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## 20. Iceland and the European Security and Defence Policy

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### I. Introduction: Iceland as a special case

Iceland, a republic on the extreme north-west periphery of Europe with a population of about 300 000, has a *sui generis* relationship with the concept of European defence. As to the term ‘European’, Iceland is the only Nordic state (and one of very few in Europe) never to have applied for membership of the European Union. As to ‘defence’, Iceland has refrained from establishing armed forces throughout its existence as a modern independent state since 1944.

The functional solution that Iceland has found for its relations with the European integration process is membership of the European Economic Area (EEA), to which it belongs together with Norway, Liechtenstein and the EU,<sup>1</sup> and participation in the EU’s Schengen border control system.<sup>2</sup> The EEA, in essence, brings Iceland within the scope of application of the EU’s Single Market but involves it in no more than a ‘dialogue’ relationship with the EU’s Common Foreign and Security Policy and does not, of itself, oblige Iceland to take any particular part in the European Security and Defence Policy.

The functional solution that Iceland has found for its defence is a direct defence agreement with the USA,<sup>3</sup> signed in 1951, combined with Iceland’s membership of the North Atlantic Treaty Organization. The US forces stationed at the Keflavík base in south-western Iceland, which form the Iceland Defense Force, are seen as guaranteeing the necessary deterrent and (initial) response capacities for Iceland’s protection in a crisis, while in peacetime they provide air defence cover. Iceland has, of course, its own police force, coastguard and emergency rescue services, but it depends a good deal in practice on the US

<sup>1</sup> Agreement on the European Economic Area, EFTA Secretariat, Geneva, May 1992, URL <<http://secretariat.efta.int/Web/LegalCorner/>>. The EEA Agreement, signed by the then member states of the European Free Trade Area and the EU, came into force in 1994.

<sup>2</sup> Iceland and Norway were given the opportunity to participate in Schengen in view of the Nordic Passport Union, the application of which had been safeguarded by the terms of Denmark’s, Finland’s and Sweden’s accessions to the EU. An agreement on Norway’s and Iceland’s participation in Schengen following its full incorporation in the EU treaty structure was concluded in May 1999. ‘Agreement concluded by the Council of the European Union and the Republic of Iceland and the Kingdom of Norway concerning the latter’s association with the implementation, application and development of the Schengen *acquis*—Final Act, Brussels, 18 May 1999’, *Official Journal of the European Communities*, vol. L 176 (10 July 1999), URL <<http://europa.eu.int/eur-lex/>>, pp. 36–62.

<sup>3</sup> The text of the Defense Agreement between the United States and the Republic of Iceland pursuant to the North Atlantic Treaty, signed on 5 May 1951, is available at URL <<http://www.yale.edu/lawweb/avalon/diplomacy/iceland/ice001.htm>>.

assets at Keflavík even for the function of air–sea rescue. While all the Nordic states have some degree of acknowledged or existential dependence on US military power, Iceland thus represents an extreme case of an ‘Atlantic’ choice in terms of defence identity and an exceptionally clear rejection of the ‘European’ choice in terms of joining the integration process. Icelanders do, however, see themselves as ‘Europeans’ and take pride in that identity in a historical and cultural sense.

A number of explanations have been offered for these choices, the strongest of which refer to the importance of notions of national identity and independence in the political tradition and popular consciousness of modern Iceland.<sup>4</sup> While the US defence relationship has, itself, been characterized by a (declining) minority of Icelanders as an offence to their independence and indeed their values, the mainstream view is that it is a bulwark for the national identity and one that, moreover, comes entirely free of charge. Far from exacting a price for its protective services, the USA has given substantial economic aid to Iceland over long periods of its post-independence history, while the very existence of the Keflavík base brings profits to the Icelandic economy in the form of foreign exchange earnings and employment.<sup>5</sup> The European Union, conversely, is seen as threatening both the nation’s independence—through the loss of sovereignty it entails—and its economic interests—because of the impact it is feared that the Common Fisheries Policy would have on Iceland’s control of its own fish stocks. The relative rigidity and persistence of the pro-US, anti-EU positions that have been produced by these considerations have been further explained by analysts as a function of: (a) the proportional over-representation in the Icelandic Parliament of the countryside regions most dependent on agriculture and fisheries sectors (which firmly oppose EU membership) and these sectors’ hold over government policy making in general;<sup>6</sup> (b) a ‘realist’ tradition in foreign policy—this tradition makes even the political elite relatively immune to the seductions of ‘Europeanization’ and endows them with a notion of ‘power’ under which the USA and NATO are seen as the strongest protectors available while the EU is not rated as a security actor at all; (c) the central administration’s weak tradition of long-term policy making and its reliance on interest groups in this context; (d) the widely held view that the EEA sufficiently guarantees Icelandic economic interests through the access it provides to the EU market; and (e) the long tenure in government of the Independence Party—of all the Icelandic parties, the one with the hardest position against the EU.<sup>7</sup> These added factors are required to help explain why

<sup>4</sup> Hálfðanarson, G., ‘Discussing Europe: Icelandic nationalism and European integration’, ed. B. Thorhallsson, *Iceland and European Integration: On the Edge* (Routledge: London, 2004), pp. 128–44.

<sup>5</sup> Thorhallsson, B. and Vignisson, T. H., ‘The special relationship between Iceland and the United States of America’, ed. Thorhallsson (note 4), pp. 103–27.

<sup>6</sup> Kristinnsson, G. H. and Thorhallsson, B., ‘The Euro-sceptical political elite’, ed. Thorhallsson (note 4), pp. 145–60.

<sup>7</sup> ed. Thorhallsson (note 4). The Independence Party, which corresponds to conservative parties elsewhere, has been in office for 47 of the 61 years since Iceland’s independence in 1944. Davíð Oddsson, who was leader of the Independence Party from 1991 to Oct. 2005 and Prime Minister from Apr. 1991 to

the issue of EU membership has been kept off the Icelandic Government's formal agenda right up to the present, although the latest available opinion polls suggest that as many as 54.8 per cent of Icelanders would like to start negotiations with the EU about the conditions of membership and that 43.1 per cent support membership outright.<sup>8</sup>

Other small states in Europe have more typically seen the integration process as a means of protecting their national identity because of the equal rights and 'place at the table' that it accords them alongside their larger neighbours. The loss of technical sovereignty involved in EU accession may be seen as a part of a profitable trade-off when the permanent and inevitable exposure of small states to economic, strategic, social and cultural influences from outside is taken into account. As a member of the EU, the small state can contribute to collective policy making and seek to master and control these processes at European level. Indeed, the small state can hope for influence in the global community that it could never even dream of achieving on its own.

Iceland, like any other state, is exposed to the effects of globalization and other such intrusive processes. Its EEA membership obliges it to give effect internally to a constant flow of EU legislation that it hardly has the capacity to examine in advance, let alone to modify.<sup>9</sup> If Iceland's assessment of the benefits of full EU membership in terms of resolving the country's own challenges as a small state has, nevertheless, been negative, this may reflect some objective peculiarities of its situation in addition to the historical and systemic points already mentioned. Iceland's geographical remoteness means that it has no close large neighbour against whose dominance (even if benign) EU membership could protect it, in the way that Luxembourg is protected vis-à-vis Germany and France. It enjoys an unusually high level of energy self-sufficiency thanks to the use of geo-thermal power.<sup>10</sup> Its natural environment is self-contained and not subject to major sources of external pollution. It has not experienced problems with terrorism or international organized crime. It has maintained (with help, recently, from the Schengen arrangements) a restrictive immigration policy and has no non-native ethnic minorities. On all these counts, it may be argued that Iceland—almost alone of the small states in

Sep. 2004, is known for his especially strong and articulate anti-EU views. The party's new leader, Geir Haarde, seems to be following in his footsteps. The party's platform has included unequivocal opposition to (even raising the question of) EU membership since 1996.

