Iceland’s Security Identity Dilemma
The End of a U.S. Military Presence

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On September 30, 2006, the last U.S. military troops left Iceland, ending a 55-year presence. The abrupt, unilateral U.S. decision, made public six months earlier, to close down the Keflavik military base came as a shock to the Icelandic government. It not only made Iceland the sole country in NATO without territorial defense, it also raised questions about the future credibility of the bilateral defense relationship and about the continuation of Iceland’s pro-American foreign policy.¹

The withdrawal of U.S. forces from Iceland is bound to strengthen the European dimension in Icelandic foreign and security policy. Iceland has traditionally sought to balance its vital political and economic interests in Europe with a strong transatlantic orientation, as exemplified by its membership in NATO and the U.S.-Icelandic Defense Agreement. While opting to stay out of the European Union (EU), it has maintained European institutional links through its membership in the European Economic Area (EEA) and the EU’s Schengen border control project. Iceland’s ties to Europe already include extensive “soft security” cooperation with the EU in the fields of law enforcement, immigration, and justice.

To be sure, the United States has reiterated its commitment to “hard security” through projected forces in place of territorial defense. And in late September 2006, the U.S. and Icelandic governments formally agreed to retain the 1951 Defense Agreement.² A de-territorialized military guarantee, however, marks a clear break with the past, even if it confirms the addition of a bilateral component to the collective defense clause, Article 5, of the

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North Atlantic Treaty. In the end, it is up to the United States—which no longer needs to consider the presence of U.S. troops in Iceland—to decide how and when to activate it.³

The disintegration of the Soviet Union and the end of the Cold War led to the evaporation of Iceland’s military importance for the United States. Russia also abandoned its military activities in the north and its practice of sending bombers into Iceland’s airspace. Currently, Iceland faces no known state threats and has not been targeted by transnational terrorist groups. In the absence of territorial defense it may not be well equipped to deal with potential contingencies, such as a renegade plane or a terrorist attack, even if the likelihood of such threats remains low. But Iceland has never had an army of its own, and the notion of forming a full-fledged Icelandic military is still a domestic political non-starter and would face stiff resistance in a country with no military traditions and a population of only 300,000.

This article explores the potential consequences of the U.S. troop withdrawal for Icelandic foreign policy, with special emphasis on the relationship with Europe. Justified on military and budgetary grounds, the U.S. withdrawal put an end to a long-running, acrimonious dispute over the Icelandic government’s demand for what it termed “visible minimum defense,” that is, the continued stationing of F-15 fighter jets and supporting units in Iceland. While strongly opposed to the move, the Icelandic government, composed of the pro-American center-right Independence Party—the largest party in Iceland—and the smaller, centrist Progressive Party, did not act on repeated public and private threats to abrogate the Defense Agreement if the Americans removed the jets unilaterally.

Because the Defense Agreement is based on the North Atlantic Treaty, NATO is ultimately responsible for Iceland’s security. Yet even if the Alliance has funded major military infrastructure projects, including radar stations, in Iceland, it is not poised to shoulder the burden of Iceland’s territorial defense. At present, Iceland has no real military value for the Alliance; its involvement is needed mostly to maintain the strategic Keflavik airport on a non-operating basis. Similarly, despite Iceland’s institutional ties with the European Union, it cannot rely on an implicit security guarantee—such as the mutual solidarity declaration in the case of a terrorist attack—without full EU membership. In short, the current
Icelandic “security condition” is devoid of clear choices.

