including law enforcement and intelligence matters, in the hands of government authorities in Copenhagen, and integrated the Faroe Islands together with the Kingdom of Denmark into NATO during the Cold War (Thorsteinsson 1999; Løgtingið).

In 2005, an expansion of the existing 1948 home rule legislation was adopted in equal partnership between the Kingdom of Denmark and the Faroe Islands, whereby the Faroe Islands can take over all issue areas except the constitution, citizenship, the Supreme Court, and foreign, security, and defense policy as well as currency and monetary policy. The only areas of relevance here which the Faroe Islands have not taken over are police and air traffic. At the same time, legislation was passed, which authorizes the Faroe Islands to enter into international agreements on issues it has taken over and opens the possibility for Faroese membership of international organizations in areas covered by self-rule (Løgtingið; Statsministeriet).

During WWII, Britain established a Long Range radio navigation station in the islands, which Britain, the United States and others were keen to maintain after the war. Copenhagen was keen to keep foreign forces out of the Faroe Islands, so the Royal Danish Navy took over the station despite great technical difficulty and established a previously unseen level of presence in the islands. As with Greenland and Iceland, the Faroe Islands were important for NATO to close the Greenland-Iceland-United Kingdom (GIUK) gap to keep the Soviet navy out of the North Atlantic and protect trans-Atlantic lines of communication. The Royal Danish Air Force operated a NATO radar facility at Sornfelli from 1963 to 2007. Today, the Royal Danish Navy usually has an inspection vessel of the Thetis class (112 m long) with helicopter in the area. The Faroese home rule government through Faroese Islands Fisheries Inspections operate the two patrol and rescue vessels Brimil (60m long) and Tjaldrið (42m long), and the national carrier, Atlantic Airways, has a Bell 412 helicopter on 24/7 standby for search and rescue work (Thorsteinsson 1999; Atlantic Airways; Færøernes Kommando).

The Faroese parliament, Løgtingið, has on several occasions since 1940 expressed a stand emphasizing keeping the Faroe Islands out of international conflict and keeping military forces out of the islands. Danish and NATO military activities were only partially disclosed to Faroese authorities according to Jákup Thorsteinsson's 1999 report on the Faroe Islands during the Cold War. The Faroese self rule government does not refer to security policy on its website, unlike the Greenlandic, which points to the lack of a common strategic culture among Iceland, the Faroe Islands, and Greenland. This lack is an important hurdle to overcome in the development of broad security policy in the region. The Løgting today adapts a broad security concept and is concerned with topics such as organized crime and trafficking. In the modernization of the Faroese home rule in 2005, it was emphasized in the Danish-Faroese legislation that foreign, defense, and security policy does not fall under the home rule. On the other hand, the Kingdom of Denmark and the Faroe Islands agreed to involve the Faroe Islands as an equal partner in foreign and security policy deliberations concerning the islands (Thorsteinsson 1999; Eidesgaard 2004a; Eidesgaard 2004b; Møller and Eidesgaard 2005).

Faroese society bears resemblance to Iceland culturally and historically. Both are descendants of Viking settlers in the 800s with mutually intelligible languages. Socially, both are highly developed microstates and knowledge-based societies with roots in fisheries and sheep farming. They share political and historical roots as North Atlantic autonomies of the Kingdom of Denmark, and possible Faroese independence is likely to follow a path similar to that which led to Icelandic independence, with sovereignty in a union as Iceland between 1918 and 1940/1944. The Danish-Icelandic union (1918-1940/1944) was clearly the inspiration for the Faroese proposal in 1998 for Faroese sovereignty in a personal union with Denmark. This proposal fell on unresolved Faroese fiscal dependency on Denmark, which seems the stumbling block for further or full independence for now. In the Løgting, independence-minded parties, Tjóðveldi (8), Fólkaplokkurin (7) and Miðflokkurin (3), have a slight majority out of 33 members.