<sup>8</sup> Gallup Iceland, Opinion poll conducted for the Federation of Icelandic Industries, 1 Sep. 2005, URL <<http://www.si.is/malaflokkar/althjodlegt-samstarf/frettir-og-greinar-um-althjodamal/nr/2191/>> (in Icelandic). Two questions were asked: (a) Are you for or against starting negotiations on membership with the EU? Result: 54.8% for, 30.2% against, 14.9% undecided. (b) Are you for or against Iceland's membership of the EU? Result: 43.1% for, 37.1% against, 19.8% undecided.

<sup>9</sup> Iceland has coped well with implementing the ensuing obligations but has only very rarely sought to express concerns in advance on a proposed EU/EEA measure, e.g., the European Commission proposal in late 2000 to ban fishmeal and fish oil from use in animal feed. See Thorhallsson, B. and Ellertsdóttir, E., 'The fishmeal crisis', eds Á. E. Bernharðsdóttir and L. Svedin, *Small-States Crisis Management: The Icelandic Way*, Crisis Management Research and Training vol. 25 (Swedish National Defence College: Stockholm, 2004).

<sup>10</sup> Iceland's energy self-sufficiency is about 70% according to the Icelandic National Energy Authority, URL <[http://www.os.is/page/energy\\_use](http://www.os.is/page/energy_use)>.

Europe—has not yet perceived any reason to seek ‘soft security’ cover from the EU, and Icelanders may quite logically have seen a combination of dialogue with the USA and of global activism as a more appropriate way to serve what might be called their functional security interests.

## II. Iceland and the emergence of the European Security and Defence Policy

As a NATO member Iceland was involved in the earliest attempts to develop a ‘European pillar’ of closer and more effective defence cooperation within the alliance. However, Iceland’s own lack of armed forces and of a defence industry prevented it from becoming a member of the NATO Eurogroup, established in 1968, or of its successor from 1976, the Independent European Programme Group (IEPG).

Iceland remained a non-member when the IEPG was transformed in 1993 into the Western European Armaments Group (WEAG) outside NATO, in the broader framework of the Western European Union (WEU).<sup>11</sup> Somewhat ironically, therefore, Iceland’s first really active involvement in any form of European defence discourse came in the framework of the WEU when the latter organization went through a second phase of ‘revival’ in the 1990s. Following the decision at Maastricht in February 1992 to allow EU members to become ‘observers’ in the WEU,<sup>12</sup> the WEU decided to offer non-EU members of NATO—at that time, Iceland, Norway and Turkey—the relatively strong status of ‘associate members’ in its institutional structure.<sup>13</sup> All three nations accepted, and Iceland took part thereafter in WEU Council and committee meetings—except for the rather infrequent meetings restricted to full members (dealing, e.g., with staff matters and security)—and in all joint meetings between the WEU and NATO and between the WEU and the EU. However, Iceland could not take up the offer to second military officers to the WEU Planning Cell as Norway and Turkey did, and it did not contribute to WEU operations. Like other associate members, rather than appointing a separate ambassador it used its NATO delegation to ‘service’ WEU activities at all levels.

Iceland remained a low-key but non-problematic participant in the WEU up to 1999, when the 15 EU members—following an original Franco-British initiative<sup>14</sup>—opted to absorb the operational business of European defence into the EU framework. During the period of preparation for the EU’s formal decisions

<sup>11</sup> For more on the WEAG, see URL <<http://www.weu.int/weag/>>.

<sup>12</sup> The Treaty on European Union (Treaty of Maastricht) was signed on 29 July 1992 and entered into force on 1 Nov. 1993. The consolidated text of the treaty as amended is available at URL <<http://europa.eu.int/eur-lex/lex/en/treaties/index.htm>>. See in particular Article 17 and ‘Declaration on Western European Union’. Denmark (a NATO member) and Ireland became WEU observers.

<sup>13</sup> WEU, Council of Ministers, Communiqué, Rome, 20 Nov. 1992, URL <<http://www.weu.int/documents/921120en.pdf>>.

<sup>14</sup> Joint Declaration on European Defence, British–French Summit, St Malo, 3–4 Dec. 1998, URL <<http://www.fco.gov.uk/>>.

establishing a new 'European security and defence policy', considerable discussion of and preparation for the implications of this change took place also within the WEU and NATO. NATO's Washington Summit of 23–25 April 1999 conveyed a kind of conditional approval. The summit indicated that NATO would be willing to offer to lend its assets and its defence and operational planning services to the EU on the same or better terms than it had to the WEU, on the understanding, *inter alia*, that its non-EU European members would have full access to ESDP activities.<sup>15</sup> In the same year, the WEU prepared an 'audit' of European force capabilities that was designed to help the EU define its own capabilities requirements and discussed modalities for transferring ongoing operations and relevant information into the EU's hands.

As it gradually became clear that the EU's 15 members did not, in fact, intend to offer the non-EU members of NATO anything like the same access to meetings and possibilities for co-decision that they had enjoyed in the WEU, the Icelandic delegation both in the WEU and NATO became one of the most vocal in demanding better treatment. In a break with tradition, the Icelanders were on several occasions among the toughest 'hold-outs' in the final process of reaching agreement on communiqués that contained allusions to future EU–NATO relations. Given the lack of material implications for their national security arrangements, it seems clear that Icelandic politicians and officials were primarily concerned (*a*) by the loss of their former seat at a security 'table', at a time when general Icelandic policy was to become more active in all international forums, and (*b*) by the risk that an EU-led defence policy would compete with and divide NATO, thus damaging joint US and European interests and perhaps weakening the Atlantic solidarity on which Iceland's own safety depended.<sup>16</sup> As Iceland's Minister for Foreign Affairs, Halldór Ásgrímsson, explained in a statement of 7 December 2000, Iceland had made and had to make 'every effort not to have to choose between Europe and North America in its cooperation on security and defence'.<sup>17</sup>

In the event, the modalities for treatment of WEU associate members adopted by EU member states in decisions at the Helsinki European Council of 10–11 December 1999 and thereafter offered Iceland something approaching the value of half a loaf. Although Ministerial Council meetings were closed to non-EU members, the non-EU European members of NATO—at that time six: the Czech Republic, Hungary and Poland as well as Iceland, Norway and Turkey—were offered periodic meetings with the EU's new permanent, ambassador-level Political and Security Committee, which oversaw the development of the ESDP together with CFSP affairs. Meetings could take

<sup>15</sup> This NATO offer became known as 'Berlin Plus' because it offered terms that were somewhat of an advance on the terms offered to the WEU in a decision of the Ministerial Meeting of the North Atlantic Council held in Berlin on 3–4 June 1996, especially in regard to the *automatic* provision of many of the services in question.

<sup>16</sup> Thorhallsson and Vignisson (note 5).

<sup>17</sup> Ásgrímsson, H., 'Ísland og þróun evrópskra öryggis- og varnarmála' [Iceland and the development of European Security and Defence Policy], Statement, Reykjavík, 7 Dec. 2000, URL <<http://www.utanrikisraduneyti.is/frettaefni/raedur-radherra/nr/491/>> (authors' translation).

place both in a '15 + 15' format with all the non-EU members of the WEU's former institutional system (including a number of Central European applicants to the EU and NATO) or in a '15 + 6' mode with only the non-EU members of NATO. In addition, when joint NATO–EU meetings took place to develop the cooperation foreseen between the two institutions, Iceland would of course have a full place at the table on the NATO side. Any non-EU state that offered personnel for an EU-led operation and was accepted could become part of a contributors' committee which would have considerable say over the detailed implementation of the operation concerned.<sup>18</sup>