Still, the argument will be made here that the traditional transatlantic discourse based on the two pillars of Icelandic foreign policy—the Defense Agreement and NATO—has become unsustainable. The U.S. military departure is likely to lead to a gradual reconfiguration of Iceland’s foreign policy and security identity in favor of Europe. The Icelandic government has already decided to enter into negotiations with the Norwegian government on defense cooperation. The question is how closely and quickly Iceland will align itself with Europe, and how profoundly it will affect the relationship with the United States. Two points will be stressed here: first, irrespective of the makeup of government coalitions, Iceland will—from now on—be far less inclined to tailor its foreign policy to that of the United States in international affairs. It will seek a more consensus-oriented policy by paying more heed to Nordic and European concerns within international organizations, such as the UN and NATO. Second, domestic political developments will, to a large extent, determine the pace of the Europeanization of Iceland’s security policy. If the center-right maintains its influence on government policy, it will continue to emphasize Iceland’s alignment with the United States, while being far more open to closer European cooperation than before. But if the center-left comes to power, it will distance itself from the United States and put more emphasis on identifying with a distinctly European security and foreign policy agenda.

HISTORICAL DIMENSIONS OF ICELAND’S SECURITY POLICY

Apart from Iceland’s traditional reliance on a U.S. security guarantee, its domestic political environment—especially the fear of giving up sovereign rights and the need to maintain complete control over its fishing grounds—and its geographic location in the North Atlantic have historically worked against full-fledged participation in European integration. True, Iceland became part of the European Reconstruction Program (ERP) and joined the Council of Europe in the late 1940s and early 1950s, but it did not join the European Economic Community (EEC). Instead, the bilateral relationship with the United States—which had its origins in a huge American military presence during World War II and was resumed through the Defense Agreement in 1951—became, in fact, more important because of Iceland’s strategic value in the Cold War. From the end of World War II to the mid-1950s, Iceland had greater potential offensive value for the United States Air Force than any area short of England and the area encompassing North Africa and the Middle East.
It was second only to Greenland for defensive purposes. In the 1960s, Iceland became an important base for the U.S. Navy to control the exit of submarines from the northern Soviet Union and for engaging in anti-submarine warfare. And during the early 1980s, Iceland played a key role in the Reagan Administration’s forward maritime strategy. In accordance with this geopolitical logic, the United States propped up the Icelandic economy when it went through periodic crises in the 1950s and 1960s and spent huge amounts of money for military infrastructure projects in the 1980s. Direct foreign aid ceased in the 1970s and 1980s. But from the 1970s until the end of the Cold War in 1991, base revenues accounted for up to 7 percent of Iceland’s foreign currency receipts and 2.5 percent of its GNP.

Karl Deutsch’s notion of a “security community” captures the intensity of the political, economic, and cultural transactions in U.S.-Icelandic Cold War relations. Deutsch’s “security community” is contingent on the development of what he termed a “transnational community,” a community based on a common set of ideas and values and on mutually successful predictions of behavior. Communication is a key concept here. Through multiple transactions, including defense cooperation, trade, migration, tourism, and cultural exchange, a social fabric is built.

It is true that, given the drastic power disparities between the United States and Iceland, the bilateral relationship never constituted a full-fledged “security community.” It also had much in common with realist alliance politics involving economic and political favors in return for military rights. In the 1950s, Iceland was the recipient of the highest per capita U.S. foreign aid in the world. Even after the Icelandic economic system was liberalized in the 1960s—resulting in a dramatic contraction of the largely fish-for-oil barter trade with the Soviet bloc—Iceland could still rely on the United States in times of economic hardship. To be sure, there was considerable opposition to the U.S. military presence spearheaded by center-left nationalist and anti-American socialist elements from the 1950s until the mid-1970s. It led to two unsuccessful left-wing government attempts to abrogate the Defense Agreement. But the dominant security discourse based on the relationship with the United States and NATO remained intact throughout the Cold War.

This pro-American orientation did not prevent Iceland from cementing its vital economic relations with Western Europe. It became a member of the European Free Trade Association (EFTA) in 1970, and two years later it negotiated a free trade agreement with the European Community (EC), even if it was not fully implemented until 1976 due to disputes
over the unilateral extension of Iceland’s fishery limits. But it was only in the late 1980s, following the decision to forge closer ties between the EC and EFTA, that Iceland became institutionally linked to what became the European Union following the Maastricht Treaty. It culminated in Iceland’s participation in the European Economic Area (EEA) together with Norway and Lichtenstein in 1994—an arrangement which guarantees almost full market access to the European Union while retaining Iceland’s control over its lucrative fishing grounds—and in the Schengen project in 2001. This direct institutional affiliation with the European Union has resulted in Icelandic adoption of EU laws in the fields of immigration, justice, trade, and border control. Iceland’s access to the EU’s internal market—encompassing the free flow of labor, capital, services, and goods—has multiplied transactions with Europe. Over 75 percent of Iceland’s trade is with the EEA countries.