Security policy-making and implementation in the Faroe Islands will continue to face the public finance and administration dilemmas identified above. These dilemmas exist for current policy carried out under self rule, such as fisheries inspection, and will be accentuated by taking over important areas as law enforcement and air traffic as is predicted in current self rule

legislation. These dilemmas will also be accentuated by increased energy exploration and shipping, which, however, also gives economic opportunities for further self-government. As in the Icelandic case, these dilemmas must be faced through a combination of developing domestic capabilities, organizations, policies, and vocabulary to the possible extent and building outside alliances for addressing tasks beyond domestic capabilities. Increased regional collaboration and integration through, for instance, joint deployment of assets, procurement, maintenance, and training may ameliorate these dilemmas by expanding the basis of organizations and the organizations themselves allowing for greater efficiency, returns to scale and specialization.

The Faroe Islands can replicate Iceland with domestic civilian security, law enforcement, and coast guard organizations. For replacing the assets of the Kingdom of Denmark, the Faroe Islands can also replicate Iceland with NATO membership with security guarantees and air policing directly from Britain or Norway. The importance of the GIUK gap depends on the state of the international system. Today, the gap is of little importance as reflected in the closure of the Royal Danish Air Force Sornfelli NATO radar station. If the gap regains importance, and the Faroe Islands have gained independence, the Faroe Islands could replicate Iceland establishing civilian air surveillance integrated into NATO.

4 Greenland: North American Security and U.S.-Danish-Greenlandic Relations

Greenland straddles circumpolar Inuit and Nordic culture and history. Inuit have migrated from North America to Greenland since prehistoric times. Norse settlers arrived in the Viking age from Iceland and were absorbed in the Kingdom of Norway, but disappeared in the middle ages. The Danish-Norwegian missionary Hans Egede arrived in Greenland in 1721 to rediscover the Norse and reassert the Danish-Norwegian claim to Greenland. Greenland remained a colony of the Kingdom of Denmark until it was integrated on an equal standing in the Kingdom as a county in 1953, the old status of both Iceland and the Faroe Islands. In 1979, Greenland gained home rule similar to Faroese home rule, 75 years after Iceland and 31 years after the Faroe Islands (Gad 1984).

Greenland's steady movement to greater self-government and a more independent role in the world is clear, as with the Faroe Islands. In 2005, the Kingdom of Denmark and Greenland agreed—as in the Faroese case—to grant Greenland the right to enter into agreements with foreign countries and international organizations on issues Greenland had taken over. Greenland also received the right to join international organizations in these domains, usually as associate member. In 2009, the Kingdom of Denmark and Greenland agreed on self rule for Greenland, which recognizes the Greenlanders as a people under international law, awards the rights to natural resources to Greenland and gives the self rule government the right to take over all issue areas except the constitution, citizenship, currency and monetary policy, and foreign, defense and security policy. The areas Greenland can and desire to take over in due course involve important broad security policy areas such as police, justice, immigration, transportation, and other areas. The self rule agreement explicitly grants Greenland the right to pursue full independence, and thus, shows Danish acceptance of this goal. The self rule agreement received 75.5 percent support in a referendum in Greenland on 25 November 2008, showing the strong popular support for increased self-government (Statsministeriet).

Greenland has played a key role in North Atlantic and North American security since its occupation by U.S. forces during WWII, the U.S.-Danish agreement on the defense of Greenland from 1941 and the defense agreement from 1951. The United States kept forces and facilities in a number of bases in Greenland. Today, the only facility is the Thule radar, which is part of the National Missile Defense project showing the continued central strategic role of Greenland. The Royal Danish Navy operates inspection vessels of the Thetis class with helicopters and the patrol vessel class Knud Rasmussen, and the national carrier, Air Greenland, has a fleet of 15 helicopters (Air Greenland; Grønlands Kommando; United States Air Force).

The Greenland home rule government has been keen to take a greater and equal role in the foreign, defense and security policy deliberations concerning the island. Whereas the Faroe Islands seem concerned with a broad spectrum of security challenges, Greenland is focused on the US-Danish-Greenlandic relationship and the presence of U.S. forces in Greenland. In addition, Greenland is focused on developing its relations with the United States in other areas

as economic development, science and education, etc., which are seen as important to socio-economic development, the precondition for independence.