Turkey had expressed even sharper concern than Iceland in the run-up to the Helsinki decisions, motivated not just by institutional considerations or those related to the USA and NATO, but also by worries that Greece (as a full EU member) might take advantage of Turkey's exclusion to steer ESDP activities in a direction directly injurious to Turkish interests. From this viewpoint, Turkey concluded that the Helsinki offer to non-EU members was simply not good enough to complete the bargain that NATO had offered the EU at the Washington Summit in April 1999. It decided to block the implementation of the relevant provisions on NATO–EU cooperation until additional arrangements and assurances could be negotiated to meet its concerns, which in the event took two full years (up to December 2002).<sup>19</sup> Had Turkey not spearheaded the active opposition to the ESDP in this way, Iceland would undoubtedly have acquiesced in the implementation of the Helsinki package: it was satisfied with the Helsinki decision and did not itself raise any particular difficulties,<sup>20</sup> even in the light of Turkey's firm opposition. As it was, both Iceland and Norway were probably disadvantaged on balance by the ensuing two-year blockage that affected much of the EU–NATO dialogue relationship. The building of ESDP institutions and doctrines went on within the EU almost unaffected, and the EU managed to launch one (police) operation without NATO's help, while the number of EU–NATO meetings—in which the non-EU members of NATO could have gained insight into and commented upon these developments—was kept unnaturally low. It was surely a relief to all concerned when the blockage was lifted from early 2003, opening the way for rapid committee work to put the necessary detailed inter-institutional agreements in place. At the same time,

<sup>18</sup> Council of the European Union, 'Arrangements to be concluded by the Council on modalities of consultation and/or participation that will allow the non-EU European NATO members and other countries which are candidates for accession to the EU to contribute to EU military crisis management', Appendix 1 of 'Presidency report on strengthening the Common European Security and Defence Policy', Annex 1 of 'Conclusions of the Presidency', Santa Maria da Feira European Council, 19–20 June 2000, URL <[http://www.europarl.eu.int/summits/fei2\\_en.htm](http://www.europarl.eu.int/summits/fei2_en.htm)>.

<sup>19</sup> Dwan, R. and Lachowski, Z., 'The military and security dimensions of the European Union', *SIPRI Yearbook 2003: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 2003), pp. 213–36; and Dunay, P., 'Turkey and ESDP', Report of the seminar held at SIPRI, Stockholm, 22 Sep. 2004, URL <<http://www.sipri.org/contents/director/TURKEYESDPSUMMARY.html>>.

<sup>20</sup> Official of the Icelandic Ministry for Foreign Affairs, Interview with the authors, Reykjavik, Jan. 2005.

Iceland regarded as beneficial the clearer understandings that Turkey secured concerning the implementation of the Helsinki package.<sup>21</sup>

Even before the resolution of the Turkish impasse, Iceland had followed the example of Norway and several other non-members of the EU in using direct contributions to ESDP activities as one means of buying status and influence in the process. Iceland has contributed (on average over the mission's duration) four police officers to the EU's Police Mission in Bosnia and Herzegovina and, as of September 2005, still has one police officer stationed there. When the EU took over from NATO the precautionary military deployment in the Former Yugoslav Republic of Macedonia (FYROM) in March 2003, the Icelandic Crisis Response Unit (ICRU) contributed one press officer and an Icelander who worked for the special envoy of the NATO Secretary General in Skopje.<sup>22</sup>

### III. An Icelandic crisis-management capacity

Considerations related to the ESDP may have combined with others in prompting the Icelandic Government's decision in April 2000 to establish the Icelandic Crisis Response Unit, a non-military 'peacekeeping force' of individuals (police, doctors and nurses, lawyers, air traffic controllers, administrators, etc.) who would be available for rapid deployment abroad.<sup>23</sup> The ICRU formally started to operate in September 2001 and on average 25 personnel have been deployed abroad at any one time, although the number has temporarily risen to around 40 on occasions when new missions have been established before others had finished. In early 2004 a special department with three officials was established in the Ministry for Foreign Affairs to manage the unit. The ICRU was originally designed to have a strength of 50 personnel, and the Icelandic Government's official aim is that from early 2006 up to 50 personnel should actually be working abroad on its behalf at any given time. In practice, this goal will not be met on time as a result, among other things, of the high and concentrated costs of missions already undertaken abroad, notably in Afghanistan. It was (unofficially) foreseen that 27 or 28 persons would be deployed abroad in January 2006, that the number should rise to 35–40 by the end of the year and that the target of 50 deployable persons at any one time could be met in 2007. The ICRU's response list already includes the names of 200 Icelanders and its budget for 2006 is 570 million krónur (€7.8 million).<sup>24</sup>

<sup>21</sup> Official of the Icelandic Ministry for Foreign Affairs (note 20).

<sup>22</sup> Official of the Icelandic Ministry for Foreign Affairs, Interview with the authors, Reykjavík, Jan. 2005. On the EU Police Mission in Bosnia and Herzegovina and the EU Military Operation in the FYROM see URL <[http://ue.eu.int/cms3\\_fo/showPage.asp?id=268&lang=en&mode=g](http://ue.eu.int/cms3_fo/showPage.asp?id=268&lang=en&mode=g)>.

<sup>23</sup> The first steps towards the creation of the ICRU date back to 1994 when the Icelandic Government deployed medical professionals to a Norwegian-run hospital in Tuzla, Bosnia and Herzegovina, which was part of the UNPROFOR peacekeeping mission. This 'Icelandic mission' continued, in cooperation with the British contingent, when the mission was taken over by NATO as IFOR and subsequently SFOR.

<sup>24</sup> Official of the Icelandic Ministry for Foreign Affairs, Interview with the authors, Reykjavík, Oct. 2005. The budget for 2005 was 463 million krónur (€6.3 million) and for 2004 was 329 million krónur (€4.5 million).

The annual budget is supposed to increase as the scope of the unit increases and as more personnel are deployed abroad.<sup>25</sup>

The ICRU is explicitly earmarked for possible use by the EU as well as NATO, the UN and the Organization for Security and Co-operation in Europe (OSCE). In 2001 and 2002 it contributed to missions of all these four bodies in the Balkans. Its main mission from mid-2004 to early 2005 was the running of Kabul International Airport, as part of the International Security Assistance Force (ISAF) in Afghanistan, which is now commanded by NATO in support of UN resolutions on Afghanistan.<sup>26</sup> Around 16 Icelandic personnel were deployed at Kabul International Airport,<sup>27</sup> and approximately 60 per cent of the ICRU's budget for 2004 was spent on the Kabul mission.<sup>28</sup> The decision that the ICRU should take over management of the Kabul airport was based on its successful running of Pristina Airport in Kosovo from October 2002 to April 2004, under the auspices of KFOR and NATO. The running of Pristina Airport was a turning point for the ICRU, which had never overseen such a big project nor accepted such responsibility before.<sup>29</sup>

While the Icelandic Crisis Response Unit withdrew from the management of Kabul airport in February 2005 (see below), Afghanistan remains the unit's single largest assignment. Eighteen ICRU personnel are deployed there with two of NATO's provincial reconstruction teams: in northern Afghanistan along with personnel from Finland and Norway and in western Afghanistan with personnel from Denmark and Lithuania. The aims of the Icelandic personnel in Afghanistan are: (a) to demonstrate ISAF's presence in remote regions; (b) to gather information on, for example, the security situation, the health of the population and water supplies; and (c) to forward this information to international aid organizations. Five ICRU persons are deployed with the Sri Lanka Monitoring Mission, a Norwegian-led Nordic mission established to oversee the ceasefire between the Government of Sri Lanka forces and the Liberation Tigers of Tamil Eelam. It supplies a specialist to the UN Development Fund for Women (UNIFEM) project in Kosovo and is present in Sarajevo with the European Union Police Mission, as mentioned above.<sup>30</sup> In the winter of 2003–2004

<sup>25</sup> Official of the Icelandic Ministry for Foreign Affairs (note 24).

<sup>26</sup> UN Security Council Resolutions 1386, 20 Dec. 2001; 1444, 27 Nov. 2002; and 1510, 13 Oct. 2003—all at URL <<http://www.un.org/Docs/sc/>>.

<sup>27</sup> Official of the Icelandic Ministry for Foreign Affairs (note 22).

<sup>28</sup> 'Aukin umsvif og kostnaður við Íslensku friðargæsluna' [Increased contribution and cost of the Icelandic peacekeeping unit], *Morgunblaðið*, 31 Oct. 2004, URL <<http://mbl.is/mm/gagnasafn/grein.html?radnr=787949>> (authors' translation).