Yet, despite these European links—which also included a security dimension with Iceland’s associate membership in the Western European Union (WEU) in 1992—the Icelandic government did not want to do anything to weaken the defense relationship with the United States and NATO. This policy made sense as long as the United States continued to show strategic interest in Iceland. Following the end of the Cold War, however, the United States made no secret of its intention to scale down its military presence at the Keflavik base. To reduce operating costs, it sought to remove the F-15 fighter jets and associated search-and-rescue, radar, and support units. Faced with stiff Icelandic opposition and an implicit threat to abrogate the Defense Agreement, the two sides agreed, in 1994 and again in 1996, on the retention of at least four fighters. This was meant to prevent the demilitarization of Iceland, which has only a small number of police special forces.

Nonetheless, the considerable reduction in U.S. military activity was bound to affect the bilateral “security community.” The impact of the base on the Icelandic economy became far less significant in the 1990s. This decline was also visible in other areas. Trade with the United States accounted for about 25 percent of Iceland’s total trade volume from the mid-1960s until the mid-1980s. Since the end of the Cold War, it has steadily diminished to about 9 percent in 2005. As a counterweight, one can point to increased U.S. private investments, but they are mostly limited to the aluminum giant

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Alcoa, which sees itself as a multinational company. Thus, this economic dimension did not make up for the weakening of the U.S.-Icelandic military relationship.

In the 1990s, to compensate for the reduction in its strategic importance following the disintegration of the Soviet Union and to heed calls for participation in conflict management, Iceland became far more active in NATO than it had been during the Cold War. A Crisis Response Unit to oversee Iceland's contribution to peacekeeping was created in 2001 under the supervision of the Icelandic Foreign Ministry. The emphasis on participation in such operations was consistent with post-Cold War discursive attempts to strip the security concept of its exclusively military connotation and include consideration of other factors such as ethnic conflict, peace-building, and environmental protection. By sending policemen and health care personnel to the Balkans in the 1990s and, later, to take over airport management in Kosovo and Afghanistan, Iceland wanted to offer something more than a devalued territory to NATO.

The Icelandic government, moreover, backed U.S. foreign policy more publicly than in the past. It was the only country that initially shared the U.S. position on limiting NATO expansion in 1997 to Poland, the Czech Republic, and Hungary. The justification for “small enlargement” was to ensure that the Baltic states—with which Iceland was the first country to restore diplomatic relations following their declaration of independence—would not be left out of NATO’s eastern expansion plans, but its function was to back the United States. Additionally, in 2000 and 2001, Iceland was—apart from Turkey—the most vociferous of the non-EU NATO countries to demand a role in the EU’s decision-making process in the areas of security, defense, and crisis management on the basis of its NATO membership. This ultimately unsuccessful policy was consistent with the desire of the non-EU countries to avoid marginalization in European security affairs. Nonetheless, it also echoed U.S. concerns over the divergence of security interests between the EU and NATO and over the duplication of military capabilities. Finally, Iceland, like the United States, wanted to avoid the creation of an EU caucus within NATO, not only because it would weaken the Alliance but also to back its hegemon.

Yet, the focus on “new threats” that followed the terrorist attacks on September 11, 2001, only made the United States more determined to force changes in its military posture in Iceland. Pentagon officials made the point that it was a waste of money to spend up to $250 million each year on a base with practically no military value. The United States wanted to focus on strategic priorities in the Middle East and elsewhere, stressing
the need for mobility instead of static base structures in a new geopolitical environment. In the wake of September 11, Iceland, Greenland, and the Azores had already been removed from a list of areas seen as vital from the perspective of U.S. continental defense. This represented a downgrading of Iceland; for the first time since World War II, the country was not seen as part of the U.S. continental/homeland defense system. The Keflavik military base was controlled by the U.S. European military command (EUCOM) in Stuttgart from 2002 until 2006.