An important achievement for Greenland was the U.S.-Danish-Greenlandic foreign ministers' meeting at Igaliku in Southern Greenland on 6 August 2004. Here, Colin Powell, Per Stig Møller and Josef Motzfeldt agreed on involving the Greenland home rule government and authorities in the hitherto bilateral U.S.-Danish relationship regarding the defense agreement and the U.S. forces in Greenland. This agreement was a Greenlandic condition for allowing the upgrade of the Thule radar for the National Missile Defense project. In addition, the parties made joint declarations on the environmental aspects of the U.S. presence in Greenland and economic and technical cooperation between the United States and Greenland with a tripartite joint committee to support this collaboration (Powell, Møller and Motzfeldt 2004a; Powell, Møller and Motzfeldt 2004b; Powell, Møller and Motzfeldt 2004c).

Greenland is keenly pursuing increased energy and mineral exploration, where offshore hydrocarbon resources are seen as a way to replace financial support from the Kingdom of Denmark and thus pave the way for greater and eventually, full independence (Ward and Pfeifer 2010). Large incomes from hydrocarbon exploitation may supply the financial basis for increased and perhaps full Greenlandic independence, but does not solve the public administration dilemma pointed out in this article of very small organizations with very limited possibilities for specialization. Greenland is also much more dependent on trained civil servants, etc., from Denmark than the Faroe Islands. Greenland needs to achieve a higher level of education through both domestic efforts and studies abroad, where Iceland is a successful example of transferring much knowledge and technology through education abroad.

As pointed out by Corgan, domestic security policy expertise and vocabulary is vital for informed debate and policy-making. The Faroe Islands and Greenland must (to the extent they have not done so already) follow in the footsteps of Iceland and develop the domestic vocabularies and expertise to assess military, strategic, and other security issues. An important challenge and aim will be to develop a common regional strategic culture of security and surveillance for a common space increasingly exploited for energy and marine resources and traversed by international shipping rather than Cold War standoffs. Existing organizations can

help in forming the relationships to create such a common strategic culture, such as the West Nordic Council, the Nordic Council and the Arctic Council. The West Nordic Council chose safety at sea and international cooperation for its thematic conference in 2008 and made recommendations to the Nordic Council.

Increased Greenlandic self-government and possible independence will be strongly dependent on the ability to create and staff highly qualified indigenous organizations and services such as bureaucracies, coast guard and law-enforcement. As in the case of the Faroe Islands, Greenland will, with growing self-government and perhaps full independence, have to combine solving some security policy tasks domestically and others in collaboration with outside parties, as is the case currently with the Kingdom of Denmark. Greenland could—and is expected to—remain a member of NATO with a bilateral defense agreement with the United States and to host the U.S. Air Force base at Thule. Such an arrangement would supply the guarantees of Greenland's defense and could supply other assets. Only the U.S. commitment to the security of the region can assure convincing escalation domination against Russia, and in the future, China. Furthermore, large-scale civilian emergencies will be outside the capabilities of the present and future actors in the region and will demand outside assistance. Greenland is also expected to work closely with Canada concerning the Northwest Passage.

Regarding Denmark's interest in North Atlantic security, it must, first of all, be emphasized that the only reason for Denmark's involvement in the Arctic and North Atlantic is naturally the Faroe Islands and Greenland being part of the Kingdom of Denmark. The day these societies might gain full independence from the kingdom, Denmark will, in all likelihood, be as completely removed from their security policy as it is from that of Iceland (apart from cooperation because of the Faroe Islands and Greenland or NATO collaboration). Denmark will remain involved during a time of union, as with Iceland between 1918 and 1940.

It is clear from current Danish foreign and security policy that its primary defense interest is in combat-like operations in areas as the Middle East, Central Asia, and the Horn of Africa, etc. These are the missions of the future for the Danish military and the Royal Danish Navy, rather than its rich North-Atlantic history. This history will, in all likelihood, end with the possible independence of the Faroe Islands and Greenland. There is no reason to believe there

will be political will or interest in Denmark to maintain—and certainly not renew—the present significant Danish Arctic naval capabilities in the event of Faroese and Greenlandic independence.

5 Conclusion: Smart Microstate Solutions of Small Domestic Organizations and Outside Collaboration

Security policy-making and implementation in the North Atlantic region of Greenland, Iceland, and the Faroe Islands take place under demanding structural, environmental, and political conditions, which cause significant public finance and administration and security policy challenges. This article identifies these conditions and challenges, describes how these three microstates historically and currently address these conditions and challenges, and points toward future environmental and socio-political developments.