<sup>29</sup> The ICRU oversaw airport management and trained local personnel in all aspects of running an airport. Local personnel have now taken over the management of Pristina Airport under UN supervision and with the help of the Icelandic Civil Aviation Administration (which has made a service deal with the UN).

<sup>30</sup> The ICRU has also participated in election monitoring, mainly in cooperation with the OSCE. The ICRU provides the official liaison point with the International Rescue Team of Landsbjörg, the Icelandic Association for Search and Rescue, which is a specialized unit allied with the UN Office for Coordination of Humanitarian Affairs (OCHA) in Geneva and a member of the International Search and Rescue Advisory Group (INASRAG). The team was deployed to Morocco in 2004 and had previously worked in Turkey and Algeria, following major earthquakes—a challenge with which Iceland is familiar. See Hannesson, H. W., Iceland's permanent representative to the UN, 'Friðargæsla vex að umfangi og nær til



two bomb experts of the Icelandic Coastguard went to Iraq on behalf of the ICRU as a part of a Danish team searching for and removing bombs in the southern part of the country and the ICRU currently has one person with NATO's national training mission in Baghdad. The ICRU has no plans to deploy more personnel to Iraq.<sup>31</sup>

The Icelandic Government agreed to conduct airport missions in Kosovo and Afghanistan following requests by NATO, after NATO had experienced difficulty in finding any member nation to take on these tasks. Iceland had been criticized by NATO for being only a beneficiary of, not a contributor to, the alliance, aside from its small input in the Balkans. This pressure grew as the scope of NATO operations increased, and by 2002 the Icelandic Government felt that the time had come for it to demonstrate that it could accept peace-keeping responsibility and manage substantial projects. However, the decisions by the government to take on the airport management tasks—no light ones for a small and newly created response unit—and, indeed, the decision to establish the unit itself, particularly in the light of Iceland's traditionally more reactive role within NATO, the UN and other international organizations,<sup>32</sup> also need to be viewed in connection with the government's constant aim of keeping the US military present in Keflavík unchanged.

Historically, up to this time, Iceland had shown very limited interest in participating actively in the NATO framework—in any respect. In the late 1980s, for example, all Icelandic relations with NATO were handled by one civil servant in the Ministry for Foreign Affairs and the Icelandic delegation to NATO consisted of only three officials and two staff secretaries. The Danish and Norwegian delegations were much larger at this time, each containing 30–40 officials.<sup>33</sup> In the 1950s Iceland was openly criticized by the USA for speaking so seldom at NATO meetings.<sup>34</sup> Even by the late 1980s very limited knowledge existed within the Icelandic administration about military plans for Iceland and NATO's Northern Region<sup>35</sup> or, indeed, about any other NATO activity. In the late 1990s, however, the Icelandic Government was aware of growing pressure within the US administration to further limit its activity at the Keflavík base as the USA's focus shifted from the North Atlantic to the east and south of Europe and outside of NATO territory. Given the Icelandic Government's determination to preserve the military base and the view often stated by Icelandic ministers that any further cuts there would threaten Iceland's

samfélagsþróunar' [The scope of peacekeeping has increased and reaches into societal development], Speech in the 4th Committee of the General Assembly, 27 Oct. 2004, URL <<http://www.utanrikisraduneyti.is/frettaefni/ymis-erindi//nr/2407/>>.

<sup>31</sup> *Morgunblaðið* (note 28).

<sup>32</sup> Thorhallsson, B., 'Shackled by smallness: a weak administration as a determinant of policy choice', ed. Thorhallsson (note 4).

<sup>33</sup> Jónsson, A., *Iceland, NATO and the Keflavík Base* (Icelandic Commission on Security and International Affairs: Reykjavík, 1989), p. 17.

<sup>34</sup> Ingimundarson, V., *Í eldlinu kalda stríðsins* [In the line of fire of the cold war] (Vaka-Helgafell: Reykjavík, 1996), p. 409.

<sup>35</sup> Jónsson (note 33), p. 17.

core security, greater activism in NATO could seem a price well worth paying in order to demonstrate that the country was not just a consumer of security and merited the continuation of US military protection.

These circumstances help to explain why the two biggest missions of the Icelandic Crisis Response Unit to date were conducted either under the NATO umbrella or in close cooperation with NATO and its member states. This choice of a NATO link, as opposed to the possibility of a greater involvement in UN peacekeeping, has been criticized within Iceland but it provides an ideal showcase for the government to try to prove that, despite its smallness and lack of a military force, it can contribute significantly to allied peacekeeping missions. The airport missions have, in fact, received considerable attention in NATO, the EU<sup>36</sup> and Washington. They have strengthened Iceland's negotiating position in the ongoing talks with the US Government on the future of the Keflavík base,<sup>37</sup> although this is still unlikely to determine the outcome (see section IV below). The sharp contrast of these actions with Iceland's former limited involvement in NATO has helped to attract attention, and the Icelandic Government seems to have succeeded in showing that Iceland can ease the burden on its fellow allies, even if its missions are bound to be limited in scope. The smallness of the Icelandic administration, and its access to a wide range of civil expertise (some of it as a result of experience of dealing with military personnel at the Keflavík base), may in fact have helped the ICRU to respond swiftly to the requests to manage the Pristina and Kabul airports. In this respect Iceland has provided an example for another small NATO member, Luxembourg, which has shown interest in the model of the response unit.<sup>38</sup>

The development of the ICRU has received considerable attention within Iceland: particularly the fact that Icelanders working for the unit in Pristina and Kabul were granted military status, wore military uniforms and carried arms. (The Icelanders were granted a legal military status within NATO, according to international law, in case something should happen to them.<sup>39</sup>) This has led to debate in Iceland on whether the government has created a *de facto* Icelandic army, an accusation that the government itself firmly denies. Parliamentarians of the Left-Green Movement have on several occasions criticized the 'military' missions of the ICRU,<sup>40</sup> and the leader of the Movement has asserted that the unit should concentrate solely on civil missions and not be involved in 'cleaning up after the Americans'.<sup>41</sup> Some Social Democrats have also criticized the

<sup>36</sup> Official of the Icelandic Ministry for Foreign Affairs (note 22).

<sup>37</sup> 'Friðargæslan styrkir stöðu Íslands í varnariðræðum' [Peacekeeping strengthens the position of Iceland in defence negotiations], *Morgunblaðið*, 2 Oct. 2004, URL <<http://mbl.is/mm/gagnasafn/grein.html?radnr=783069>>.

<sup>38</sup> Official of the Icelandic Ministry for Foreign Affairs (note 22)

<sup>39</sup> 'Hafa réttarstöðu hermanna í NATO' [Have the same legal status as NATO soldiers], *Morgunblaðið*, 4 Nov. 2004, URL <<http://www.mbl.is/mm/gagnasafn/grein.html?radnr=788608>>.

<sup>40</sup> *Morgunblaðið* (note 39).

<sup>41</sup> 'Eðlilegt að skoða hvernig Íslendingar axla ábyrgð' [Natural to look into how Icelanders shoulder responsibility], *Morgunblaðið*, 25 Oct. 2004, URL <<http://mbl.is/mm/gagnasafn/grein.html?radnr=786994>>.

Pristina and Kabul deployments, accusing the government of mixing up the concepts of peacekeeping, military activity and aid missions, and of actually prioritizing missions where ‘peacekeeping’ can be combined with military activity—with purely humanitarian missions coming second best. These and other critics argue that maintaining the distinction between peacekeeping and aid missions would be better for the safety of ICRU staff and for gaining the confidence of the local population. The government has accordingly been urged to engage in actions on behalf of the Icelandic International Development Agency and aid organizations such as the Red Cross and Icelandic Church Aid, rather than so-called ‘peacekeeping’ activity for NATO.<sup>42</sup>

As this critique underlines, any discussion of the possible creation of an armed force is very sensitive in Icelandic politics. Iceland’s struggle for independence in the 19th and early 20th centuries was conducted without the use of force, and the image of Iceland as a civil power that has no militia and does not participate in violent enforcement is an important one for many Icelanders. For example, Iceland did not become a founding member of the UN in June 1945 since it refused to declare war on the ‘enemy’ states (at that time, Japan)<sup>43</sup> but joined a year later when a declaration of war was no longer a requirement for membership. This self-image also played a big part in the initially fierce opposition to the establishment of the military base in Keflavík and the Defense Agreement with the USA.<sup>44</sup> More recently, Iceland’s self-image has contributed to the popular opposition to the Icelandic Government’s decision to put the country on the list of the ‘coalition of the willing’ for the war in Iraq.