Icelandic political favors—including strong political support for the wars in Afghanistan and, especially, Iraq—had no impact on U.S. plans. By joining the “coalition of the willing” in 2003 as an unarmed state—only a couple of months before hotly contested parliamentary elections and in the face of overwhelming public opposition—the Icelandic government took significant political risks. The decision was consistent with Prime Minister Davíð Oddsson’s strong pro-American stance. But together with Foreign Minister Halldór Ásgrímsson, he probably also hoped that Icelandic loyalty would lead to a reconsideration of a U.S. plan—conveyed to the Icelanders in December 2002—to remove the four fighter jets stationed in Iceland.

The Bush administration, it turned out, was unwilling to reward the Icelandic government by linking the U.S. military presence and Iceland’s backing for the Iraq war. On the eve of the elections, the United States almost pulled the rug from under the Icelandic government by informing it that the fighter jets would be removed within 30 days. President Bush personally postponed the decision after strong Icelandic protests, but three years later, he sided with Defense Secretary Donald Rumsfeld, who had persistently pressed for the withdrawal of the jets on strategic and cost-cutting grounds. The Icelandic government believed until the end that it could persuade the Bush administration to retain them. As long as the strongly pro-American Oddsson remained prime minister (and, later, foreign minister), the Bush administration was reluctant to take unilateral action. On several occasions, Bush had expressed gratitude for Oddsson’s support for his missile defense plan when other NATO leaders had been critical of it. The Americans also knew that he was likely to abrogate the agreement and not shy away from causing a public diplomatic row with the United States if it withdrew the jets. After Oddsson left politics in October 2005, however, it became easier politically to make the final decision to terminate the
U.S. military presence in Iceland. Bush agreed with Rumsfeld that a last-minute cost-sharing arrangement proposed by the Icelandic government was insufficient.

ENTERING A TRANSITION PERIOD: ICELANDIC SECURITY OPTIONS

The reaction of the Icelandic government to the United States’ March 2006 decision to remove the fighters proved to be surprisingly mild. While expressing disappointment in public and deep resentment in private, it did not act on an unambiguous threat—stated in a letter from Oddsson to Bush in 2003—that Iceland would invoke the abrogation clause of the Defense Agreement if the jets were withdrawn without its consent. The Icelandic government had no contingency plans. It had not wanted to enter into informal talks with European and Nordic governments on alternative security arrangements, fearing that such a move would undermine its position in the negotiations with the United States. This attitude also reflected the pro-American and Euro-skeptic stance of the Independence Party under Oddsson and his successor, Geir Haarde. The Independence Party had more say over Iceland’s foreign policy than the smaller Progressive Party, whose leader, Halldór Ásgrímsson, supported a closer alignment with the European Union.

Although Ásgrímsson, who succeeded Oddsson as prime minister in 2004, was more critical of the U.S. decision than Foreign Minister Haarde, both agreed to enter into negotiations with the United States on the continuation of the security relationship through projected defense. Ásgrímsson left politics before talks were concluded. But under the stewardship of Haarde, who became prime minister in the summer of 2006, a Joint Understanding between Iceland and the United States was concluded just before U.S. troops departed the island. According to it, Iceland accepts a U.S.-drafted plan providing for its defense in what is rather euphemistically termed a “dynamic and mobile way.” At the same time, the United States continues to have almost unfettered military access to Iceland based on its own threat assessment, as no changes were made in the Agreement and its annexes. In addition, it foresees annual military exercises in Iceland and includes a generally worded clause on bilateral cooperation on counter-terrorism, law enforcement, border control, and maritime security. The Defense Agreement remains in force as long as neither side wants to terminate it. Yet, since it was specifically concluded in 1951 to legalize the stationing of U.S. military forces in Iceland on behalf of NATO, it has been deprived of its substance. The United States has not only removed all its troops from Iceland but also its military hardware. It has relinquished to Iceland its host nation role vis-à-
vis NATO and has stopped monitoring the island’s airspace. What is more, the way in which the U.S. decision was made—in the middle of highly sensitive negotiations on the implementation of the Defense Agreement—was generally interpreted in Iceland as a humiliating example of the Bush administration’s penchant for unilateral power displays. It also had a direct impact on Icelandic public support for the continuation of the relationship with the United States. According to an opinion poll conducted in the summer of 2006, before the Joint Understanding was reached, a sizable majority of Icelanders wanted to abrogate the Defense Agreement.30