The public finance and administration and ultimately, security policy challenges addressed in this article are not unique to the North Atlantic. The Caribbean, the Pacific and the Indian Oceans all have island states with very limited absolute capabilities while they have very large air and sea space with serious security issues in areas such as illegal trafficking. If the very small societies in the North Atlantic can present innovative and smart solutions to address and overcome these challenges, these societies can make a unique and important contribution to security policy-making and implementation of countries with very limited absolute resources, especially island nations, around the world.

6 Acknowledgement

I thank the following for their valuable comments: the participants at the Fifth Open Assembly of the Northern Research Forum, Anchorage, 24-27 September 2008; the Arctic Science Summit Week, Bergen, 23-28 March 2009; the postdoctoral conference 'Many Faces of Security in a World of Complex Threats', Stiftung Wissenschaft und Politik, Berlin, 16-17 September 2009; the United Nations University—Institute of Advanced Studies research dialogue, 7 April 2010; the International Polar Year Oslo Science Conference, Oslo, 6-12 June 2010; the Seventh International Congress on Arctic Social Sciences, Akureyri 22-26 June 2011;

the Sixth Open Assembly of the Northern Research Forum, Hvéragerði, 3-6 September 2011; and seminar, Institute of International Affairs, University of Iceland, 13 September 2011.

The Icelandic Minister of Justice and Ecclesiastical Affairs Björn Bjarnason, Head of Department Þórunn Hafsteinn, Icelandic Ministry of Justice and Ecclesiastical Affairs, Director Inuuteq Holm Olsen, Greenland Self Rule government, Herálvur Joensen, Representative of the Faroe Islands in Copenhagen, Associate Professor Michael Corgan, Boston University, and Visiting Professor Alyson Bailes, University of Iceland.

7 Bibliography

Iceland and China make Foreign Exchange Contract. (9 June, 2010) . Available at http://icelandreview.com/icelandreview/daily_news/?ew_0_a_id=363584. (Accessed 12 April, 2011).

Air Greenland Our Aircraft and Helicopters. Available at http://airgreenland.com/om_air_greenland/fly_og_helikoptere/. (Accessed 10/07, 2010).

Aliber, Robert Z. & Gylfi Zoega, Eds. (2011) *Preludes to the Icelandic Financial Crisis*. Basingstoke: Palgrave Macmillan.

Arctic Climate Impact Assessment (2004) *Impacts of a Warming Arctic: Arctic Climate Impact Assessment*. Cambridge, U.K. ; New York, N.Y.: Cambridge University Press.

Atlantic Airways Search and Rescue. Available at <http://www.atlantic.fo/Default.aspx?pageid=5080>. (Accessed 09/27, 2010).

Bailes, Alyson (2007) *'Societal Security' and Iceland*.

Bergmann, Eiríkur (2009) *"Hið Huglæga Sjálfstæði Þjóðarinnar": Áhrif Þjóðernishugmynda á Evrópustefnu Íslenskra Stjórnvalda (Sense of Sovereignty: How National Sentiments have Influenced Iceland's European Policy)*. PhD Dissertation. University of Iceland.

Bjarnason, Björn (12 August 2008, 2008) *The Civilian Role in Safety in the North Atlantic: 2008 Conference of Arctic Parliamentarians, Fairbanks, Alaska, 11 to 14 August.* Available at <http://www.bjorn.is/greinar/nr/4579>. (Accessed 01/7, 2009).

Bjarnason, Björn (6 October 2007, 2007a) *Iceland and the Civil Dimension of Maritime Security: NATO Parliamentary Assembly 53rd Annual Session Reykjavik, Iceland, 6 October 2007 Committee on the Civil Dimension of Security.* Available at <http://www.bjorn.is/greinar/2007/10/06/nr/4189>. (Accessed 01/7, 2009).