Against this background, the outcry in Iceland which followed a suicide bomb attack on ICRU personnel in Kabul in October 2004 did not come as any great surprise. A suicide bomber blew himself up on a Kabul street where six Icelanders, in uniforms and fully armed, were shopping, injuring two of them. Three other people were killed: an 11-year-old Afghan girl, an American woman and the bomber himself.<sup>45</sup> This was the first time that members of the ICRU were injured in an operation,<sup>46</sup> and it caused fresh questions to be asked—by some politicians and the media—about whether the response unit was heading in the right direction when it led to operations that put Icelandic

<sup>42</sup> Haraldsson, E. K., ‘Friðargæslan á villigötu?’ [Peacekeeping on a wrong path], *Morgunblaðið*, 27 Oct. 2004, URL <<http://mbl.is/mm/gagnasafn/grein.html?radnr=787300>>.

<sup>43</sup> Charter of the United Nations, URL <<http://www.un.org/aboutun/charter/>>, Articles 53(2) and 107.

<sup>44</sup> On 2 occasions it seemed likely that the Defense Agreement would be cancelled or reviewed and the Keflavík base closed. The first occasion was in 1956–58, during the leftist coalition government of the Progressive Party, the People’s Alliance and the Social Democratic Party, and the second was in 1971–74, when another leftist coalition was in power, this time including the newly formed Association of Liberals and Leftists in place of the Social Democrats. Neither of these governments wished to withdraw Iceland from NATO.

<sup>45</sup> ‘Skotheld vesti og hjálmur komu í veg fyrir að verr færi’ [Bullet-proof vest and helmets avoided worse consequences], *Morgunblaðið*, 25 Oct. 2004, URL <<http://mbl.is/mm/gagnasafn/grein.html?radnr=786995>>; and *Morgunblaðið* (note 39).

<sup>46</sup> ‘Íslenskir friðargæsluliðar ekki slasast áður’ [Icelandic peacekeeping soldiers have not been injured before], *Morgunblaðið*, 25 Oct. 2004, URL <<http://mbl.is/mm/gagnasafn/grein.html?radnr=786975>>.

participants at risk.<sup>47</sup> The head of the ICRU's Kabul mission, who had organized the shopping trip to buy rugs and escaped without injury, was replaced soon after the attack.

Even before this incident the Icelandic Government had decided to end the ICRU's management of Kabul International Airport four months earlier than originally planned—on 1 February instead of 1 June 2005—despite having promised to look positively at the possibility of an extension if requested. The reason given for this decision by the head of the ICRU was that other member states of NATO had not deployed as many personnel to work at the airport as they had promised: 320 people were needed to run the airport at its current level of activity, but for most of the time 120–30 of these posts had been unfilled. After Belgium declared that it would withdraw nearly 60 personnel from its mission at the airport, Iceland had informed NATO that air traffic would have to be limited and the hours of the airport's opening would have to be cut.<sup>48</sup> After careful examination, NATO decided in September 2004<sup>49</sup> that Turkey would manage the airport for six months after the Icelandic withdrawal, to be followed successively by Portugal, Greece, Hungary, Bulgaria and Romania for a period of four months each until 2007.<sup>50</sup> However, Iceland continued to deploy 13 personnel at the airport under Turkish management until 1 June 2005.<sup>51</sup>

In retrospect, it seems that the Icelandic Government and the ICRU underestimated the task of running the airport and overestimated the ICRU's ability to take on such a huge project. The ICRU was very confident at the outset, promising to run the airport for 12 months or even longer, while such tasks are usually only taken on by individual nations for 6 months at a time. However, other NATO members remained reluctant to deploy personnel to the Kabul airport mission throughout the period of Icelandic management, although Iceland had underlined the importance of access to other states' larger capacities from the outset. The October 2004 suicide bomb attack on the ICRU's personnel, and the intensive media attention that followed, made the project less attractive for the government than it had seemed initially and has led to a critical examination within the Ministry of Foreign Affairs of the deployment of ICRU personnel and their role in international operations.<sup>52</sup>

At the time of the suicide attack, the Icelandic Government and the ICRU tried to minimize the political damage by arguing that Icelanders faced little danger at Kabul airport, where they were based, and that members of non-

<sup>47</sup> *Morgunblaðið* (note 41); and *Morgunblaðið* (note 39).

<sup>48</sup> 'Hætta stjórn fjórum mánuðum fyrir en ráðgert var' [Cease control four months earlier than planned], *Morgunblaðið*, 17 Nov. 2004, URL <<http://www.mbl.is/mm/gagnasafin/grein.html?radnr=790923>>.

<sup>49</sup> Official of the Icelandic Ministry for Foreign Affairs (note 22).

<sup>50</sup> *Morgunblaðið* (note 48).

<sup>51</sup> Official of the Icelandic Ministry for Foreign Affairs (note 24). 'Nýr yfirmaður Kabúl-flugvallar' [New leader at Kabul airport], *Morgunblaðið*, 30 Dec. 2004, URL <<http://mbl.is/mm/gagnasafin/grein.html?radnr=798490>>.

<sup>52</sup> Official of the Icelandic Ministry for Foreign Affairs, Interview with the authors, Reykjavík, Oct. 2005.

uniformed international aid organizations (e.g., the Red Cross and Médecins Sans Frontières) faced as much danger outside the airport as those in uniform. The head of the ICRU pointed to the facts that its personnel had had to wear uniforms and carry weapons from the time of Iceland's first international peace-keeping deployment in Bosnia and Herzegovina in 1994; that they had done the same at Kabul only at NATO's request; that they carried guns only for self-defence; and that they had never been attacked directly before.<sup>53</sup> Halldór Ásgrímsson, Minister for Foreign Affairs 1995–2004 and now Prime Minister, has repeatedly stated that it is 'ridiculous' to argue that the creation of the ICRU is a step towards an Icelandic army. 'There is no interest in creating an army in Iceland and the government has no plans whatsoever for creating an army'; on the contrary, it wants to create a peacekeeping unit.<sup>54</sup> Ásgrímsson argues that Iceland has gained a lot of respect and status within NATO for its conduct of the missions in Kabul and Pristina,<sup>55</sup> and the head of the ICRU has added the familiar argument about Iceland's role in NATO changing from that of a recipient to that of a contributor.<sup>56</sup> Furthermore, Ásgrímsson stated that Iceland has earned international recognition for its readiness to conduct such big operations precisely because it did not have an army:

I think that a country without an army will always be a more convincing peacekeeper . . . I foresee that Iceland will participate in more and more projects . . . and I think that we [Iceland] will work more closely with the other Nordic states but at the same time we have used the opportunity to gain status within NATO . . . It can be said that the projects in Pristina and Kabul are part of what Iceland contributes to NATO. We regard this contribution as very important in the light of the importance of NATO.<sup>57</sup>

Ásgrímsson has rejected all forms of participation in 'military operations' and states that Iceland's mission starts only 'when peace has been established and it is our role to keep the peace'.<sup>58</sup> He emphasizes that Iceland has become a more active member of NATO and that 'the member states are under enormous pressure to contribute more to NATO. A contribution from every member state is expected'.<sup>59</sup>

<sup>53</sup> Sigurjónsson, A., head of the ICRU, Interview in 'Aukin umsvif og kostnaður við Íslensku friðargæsluna' [Increased contribution and cost of the Icelandic peacekeeping unit], *Morgunblaðið*, 31 Oct. 2004, URL <<http://mbl.is/mm/gagnasafn/grein.html?radnr=787949>>.