The Bush administration also alienated its closest political allies in Iceland, especially in the center-right Independence Party, which had been instrumental in forging, rationalizing, and defending the Defense Agreement over half a century. Having, due to its political size and strength, led all coalition governments in Iceland since the end of the Cold War, the party is still in a key position to shape Icelandic foreign policy, but its authority on defense and security issues has been weakened. Nevertheless, it is still reluctant to give up on the United States. Before the U.S. decision to close the base, Iceland had appropriated the American Cold War discourse—recently reproduced by Robert Kagan31—on Europe as a weak “Other.”32 But now it has to cope with the counter-argument that the United States cannot be trusted as a security provider. According to Deutsch, the basis for “security communities” is trust based on predictable behavior. Such predictability has been conspicuously absent in U.S.-Icelandic relations since 2001.

Despite its continued support for the Defense Agreement, the Icelandic government has entered into an informal dialogue with several European countries. The most important has been with the Norwegian government. Of the Nordic countries, the Norwegians have traditionally shown most interest in Icelandic security affairs. During the Cold War, they wanted a strong U.S. presence in Iceland as part of the defense of Norway in wartime and to avoid pressure for peacetime establishment of American military bases in Norway.33 In the post–Cold War period, Norwegian strategic interests have, to a great extent, been redirected from military defense against the Soviet Union to energy security in connection with Norway’s huge oil and gas reserves.

The Norwegian government predicts that the High North will regain some strategic importance, not because of any state-centered military activity, but because of the future transportation of oil and gas from Norway and Russia to North America. This development could restore Iceland’s geopolitical importance, because the transports would pass Icelandic waters and, possibly, require NATO co-operation on surveillance flights,
radar stations, and air defenses. It could also increase the risks of environmental disasters within the Icelandic economic exclusion zone. From the perspective of energy security, the Norwegians have already spoken of the need to bring Iceland back into the strategic picture in NATO-related forums. The Icelandic Justice Minister, Björn Bjarnason, has supported the Norwegian position. Having traditionally been a strong supporter of the United States, he was uncharacteristically publicly critical of the Americans during the summer of 2006 for ignoring strategic scenarios that might require a renewed U.S. military presence in Iceland. In addition, he scolded them for “their tactlessness” in diplomatic dealings with the Icelandic government. In any case, the issue of energy security in the North Atlantic could lead to more formalized defense cooperation between Norway and Iceland. The Norwegian and Icelandic governments have already decided to start talks on the issue. The Norwegians have broached the idea of sending Orion planes and even fighters to Iceland—on an occasional basis—for periodic maritime surveillance in the North Atlantic and increasing cooperation with the Icelandic coast guard in the field of search-and-rescue.

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The Danish and Icelandic governments are also in the process of expanding search-and-rescue cooperation between their respective coast guards in the North Atlantic. Thus, this security cooperation could develop along regional lines either within NATO’s air policing policy or outside it. Even the French Navy has indicated that it wants to increase its naval activities near Iceland to fill a potential military vacuum following the U.S. departure. This move is perhaps more a reflection of French political attempts to resist U.S. “hyperpower” than of any serious strategic interest in Iceland, but by welcoming such gestures, the Icelandic government is breaking away from its exclusive reliance on the United States in security affairs. And while there has been no talk of a bilateral defense agreement between Iceland and France, the presence of the French Navy in the north could turn into something more than political symbolism.