- Bjarnason, Björn (2007b) *Viðtækar Öryggisráðstafanir: Kynning Fyrir Starfshóp Utanríkisráðherra Um Hættumat 13. Desember 2007 (Extensive Security Precautions: Presentation for the Minister of Foreign Affairs' Working Group on Risk Assessment 13 December 2007)*. Available at <http://www.bjorn.is/greinar/2007/12/13/nr/4284>. (Accessed 12/22, 2008).
- Bjarnason, Gunnar Þ. (2008) *Óvænt Áfall Eða Fyrirsjáanleg Tímamót? Brottför Bandaríkjahers Frá Íslandi: Aðdragandi Og Viðbrögð (Unexpected Shock Or Predictable Turning Point? the Departure of the US Military from Iceland: Antecedents and Responses)*. Reykjavík: Háskólaútgáfan.
- Chartier, Daniel (2010) *The End of Iceland's Innocence: The Image of Iceland in the Foreign Media during the Financial Crisis*. Ottawa; Québec: University of Ottawa Press; Presses de l'Université du Québec.
- Commission of the European Communities (2008) *The European Union and the Arctic Region*.
- Corgan, Michael T. (2002) *Iceland and its Alliances : Security for a Small State*. Lewiston, N.Y.: E. Mellen Press.
- Eidesgaard, Jóannes. (2004a) *Fráboðan Til Danska Uttanríkisráðharran Juni 04 Um Tingsamtykt (Letter to Danish Foreign Minister on Parliamentary Decision)*. Tinganes:.
- Eidesgaard, Jóannes. (2004b) *Uppskot Til Samtyktar Um Trygdarpolitikk Føroya (Statement on Faroese Security Policy)*. Tórshavn:.
- Færøernes Kommando *Færøernes Kommando (Faroe Islands Command)*. Available at <http://forsvaret.dk/FRK/Pages/default.aspx>. (Accessed 09/27, 2010).
- Gad, Finn (1984) *Grønland (Greenland)*. Copenhagen: Politiken.
- Grønlands Kommando *Grønlands Kommando (Greenland Command)*. Available at <http://forsvaret.dk/GLK/Pages/default.aspx>. (Accessed 10/07, 2010).
- Halldorsson, Olafur G. and Gylfi Zoega (2010) *Iceland's Financial Crisis in an International Perspective*. Reykjavík: Institute of Economic Studies.
- Harder, Kirsten (1979) *De Dansk Færøske Forhold 1945-48*. Odense: Odense Universitetsforlag.
- Ingebritsen, Christine (1998) *The Nordic States and European Unity*. Ithaca, NY: Cornell University Press.
- Jóhannesson, Guðni T. (2009) *Hrunið: Ísland á Barmi Gjaldþrots Og upplausnar (the Fall: Iceland on the Verge of Bankruptcy and Chaos)*. Reykjavík: JPV Útgáfa.

Jónsson, Ásgeir (2009) *Why Iceland? how One of the World's Smallest Countries Became the Meltdown's Biggest Casualty*. New York, NY: McGraw Hill.

Landhelgisgæsla Íslands Saga LHG (*History of the Icelandic Coast Guard*). Available at <http://www.lhg.is/sagan/>. (Accessed 09/16, 2010).

Lanteigne, Marc (2010) Northern Exposure: Cross-Regionalism and the China-Iceland Preferential Trade Negotiations. *The China Quarterly* 202: 362-380.

Lanteigne, Marc (2008) *The Falcon and the Dragon: Commercial Diplomacy and the Sino-Icelandic Free Trade Negotiations*. Reykjavík: University of Iceland.

Løgtingið *The Faroese Parliament*. Available at http://www.logting.fo/files/File/2008/faldari_EN_web.pdf. (Accessed 09/16, 2010).

Magnússon, Gylfi (2010a) *Lessons from a Small Country in a Financial Crisis Or Dr. Minsky and Mr. Ponzi in Iceland*. Reykjavík: Institute of Economic Studies.

Magnússon, Gylfi (2010b) "Morguninn Eftir Ponzi", *Tímarit Um Viðskipti Og Efnahagsmál*. [Online], 7: 13 April 2011. Available from: http://www.efnahagsmal.is/wp-content/uploads/2010/12/2_1_morguninn-eftir-ponzi_final.pdf.

Møller, Per Stig and Jóannes Eidesgaard. (2005) *Fælles Principerklæring Mellem Danmarks Regering Og Færøernes Landsstyre Om Færøernes Medvirken Og Inddragelse i Udenrigs- Og Sikkerhedspolitikken (Fámjin Erklæringen) (Common Declaration of Principles between the Government of Denmark and the Self Rule Government of the Faroe Islands on the Participation and Involvement of the Faroe Islands in the Foreign and Security Policy (the Fámjin Declaration))*. Fámjin:.