<sup>54</sup> Ásgrímsson, H., Icelandic Minister for Foreign Affairs, Interview in 'Herlaust land er sannfærandi boðberi friðar' [A country without a military is a convincing messenger of peace], *Morgunblaðið*, 8 June 2004, URL <<http://mbl.is/mm/gagnasafn/grein.html?radnr=764247>> (authors' translation).

<sup>55</sup> Ásgrímsson (note 54).

<sup>56</sup> Sigurjónsson (note 53). In accordance with a promise made by the Icelandic Government at the NATO Heads of State meeting in Prague in Nov. 2002, Iceland has contributed to the costs of the transport of equipment for member states to Afghanistan; e.g., it paid for the transfer of 6 helicopters from the Netherlands.

<sup>57</sup> Ásgrímsson (note 54).

<sup>58</sup> Ásgrímsson (note 54).

<sup>59</sup> Ásgrímsson (note 54).

#### IV. New disturbance to the new equilibrium?

As of late 2005, the stress and challenges caused for Iceland at the broader political and institutional level by the first emergence of an EU-based European security and defence policy seemed to have been largely laid to rest. In particular, the successful mounting of two successive EU operations with NATO planning support showed that the institutions could work together in a complementary fashion. The view of the ESDP in Washington (always carefully observed from Reykjavík) had mellowed considerably as a result of this and of NATO's own demonstrated ability to re-invent itself for new tasks such as peacekeeping in Afghanistan. There appeared to be room in the security universe after all for a strong NATO and a defence-capable EU to co-exist: perhaps all the more so since the EU was becoming increasingly explicit in conceptualizing, and attempting to use, the non-military strengths that made it such a different creature from NATO in the first place.<sup>60</sup> However, this very distinctness of the two institutions has set the scene for a possible new phase in Iceland's own thinking about its place in the security architecture and the best solution for its own national security needs.

The least stable element in the Icelandic security picture today is what used to be its bedrock: namely, the future of the US military presence. Shifting priorities have caused the USA to reduce the total number of its personnel at Keflavík by more than 60 per cent since the end of the cold war, from around 3300 in 1990 to 1350 in October 2005. Moreover, in terms of export earnings, the net income to Iceland from the Iceland Defense Force fell from 7.2 per cent of all such earnings in 1990 to 2.7 per cent in 2004 and the income as a proportion of GDP fell from 2.6 per cent to 1.1 per cent in the same period.<sup>61</sup> In 1994 the USA reduced the number of its jet fighter aircraft at the base to (a minimum of) four, and was planning to make more drastic cuts in its operations in Iceland by withdrawing all jet fighter aircraft and the Defense Force's helicopter rescue team and by dismantling the US naval monitoring and detecting system in stages, adopting instead a remote sensing system based on satellites. In negotiations with the USA, the Icelandic Government managed to guarantee the con-

<sup>60</sup> Since the 1999 Helsinki European Council, the EU has prepared capability goals for non-military operational inputs (police, law and justice personnel, political advisers, etc.) in addition to its military rapid reaction forces and more traditional humanitarian capacities. Two of the early EU operations (in Bosnia and Herzegovina and the FYROM) were police missions, and in July 2004 a new-style 'rule of law' mission involving a small group of civilian advisers was launched in Georgia (EUJUST Themis). More broadly, the European Security Strategy adopted by the European Council in Dec. 2003 sets out a view of the EU's security mission and methods in which internal security measures for the EU's own territories; the security impact of enlargement and 'new neighbourhood' policies; and the use of the EU's economic and aid resources to promote stability, democracy and development are all portrayed as contributions to the EU's own security interests and the interests of the international community on a par with (or even preferable to) the use of direct methods of intervention. Council of the European Union, 'A secure Europe in a better world: European Security Strategy', Brussels, 12 Dec. 2003, URL <<http://register.consilium.eu.int/>>.

<sup>61</sup> Eydal F., Iceland Defense Force, Interview with the authors, 2 Oct. 2005. Of those 1350 personnel, 700 are there on behalf of the US Air Force and about 650 on behalf of the US Navy, which manages the military base.

tinuation of a US air defence capacity based in Iceland, the presence of the helicopter rescue team, and the continuation of the naval monitoring and detecting system.<sup>62</sup> It thereby conserved not just the minimum air defence capacity but also the protection enjoyed by Icelanders and a number of the Icelandic jobs at the US installations.

Following the terrorist attacks of 11 September 2001 and the launch of new military operations in Afghanistan and Iraq, US Defense Secretary Donald Rumsfeld identified the Keflavík base as being among those overseas assets that were no longer required for the USA's new strategic concept, making clear that he saw no justification for maintaining US forces in Iceland.<sup>63</sup> The collapse of the former Soviet threat had reduced the strategic significance of the waters off the north-western coast of Europe, and Russian naval and air activity in the area was now minimal, removing—in the US view—any tangible threat to Iceland itself as well as any need to tie down US military assets in the area. Accordingly, in early May 2003, just a few days before a general election in Iceland, the USA notified the Icelandic Government that in four weeks it would start to withdraw the remaining four F-15 jet fighters and the helicopter rescue team based at the Keflavík base. The Icelandic Government reacted with fury, but managed to keep the issue away from the media and the parliamentary opposition until after the election. It demanded that the US decision be changed, arguing that under the 1951 Defense Agreement no changes could be made in the agreement itself or the operations of US forces in the country without the approval of both parties. The government demanded the continuation of the US air defence presence in the country, stating that Iceland's defence would not be credible without it—or, indeed, with any further cuts at the Keflavík base.<sup>64</sup> Reflecting his government's outrage at the unilateral US decision, the Prime Minister, Davíð Oddsson, went so far as to state that the withdrawal of the jet fighters was tantamount to ending the Defense Agreement and that he saw no point in keeping the Defense Agreement and the US military base if the US Government was going to leave Iceland without credible air defence.<sup>65</sup> These were strong words indeed, coming from a politician and a party (the Independence Party) that, as noted above, had been strongly committed to a close relationship with the USA and the Defense Agreement.

The Icelandic Government managed to raise the issue with US President George W. Bush and his national security adviser, Condoleezza Rice, with the

<sup>62</sup> Thorhallsson and Vignisson (note 5).

<sup>63</sup> 'Við höfum reynt að draga úr viðbúnaði á Íslandi' [We have tried to reduce the preparedness in Iceland], *Morgunblaðið*, 20 Apr. 2002, URL <<http://www.mbl.is/mm/gagnasafn/grein.html?radnr=629162>>.

<sup>64</sup> The Prime Minister, Davíð Oddsson, had made the same point on several occasions before the USA's 2003 decision; see Thorhallsson and Vignisson (note 5).

<sup>65</sup> 'Varnarsamstarfið háð lágmarksviðbúnaði hér' [Defence cooperation depends on minimum preparedness here], *Morgunblaðið*, 30 Mar. 2004, URL <<http://mbl.is/mm/gagnasafn/grein.html?radnr=751855>>.

help of Lord Robertson, NATO Secretary General.<sup>66</sup> As a result of this and subsequent conversations between Oddsson and his Foreign Minister, Halldór Ásgrímsson, on the one hand and top US cabinet members, advisers, and White House and State Department officials on the other, President Bush suspended the US decision for the time being.<sup>67</sup> During the summer of 2003 further USA–Iceland talks took place on the matter, ending with a decision by the USA to postpone the withdrawal of the jet fighters and the helicopter rescue team, and to combine the US–Icelandic talks with the wider ongoing negotiations between the US and European governments over the future of the US military presence in Europe. The fate of the four F-15 jet fighters and other US operations in Iceland thus became linked with the overall restructuring of US military operations.<sup>68</sup>

At the time of writing (October 2005), no formal decisions had been taken on the future of the jet fighters and the other US activity at Keflavík, but the USA continued to cut back its operations in Iceland without the approval of the Icelandic Government. The OP-3 Orion maritime patrol aircraft were removed from the Keflavík base;<sup>69</sup> about 550 US soldiers were recalled to the USA in the period from January 2003 to October 2005; about 250 Icelanders at the base were made redundant by the Iceland Defense Force and about 350 Icelanders lost their jobs with contracting firms working for the Force in the period from April 2003 to October 2005. This leaves about 900 Icelanders working for the Iceland Defense Force and for contractors providing services to the base. In December 2004 the previously suspended decision to replace the US naval monitoring and detection system with a satellite-based system was implemented, making some of the Icelanders in the four monitoring stations in Iceland redundant. The downsizing of the Keflavík base is also manifested in the fact that a major from the US Air Force now heads the base instead of an admiral from the US Navy (a change equivalent to one grade's reduction in rank). A proposal has been put forward within the US Defense Department for the US Air Force to take over the management of the military base altogether from the US Navy: if accepted, this could mean further cuts at the base since

<sup>66</sup> It seems to have been by coincidence that Lord Robertson became involved in the case. He was on his way to meet President Bush when he was contacted by the Icelandic Government and asked to intervene, and he agreed to take up the issue with the president.

