

NORDIC AND ARCTIC AFFAIRS: WHY IS 'WEST NORDIC' COOPERATION IN FASHION?

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June 10 2014

SUBJECT: THE WEST NORDIC COOPERATION OF ICELAND, GREENLAND AND THE FAROES

SIGNIFICANCE: Iceland's current government has stressed the importance of 'West Nordic' cooperation with the non-sovereign nations of Greenland and the Faroes. The latter are equally keen, and official as well as parliamentary consultations are now planned in this format. West Nordic cooperation focuses heavily on the opportunities and challenges that Arctic developments bring for these three small governments. Does it deserve to be better known and how seriously should outsiders take it?

ANALYSIS: The three West Nordic governments have some obvious shared interests in the Arctic context, and can help their cause in larger forums by exchanging ideas and forming joint positions. Their cooperation should be seen also in the context (a) of the features separating them from other Nordic states, (b) of their common rejection (so far) of full European integration, and (c) of the dynamics of independence movements within the kingdom of Denmark.



THE BACKGROUND

The participants

A hundred years ago, Iceland, Greenland and the Faroe Islands were all under Danish rule. In 1918, Iceland won sovereignty as a separate nation. Greenland and the Faroes have gradually gained autonomy but are still part of the kingdom of Denmark. They manage their own economic, commercial, social and environmental affairs and much of their internal security, but Denmark retains competence for external defence and foreign affairs. Both use the Danish currency.

All three are very small nations – Iceland c. 320,000 inhabitants, Greenland 57,000 and the Faroes 49,000. They have a high GDP per capita and advanced welfare systems. Iceland pays its way primarily with its fishing industry, aluminium smelters, and tourism – no longer with the banking sector, which was ravaged by the 2008 crash. The Faroes' export earnings come almost exclusively from fish but allow them to manage with only a small subsidy from Copenhagen, under 10% of the state budget. Greenland relies on Danish funding for around half its expenditure and covers the other half mainly from fish/shellfish exports. It also gets some EU funding.

All three nations have seats in the Nordic Council and Nordic governmental cooperation structures. They differ from other Nordic states, however, not just in their smallness but in the fact that none of them has its own armed forces. Denmark has a small headquarters in Greenland, but in practice, the US (and more generally, NATO) gives all three their real strategic cover. The US has a big base at Thule in Northern Greenland and withdrew only in 2006 from a base at Keflavik in Iceland.

The three small nations have also maintained a distance from the EU, for reasons that include shared apprehensions about the Common Fisheries Policy and their attachment to independent identities. The Faroes opted out of Denmark's EU membership in 1973. Greenland joined the EU as a part of Denmark but left the Union as soon as it gained home rule in 1985. Both entities have their own specific dialogues and technical agreements with Brussels. Iceland is a member of the European Economic Area (EEA) and thus of the EU's Single Market. Under the influence of the crash it launched negotiations for full EU entry in 2009, but these were frozen in May 2013 when a new Centre-Right government gained power.

The Arctic angle

Climate change and the melting of Arctic ice have brought a surge of international interest to the North Atlantic gateway of the Arctic, where these nations lie. All three were already starting to prospect for oil or gas off their shores, with the exploration east of Greenland most advanced (and assisted by some experts from the other two). Now the possibilities of on-land mining in Greenland for minerals and rare earths have drawn companies from as far away as Australia and China into project bids. All three nations are keen to get their share of any new fish stocks created in, or moving into, their own fishery zones and free Arctic waters. All hope to get some benefits from a growth in shipping, including possible long-range cargo transport and tourist cruises (already multiplying) as well as oil and LNG tankers.

But there are also shared headaches. Iceland's crash showed how a small player can miscalculate when matching itself with the big boys. There is concern about how to control giant companies, possibly from giant nations, operating in such fragile environments. More human activity will mean more risks of pollution and serious accidents, and none of these nations has more than minimal capacity for search and rescue, emergency health treatment or handling civilian crises in general. All rely crucially on peace in the Arctic but have no way to stop or even influence military competition. And climate change itself is destroying habitats, changing winds and currents, making destructive extremes of weather more likely,

West Norden: Structure and Activities

The West Nordic Parliamentary Council of Cooperation was formed at Nuuk, Greenland, in 1985, inspired partly by Greenland's first big step to home rule in 1979. It had a broad mandate to 'cooperate on common problems and to conduct positive and constructive cooperation', but in practice focused largely on social, cultural and educational matters, where the West coastal provinces of Norway were sometimes included. In the 1997 a new charter was agreed and the Council's name was changed to the West Nordic Council (WNC). Today it has 18 members, six from each of the three nation's parliaments, with a secretariat in Reykjavik. It meets twice a year and one meeting is combined with a thematic seminar – in 2013, on Arctic resource policy. The 2014 seminar in Iceland will be on food security.