Nordal, Jóhannes & Valdimar Kristinsson, Eds. (1996) *Iceland, the Republic: Handbook*. Reykjavik: Central Bank of Iceland.

Powell, Colin L., Per S. Møller and Josef Motzfeldt. (2004a) *Agreement between the Government of the United States of America and the Government of the Kingdom of Denmark, Including the Home Rule Government of Greenland, to Amend and Supplement the Agreement of 27 April 1951 Pursuant to the North Atlantic Treaty between the Government of the United States of America and the Government of the Kingdom of Denmark Concerning the Defense of Greenland (Defense Agreement) Including Relevant Subsequent Agreements Related Thereto*. Igaliku:.

Powell, Colin L., Per S. Møller and Josef Motzfeldt. (2004b) *Joint Declaration by the Government of the United States of America and the Government of the Kingdom of Denmark, Including the Home Rule Government of Greenland, on Cooperation on the Environment in Greenland*. Igaliku:.

- Powell, Colin L., Per S. Møller and Josef Motzfeldt. (2004c) *Joint Declaration by the Government of the United States of America and the Government of the Kingdom of Denmark, Including the Home Rule Government of Greenland, on Economic and Technical Cooperation*. Igaliku: .
- Samtök iðnaðarins (2010) *Viðhorf Almennings Til ESB: Mars 2010 (Public Opinion on the EU: March 2010)*. Reykjavik: Samtök iðnaðarins.
- Statsministeriet a) *Den Færøske Selvstyreordning (the Faroese Self Rule Arrangement)*. Available at http://www.stm.dk/a_2565.html. (Accessed 09/20, 2010).
- Statsministeriet b) *Den Grønlandske Selvstyreordning (the Greenlandic Self Rule Arrangement)*. Available at http://www.stm.dk/a_2566.html. (Accessed 09/20, 2010).
- Thorsteinsson, Jákup (1999) *Færoya í Kalda Krígnu: Hernaðarmál Og Politikkur. Avegisfrágreiðing Um Støðu Føroya í Kalda Krígunum (the Faroe Islands in the Cold War: Military Affairs and Policy. Report on the Status of the Faroe Islands in the Cold War)*. Tórshavn: Løgmannsskrivstovan (Prime Minister's Office).
- Thorvaldsson, Armann (2009) *Frozen Assets: How I Lived Iceland's Boom and Bust*. Hoboken, NJ: Wiley.
- Underhill, William (18 March, 2010) *China Eyes Investment in Iceland*. Available at <http://www.newsweek.com/blogs/wealth-of-nations/2010/03/18/china-eyes-investment-in-iceland.html>. (Accessed 12 April, 2011).
- United States Air Force *Peterson Air Force Base*. Available at <http://www.peterson.af.mil/units/821stairbase/index.asp>. (Accessed 10/07, 2010).
- Utanríkisráðuneytið (2007) *Ísinn Brotinn: Þróun Norðurskautssvæðisins Og Sjóflutningar (Breaking the Ice: Arctic Developments and Maritime Transportation)*. Reykjavik: Utanríkisráðuneytið.
- Utanríkisráðuneytið (2005) *Fyrir Stafni Haf: Tækifæri Tengd Siglingum á Norðurslóðum (Open Sea Ahead: Possibilities regarding Navigation in the Arctic)*. Reykjavik: Utanríkisráðuneytið.
- Wåhlin, Vagn, Henning M. Kristensen, Mette S. Lund and Bjarne Tersbøl (1994) *Mellem Færøsk Og Dansk Politik: Den Parlamentariske Kommission, Fúlabók'En Og Adressesagen i Perspektiv 1917-1920 (between Faroese and Danish Politics: The Parliamentary Commission, the Fúlabók and the Address Case in Perspective 1917-1920)*. Tórshavn; Århus: SNAI - North Atlantic Publications.
- Wang, Zakarias (1989) *Stjórn málafrøði (Political Science)*. Höyvik: Forlagið Stiðin.

Ward, Andrew and Sylvia Pfeifer. (2010) *Greenland Sees Oil as Key to Independence*.