<sup>67</sup> 'Mikilvægur áfangasigur' [Important piecemeal victory], *Morgunblaðið*, 16 Aug. 2003, <<http://mbl.is/mm/gagnasafn/grein.html?radnr=709843>>.

<sup>68</sup> 'Áratugur viðræðna um túlkun og framkvæmd varnarsamningsins' [Decade of negotiations and interpretation of the enforcement of the defence agreement], *Morgunblaðið*, 5 June 2003, URL <[http://www.mbl.is/mm/gagnasafn/grein.html?grein\\_id=735246](http://www.mbl.is/mm/gagnasafn/grein.html?grein_id=735246)>; 'Viðræður verði á forsendum beggja' [Negotiations based on the preconditions of both parties], *Morgunblaðið*, 6 June 2003, URL <[http://www.mbl.is/mm/gagnasafn/grein.html?grein\\_id=735327](http://www.mbl.is/mm/gagnasafn/grein.html?grein_id=735327)>; and 'Þáttaskil í varnarviðræðum' [Milestone in defence negotiations], *Morgunblaðið*, 14 Aug. 2003, URL <[http://www.mbl.is/mm/gagnasafn/grein.html?grein\\_id=746444](http://www.mbl.is/mm/gagnasafn/grein.html?grein_id=746444)>.

<sup>69</sup> Eydal (note 61); 'Vopn tengd Orien-vélunum flutt burtu frá Keflavíkurflugvelli' [Weapons related to the Orion aircraft transported from Keflavík airport], *Morgunblaðið*, 29 Oct. 2004, URL <<http://mbl.is/mm/gagnasafn/grein.html?radnr=787657>>; and 'Stjórnvöld hafa enga hugmynd um hvert stefnir' [The government has no idea where we are heading], *Morgunblaðið*, 4 Nov. 2004, URL <<http://mbl.is/mm/gagnasafn/grein.html?radnr=788652>>.



half of the 1350 US personnel still deployed there are from the Navy, and naval personnel account for most of those already withdrawn.<sup>70</sup>

There has been an ongoing dialogue between the Icelandic and US governments at both official and ministerial levels about US operations at the base since May 2003. A number of formal meetings have taken place, but these have not addressed the issue of the future scale of US activities and of which party should pay in future both for the costs of the Keflavík base itself and the international airport located there—currently part of the US defence structure and run largely at the US Government's expense. At the same time there have been many indications of tension between the two sides, including repeated US delays in setting up meetings, but also a decision by the Icelandic side to cancel a planned formal session in October 2005 and fly its representatives back home after first contacts with the US delegation proved unpromising. The Icelandic Government explained this incident as being provoked by non-negotiable high resource demands from the US side, but the media also speculated that the USA had proposed moving the four F-15 jet fighters from Keflavík to an airfield in the United Kingdom, while retaining (greatly reduced) facilities at Keflavík to deploy them in a crisis.<sup>71</sup> For their part, Icelandic ministers and officials claim that they have managed to guarantee that Iceland's air defence will continue to be provided by the USA through the four F-15 jet fighters based in Keflavík: US officials have not confirmed this publicly but have stated that the US security guarantee for Iceland will continue without change.<sup>72</sup> All in all, it can only be concluded that great uncertainty remains over the presence of the US military force in Iceland; that solutions are hard to envisage under which the costs, especially of Keflavík airport, do not shift substantially from the US taxpayer to the Icelandic budget; and that, in the last resort, the USA has demonstrated that it can simply keep on downsizing its operations in Iceland without Iceland's approval.

The future intentions of the USA regarding the Keflavík base thus constitute a sword of Damocles that still hangs over Icelandic heads and few officials expert in international affairs would disagree that the closure of the base is now a matter of 'when' rather than 'whether'. The resulting crisis of confidence in the bilateral Defense Agreement has been aggravated by Icelandic awareness of parallel developments in NATO as a whole which are making the alliance less

<sup>70</sup> Eydal (note 61).

<sup>71</sup> 'Bil milli hugmynda um þáttöku í kostnaði við Keflavíkurflugvöll meira en talið var' [Bigger gap concerning the cost of Keflavík airbase than predicted], *Morgunblaðið*, 20 Oct. 2005, URL <<http://mbl.is/mm/frettir/innlent/frett.html?nid=1164466>>; 'Miklu hærri fjárhæðir en Ísland telur raunhæft' [Much higher contribution than Iceland finds realistic], *Morgunblaðið*, 20 Oct. 2005; and Icelandic National Broadcasting Service, Channel 1, 7 pm news programme, 20 Oct. 2005, URL <<http://dagskra.ruv.is/streaming/ras1/?file=4208446>>.

<sup>72</sup> 'Herstöðvamáli í brennidepli' [Focus on issues regarding military bases], *Morgunblaðið*, 17 Apr. 2005, URL <[http://www.mbl.is/mm/gagnasafn/grein.html?grein\\_id=1012789](http://www.mbl.is/mm/gagnasafn/grein.html?grein_id=1012789)>; 'Niðurstöður mögulegar á næstu mánuðum' [Conclusion possible in the coming months], *Morgunblaðið*, 9 Sep. 2005, URL <[http://www.mbl.is/mm/gagnasafn/grein.html?grein\\_id=1037293](http://www.mbl.is/mm/gagnasafn/grein.html?grein_id=1037293)>; and 'Enn ber nokkuð á milli' [Still considerable agreement], *Morgunblaðið*, 9 July 2005, URL <[http://www.mbl.is/mm/gagnasafn/grein.html?grein\\_id=1027311](http://www.mbl.is/mm/gagnasafn/grein.html?grein_id=1027311)>.

evidently a stable and sufficient protection for Iceland's territory and an adequate platform for Iceland's international defence diplomacy. Since 2000 NATO has turned its operational focus rapidly away from Europe and towards needs in other areas: its defence capability targets are now rather narrowly focused on the provision of expeditionary forces; it has no general defence plan for Europe's own territory; and it has ruthlessly cut back its regional headquarters system, leaving only two supreme headquarters, one on either side of the Atlantic and both with essentially functional rather than territorial duties.<sup>73</sup> A further, and unwelcome, signal of change for Iceland was the transfer in the autumn of 2002 of the USA's national higher command over the Keflavík base to USEUCOM (the US European Command) at Stuttgart, followed by the switch of the NATO element in command to Mons. While the technical reason for these changes was related to the re-dedication of the former SACLANT (Supreme Allied Commander Atlantic) command at Norfolk, Virginia, to duties connected with NATO, they were bound to be perceived in Iceland as a diminution of the decades-old link between the nation's defence and the USA's own extended territorial security.<sup>74</sup> On top of these specific national worries, Iceland—like all the other Nordic countries, but perhaps with keener anxiety than any of them—has been observing the USA–Europe tensions spawned by the Iraq crisis in 2001–2003 and the growing evidence of fundamental divergences across the Atlantic in security priorities, methods and even values. To put it briefly, Iceland has cause today to worry about whether NATO will survive at all as a strong and credible political and strategic community: but, even if the alliance does continue on its present course, it clearly no longer offers—and most likely will never again offer—Iceland the combination of superior protection and ideal platform for projecting the Icelandic voice in world affairs that it provided for five decades.