Despite the strategic importance of the North Atlantic, Iceland lost its military value following the end of the Cold War. It faces no known threats from other states. To be sure, Icelandic politicians have informally pointed to the possibility of political instability in Russia as a future threat. But since the United States and Russia are still cooperating in the war on
terror, this possibility was discounted by the Bush administration. In the absence of state threats, the main argument for retaining some military posture was that demilitarization made Iceland a weak link in NATO and less well prepared to fulfill treaty-bound international obligations on air and maritime safety in the North Atlantic. Yet, Iceland’s security agenda revolves, to a large extent, around civilian issues, not military ones, such as border control, police and judicial cooperation with international institutions in the fight against transnational organized crime, preventive measures against terrorism, and participation in peacekeeping operations. The Icelandic coast guard is responsible for patrolling Icelandic waters and for civilian rescue operations.

Iceland’s membership in the Schengen system has increased the risk of attracting members of organized crime or even potential terrorists because of Iceland’s role as a gatekeeper to the European Union. The lack of an Icelandic secret service has hampered cooperation with the EU on intelligence matters and counter-terrorism. Yet, while the issue is controversial in Iceland, it is likely that the government will be given some sort of power to engage in such cooperation. Iceland has already taken steps to strengthen its police forces, special forces, and coast guard (through the decision to purchase three search-and-rescue helicopters and an aircraft as well as a patrol vessel). It is possible that some sort of a civilian reserve force will be established to respond to “soft security” contingencies.

Iceland’s role in conflict management is also undergoing changes. Foreign Minister Valgerður Sverrisdóttir has already signaled a shift away from participation in “hard” peacekeeping projects, such as the Provisional Reconstruction Teams (PRTs) in northern Afghanistan, in favor of “softer” ones in line with Iceland’s non-military traditions. The move is not specifically targeted at the United States; it is more aimed at Icelandic domestic public opinion, which has been critical of the practice of sending civilian Icelandic peacekeepers into a militarized environment. The United States has welcomed Iceland’s participation in peacekeeping operations. The Bush administration even persuaded the government to send two explosive ordinance disposal technicians to Iraq in 2003 and 2004, even as it was unsuccessful in getting Icelandic policemen and health care personnel for the reconstruction effort. But this new Icelandic emphasis indicates a reluctance to continue the policy—driven indirectly since 2002 by the need to show solidarity with the United States as Iceland’s security provider and its military agenda in the wake of September 11—of directing Iceland’s contribution to international peacekeeping almost exclusively towards NATO projects at the expense of other international organizations, such as the...
UN, the OSCE, and the EU.

The policy modification may, however, create a dilemma for Icelandic foreign policymakers. Since Iceland has, if anything, become more dependent on NATO following the U.S. troop withdrawal, it will have to continue to contribute to the Alliance’s missions in Afghanistan. Hence, the emphasis will probably be more on strict civilian tasks—such as airport management and police training—rather than on shunning NATO-led projects. Iceland has already strengthened its cooperation with the other Nordic countries in crisis management, as demonstrated by its increased participation in the Norwegian-led Sri Lanka Monitoring Mission. The Berlin Plus agreement of 2003, which ended a two-year blockade against the European Defense and Security Policy (EDSP) in NATO, also made it possible for Iceland to participate in EU crisis management operations, such as the Police Missions in Bosnia and Herzegovina and Macedonia. It is quite possible that Iceland will seek to increase its role in EU peacekeeping projects as a way to boost its relationship with Europe. Such a move would also be consistent with the EU’s emphasis on the civilian aspects of post-conflict stabilization efforts.