Since 1997 the WNC has widened its agenda to include 'soft' security issues like search and rescue, transport and communications. Its members have agreed to work out some joint principles for tackling Arctic development. Most recently in 2013, the three governments agreed to hold West Nordic meetings at government level as well. Aside from Arctic matters they can discuss (inter alia) general economic cooperation, where Iceland and the Faroes already have a free trade agreement, and education and research where two joint West Nordic Master's programmes have already been launched. There are also occasional frictions to be addressed: for instance the Faroese have been disappointed with the free trade regime's effects, and they settled a concurrent fishing dispute (over mackerel) with Norway and the EU before Iceland was ready to do so.

West Nordic versus..?

Stressing the West Nordic identity helps the three nations, first, to signal that they are a distinct interest group, not to be sidelined by four larger Nordic neighbours. Positions adopted by the WNC are brought to the Nordic Council for debate. In future, joint West Nordic stands can be formulated at governmental level and introduced to the Nordic Council of Ministers – and beyond.

All three benefit from specific lines of cooperation with the EU in the North, such as research funding, despite their stance on membership. Through its membership of the EEA and Schengen, Iceland offers the others an alternative channel to Copenhagen for keeping up to date with and debating EU developments.

In the Arctic Council (AC), Iceland has full membership but the other two can only participate through the Danish delegation. Greenland boycotted the Kiruna Ministerial in May 2013 because it could not be promised its own seat at the table. Sharing Arctic information and analysis, and agreeing to promote joint positions wherever they can, will help all three but especially the non-sovereign nations who lack seats in most relevant international organizations. Iceland and the Faroes have also adopted national 'Arctic strategies' that could provide an interesting model for Greenland, if wished.

Last but not least, working in a West Nordic frame without Denmark allows the Faroes and Greenland to signal their separate identities and flex their muscles in 'para-diplomacy'. The current Greenland government is strongly pro-independence. The Faroese elite, while more cautious, has recently made moves to stretch the bounds of autonomy notably on Arctic and general 'soft' security issues. If either does gain independence in the foreseeable future, it will be thanks largely to Arctic-generated new wealth. West Nordic consultation may guide and ease the process, and also provide a supportive framework for such (very) small new states.

Conclusions

- West Nordic cooperation reflects the common interests of three small nations that all rely on natural resources and seek to defend their interests without recourse to full European integration.
- For Greenland and the Faroes its most intriguing political implications involve 'practising' for independence; for Iceland it is a rare foreign policy element that enjoys wide cross-party support.
- As an 'alliance of the weak' it serves to inform and educate the three on Arctic challenges, and to strengthen their voice when dealing with others on these.
- Its real impact will depend on how successfully West Nordic positions are conveyed to and upheld in other forums: Nordic, European, Arctic and global.

Keywords: Iceland, Greenland, Faroe Islands, Denmark, autonomy, independence, West Nordic cooperation, Nordic cooperation, EU, Arctic

Further reading

The West Nordic Council website (in English) is at <http://www.vestnordisk.is/Apps/WebObjects/SW.woa/wa/dp?id=1295>
Egill Thor Nielsson, *The West Nordic Council in the Global Arctic*, Centre for Arctic Policy Studies Working Paper 2014, available at http://ams.hi.is/wp-content/uploads/2014/03/the_west_nordic_council.pdf

Gestur Hovgaard, Beinta í Jákupsstovu and Hans Andrias Sølvará (eds.) *Vestnorden – Nye roller i det internationale samfund* (West Norden - New roles in international society) (Tórshavn: Fróðskapasetur - Faroe University Press), 2014
Alyson JK Bailes and Beinta í Jákupsstovu 'The Faroe Islands and the Arctic: Genesis of a Strategy' in *Stjórnsmál og Stjórnsýsla*, December 2013 edition, available at http://www.irpa.is/article/view/1228/pdf_294