For other countries hard hit by the same or equivalent changes (e.g., Turkey<sup>75</sup>), or at least for their elites (as in Norway<sup>76</sup>), a natural reaction has been to look more seriously at what the EU can provide as a defence and security community. The European Union already covers issues of internal security (justice and home affairs, border management, and asylum and immigration), energy security, environmental security, transport security, nuclear safety and the handling of animal disease, which NATO has never aspired to do and as no other single international forum can. Since September 2001 the EU has significantly strengthened its efforts against internal and international terrorism, and its new package of anti-terrorism measures adopted after the Madrid bombings of March 2004 includes a 'solidarity' commitment by all 25 member states to

<sup>73</sup> Anthony, I. et al., 'The Euro-Atlantic system and global security', *SIPRI Yearbook 2003: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 2003), pp. 47–78.

<sup>74</sup> Thorhallsson and Vignisson (note 5), pp. 114–15.

<sup>75</sup> For evolving Turkish attitudes to the EDSP see Dunay, P., 'Turkey and ESDP', Report of the seminar held at SIPRI, Stockholm, 22 Sep. 2004, URL <<http://www.sipri.org/contents/director/turkey-esdp/>>, and the associated background papers.

<sup>76</sup> See chapter 19 in this volume.

come to each other's aid with all necessary means in the event of terrorist strikes on their territory.<sup>77</sup> The continually enhanced scope and depth of ESDP as such, and the conceptual tightening up and deepening of other areas of EU security policy such as the new Strategy against Proliferation of Weapons of Mass Destruction,<sup>78</sup> offer means that are not inferior but rather different in kind to those of NATO for protecting and promoting Europe's security interests and its goals and values in the wider world. In short, the EU already offers a remarkably full menu of 'soft' security protection to its members in their own homelands; it has 'hard' (military) as well as unusually strong 'soft' instruments at its disposal for promoting its members' interests abroad; and—many would say—it is moving down a slippery slope towards providing full formal territorial guarantees, even if it still falls well short of a credible 'alliance' at present. Even without a positive wish to enhance its defence role, the EU might find itself drawn into taking greater responsibility for the all-round security of its members as a consequence of NATO's gradual retreat from a territorial defence function, combined with the sheer expanse of the EU's new territory (following the 'big bang' enlargement of May 2004) and the challenging security dimensions of its relationships with 'new neighbours' on every front.<sup>79</sup>

Of all the states in Europe, Iceland perhaps has the strongest internal barriers to recognition of these factors and the fundamental policy change needed to adapt to them. As noted above, pro-USA and anti-EU sentiments are deeply ingrained in the political mainstream, linked with concepts of national independence and with the defence of Iceland's fisheries (which is seen as an important component of security in itself). Membership of the Schengen system and the EEA already gives Iceland 'soft security' cover from those areas of EU competence that are of direct relevance to the country, whereas (for reasons explained above) it is not much of a customer for the other security-related services that the EU can offer. Also relevant is the Icelandic tendency, so far, to think of national security and deterrence in extremely concrete, military terms: thus, when threatened with withdrawal of the US F-15s in 2003, some Icelandic officials speculated about whether similar aircraft might be provided by friendly European states such as Germany or the UK. This is not a currency in which the EU, as such, is ever likely to be able to satisfy Iceland's wants.

Nevertheless, a growing number of leading Icelandic politicians, particularly in the ranks of the Social Democratic Alliance, argue that by joining the EU and adopting its security and defence policy Iceland could go some way to solving the problem of diminishing US military interest in the country. This seems also to be the view of the conservative Minister for Justice, Björn Bjarnason, who is the main specialist on defence and security within the Independence Party. He

<sup>77</sup> Council of the European Union, 'Declaration on combating terrorism', Brussels, 25 Mar. 2004, URL <<http://register.consilium.eu.int/>>.

<sup>78</sup> Council of the European Union, 'EU Strategy against Proliferation of Weapons of Mass Destruction', Brussels, 12 Dec. 2003, URL <<http://register.consilium.eu.int/>>.

<sup>79</sup> Bailes, A. J. K., 'How collective is our defence?', *Sicherheit und Frieden—Security and Peace*, vol. 23, no. 2 (2005), pp. 90–95.

stated that if the partnership between the USA and Iceland were to break down—as it was on the brink of doing in 2003—it would be necessary for Iceland ‘both to take radical measures regarding security and also to formulate a new policy on Europe’.<sup>80</sup> At the same time, he stressed that the CFSP and the ESDP cannot in any way replace the enormous security benefits that are guaranteed to Iceland by the Defense Agreement with the USA and Iceland’s membership of NATO.<sup>81</sup> This opinion is shared by an overwhelming majority within the governing parties, and as long as the Defense Agreement stays in place and the USA maintains a ‘credible’ (in the eyes of the Icelandic Government) defence force in Iceland, there is little sign that this will change. On the other hand, the leaders of the Social Democratic Alliance are increasingly pointing to the option of joining the CFSP and the ESDP on the somewhat different grounds that this will offer Iceland ‘soft’ as well as ‘hard’ security. They will undoubtedly try to convince the Progressive Party to join them in this effort after the next general election (which will take place no later than May 2007).

Halldór Ásgrímsson, leader of the agrarian Progressive Party, has been Prime Minister since September 2004, when he swapped his position as Minister for Foreign affairs with Oddsson, leader of the Independence Party. Oddsson stepped down in September–October 2005 as both party leader and Foreign Minister; Geir Haarde has taken over both these posts. There seems to be a sharp contrast between the opinions of Ásgrímsson and Haarde on the EU in general, and they disagree on whether Iceland should seriously consider the possibility of joining the Union. On the one hand—as noted above—Oddsson’s policy has prevailed for the past 15 years in maintaining the government’s decision not to apply for EU membership. As Foreign Minister, Ásgrímsson repeatedly tried to put EU membership on the agenda by producing detailed reports on Iceland’s position in Europe, but Oddsson had such a strong position within his party that his leadership and policy stance were not open to question. As reflected in Haarde’s attitude, the Oddsson line on the EU question is likely to prevail for some time longer in his party and in the present government. The Independence Party, under Oddsson’s leadership, has been strongly pro-US—it could even be said that it has been pro-Bush—as reflected by the government’s decision in 2003 to put Iceland on the list of the coalition of the willing for the war in Iraq, and Haarde as the new party leader is expected to maintain this stand. On the other hand, Oddsson’s phased withdrawal from politics may change the political landscape in Iceland in the longer run. His departure opens up the possibility of a debate on the EU within the Independence Party and might ultimately lead to a change in the party’s own stand against EU membership, opening the possibility of a conservative pro-European government.

<sup>80</sup> Bjarnason, B., *Í hita kalda stríðsins* [In the heat of the cold war] (Nýja bókaforlagið: Reykjavík, 2001), p. 316 (authors’ translation).

<sup>81</sup> See, e.g., Bjarnason, B., ‘Rússar berjast: varnarsamstarf Evrópu’ [Russians fight: European defence cooperation], 28 Nov. 1999, <<http://www.bjorn.is/pistlar/1999/11/28/nr/320/>>.

In summary, the Independence Party continues for the present to exercise a blocking role vis-à-vis the possibility of EU membership, and ‘a revolution’ would be needed to change the Independence Party’s position on Europe so long as Oddsson’s legacy remains. It might take the closure of the Keflavík base or termination of the Defense Agreement to trigger such a change, if combined with the continued doctrinal and practical build-up of the CFSP and the ESDP. Icelandic politicians still think as much in terms of territorial guarantees as they did during the cold war—although some of them are changing—and attach much higher value to the ‘hard’ security protection that the USA provides than the ‘soft’ security protection that EU membership offers. It is thus difficult to see the Independence Party or even the Progressive Party enthusiastically advocating membership of the CFSP and the ESDP without either a definitive US withdrawal or a fundamental shift in their security philosophy towards a policy based as much on soft instruments as hard ones. This is why any move by the EU to provide more serious ‘hard’ security guarantees for its members could play a literally pivotal role in making EU membership more attractive for Iceland’s current political elite.