Taken together, these overtures indicate Iceland’s willingness to seek security cooperation with European and Nordic countries independently of the United States. They also fit well with Iceland’s current emphasis on “soft security” cooperation—through the Schengen Agreement—with the European Union on such issues as immigration, organized crime, human trafficking, and border control. The weakening of the U.S. dimension in Icelandic foreign policy will not trigger an automatic and deterministic process toward entry into the European Union; the current political climate in Iceland does not favor such a course. The Social Democratic Alliance—the second-largest party, which enjoys the support of 30 percent of the electorate—is the only political force pushing for EU membership. However, from a medium- or longer-term perspective, EU entry is a likely prospect. Outside factors could accelerate such a development. If Norway were to join the EU, Iceland would be forced to follow suit, not only because such an action would destroy EFTA and the European Economic Area but also because it would leave Iceland as the only Nordic country outside the European Union.

Thomas Risse and Kathryn Sikkink’s normative model could offer clues about the social process generating such a foreign policy identity change. It begins with a reaction (often negative in the initial stage) to a new community norm—in this case, European integration. The Icelandic government has, as noted, always been a latecomer when it comes
to European institutional cooperation. The current government has not wanted to expose itself too much to the EU for ideological reasons (the “transatlantic link”) and because of economic interests (the EU’s common fishery policy). Yet, because of its economic dependence on Europe and through its widespread European institutional links, Iceland has always adopted European norms and practices.

From a “Deutschian” perspective, one can argue that Iceland is already entering the first stage toward the development of a “security community” with the European Union largely through economic dependence and Schengen security cooperation. Constructivists often see a dynamic dichotomy between realism and values or norms. In this case, the point is that small states usually gravitate towards larger states or supranational alliances in the hope of economic or military security. With increased transactions, the likelihood increases that the small state will adopt the values and cultural norms of the larger. For Iceland, this was the case with the United States after World War II; it is now starting to happen with respect to the European Union.

CONCLUSION

A European rationale in Icelandic foreign policy—due to Iceland’s increasing structural political and economic dependence on the European Union—has, in fact, been an important feature of post–Cold War security policy, even if it was suppressed due to Iceland’s reliance on the bilateral relationship with the United States. While committing itself publicly to the dominant foreign policy discourse favoring the United States and the transatlantic relationship, successive Icelandic governments put emphasis on European issues—not only through Iceland’s Schengen gatekeeping role, but also by venturing into new security terrains through participation in civil peacekeeping operations.

In the absence of clear alternatives, the Icelandic government has refrained from cutting Iceland’s security ties with the United States. Iceland could, of course, press NATO for an “air policing” agreement modeled on those worked out with the Baltic states for the monitoring of Icelandic air space. Such an arrangement would, admittedly, be costly and depend on the willingness of individual member na-
tions to commit forces. Despite its previous emphasis on air defenses, the Icelandic government has—inconsistently—not pushed this option.\textsuperscript{41} In any case, it will probably try to formalize security relationships with its two closest NATO Nordic members, Denmark, and, especially, Norway, in the fields of search and rescue and maritime surveillance. In addition, it may be assumed that the government will offer other NATO countries opportunities to conduct training exercises at Keflavik. Iceland’s own contribution to NATO will continue to be mostly limited to peace support operations.

The Icelandic government has already begun to develop new forms of bilateral cooperation with European and Nordic countries and to deepen the institutional links with the European Union. But the EU—in spite of its solidarity clause against terrorism—does not have a mutual defense commitment in the spirit of Article 5 of the North Atlantic Treaty. Unless Iceland joins, the European Union will not offer Iceland a security guarantee, even if it includes it in Schengen-related security arrangements. Thus, these tentative Icelandic moves will not likely lead to a full-scale security identity change in the near future. But there will be more willingness to pay attention to European concerns and far less pressure to continue the practice of supporting the United States on every major foreign policy issue, especially when the cause is as unpopular as the Iraq war.

Iceland has entered a transition phase without spelling out a final destination; new options are being explored without the abandonment of existing ones. Much of the outcome will hinge on Icelandic domestic political developments and the course of the European integration process, especially the development of the European Security and Defense Policy. If the center-right parties manage to hold on to power in the next election in 2007, they will continue to balance European security possibilities with an emphasis on the U.S. military guarantee. But, if the center-left comes to power, it will move away from the United States and put more emphasis on Iceland’s role in a European security policy context.

The security landscape facing Iceland has far more to do with civilian than military threats. Iceland is still dependent on the United States for “hard security,” but it already cooperates more deeply with the EU on “soft security.” The 2006 Joint Understanding with the United States on the defense relationship also provides for more cooperation in this area. Yet, given the fact that Iceland has a direct role in the EU’s border control, the European dimension is bound to be more important. The weakening of the military and political relationship with the United States is, thus, likely to make Icelandic foreign policy less pro-American. This does not mean that the U.S. withdrawal will end the security relationship, but the
shift from the sole reliance on the United States to a more balanced and multilateral security identity will trigger a similar shift in Iceland’s foreign policy identity. It will give Iceland more freedom to take a more European line in international affairs.

ENDNOTES


2 The agreement focused, to a large extent, on the legal and financial aspects of the Keflavik base closure itself. The Icelandic government has, however, formally accepted a projected defense plan prepared by the U.S. European Military Command (USEUCOM) in Stuttgart.


5 See Ingimundarson, The Struggle for Western Integration: Iceland, the United States, and NATO during the First Cold War (Oslo: Institutt for forsvarsstudier, 1999), 62.

6 “Transfer of Keflavik Airport and Support of Iceland Defense Force to U.S. Navy,” April 15, 1960, Records of the Joint Chiefs of Staff, Central Decimal File, Folder: 919.2/3410, Iceland (October 12, 1959), Record Group 218, Box 151, National Archives (Maryland).

7 See Albert Jónsson, Island, Atlantshafsbandalagið og Keflavíkurstöðin [Iceland, NATO, and Keflavik Base] (Reykjavik: Öryggismálanefnd, 1990), 74-75.

8 Friðþór Eydal, “Varnarlíðið og Keflavíkurflugvöllur” [The Icelandic Defense Force (IDF) and Keflavik Airport], Friðþór Eydal, email message to author, July 14, 2005.


10 “Foreign Aid—Size and Composition,” no date [1965], Dennis Fitzgerald Papers, 1945–69, Box 44, Dwight D. Eisenhower Library, Abilene, Kansas.


14 Iceland took part in WEU Council and committee meetings and in joint meetings between the WEU and NATO and between the WEU and the EU, but this did not involve any operational contribution to the WEU. See Bailes and Pórhallsson, 331.

15 Interview with a high-level Icelandic official, September 28, 2006. All interviews were conducted in confidentiality, and the names of interviewees are withheld by mutual agreement.


21 Interviews with Icelandic Foreign Ministry officials, September 13, 2003.

22 Interview with a U.S. official, November 1, 2005.


24 See Ingimundarson, “Iceland vs. US: Relations on Ice over Jets,” *International Herald Tribune*, July 12–13, 2003. The respective heads of the government coalition parties—Prime Minister Davíð Oddsson and Foreign Minister Halldór Ásgrímsson—managed to keep the U.S. decision secret until after the elections. Thus, it had no influence on the outcome.


27 Interviews with Icelandic and U.S. officials, March 20, September 28, and October 2, 2006.


29 The current Minister of Justice, Björn Bjarnason, has stressed this point. See Bjarnason, “Nýskipan öryggis- og varnarmála” [The New Order in Icelandic Security and Defense Policy], *Djóðmal* 2 (2) (Summer 2006): 48–55.


32 About gender discourse in Cold War studies, see Frank Costigliola, “The Nuclear Family: Trope of Gender and Pathology in the Western Alliance,” Diplomatic History 21 (2) (Spring 1997): 163–183.

33 See Ingimundarson, Uppgjör vid umheiminn, 141, 305.

34 See the comments made by Espen Barth Eide, the Norwegian State Secretary for Defense, in “American pullout leaves Iceland defenceless,” Daily Telegraph, July 27, 2006.


38 See “Varnarmálin verði leidd til lykta fyrir haustið” [The Defense Question to be Resolved before next Fall], Morgunblaðið, April 30, 2006.


41 Interview with a member of the Icelandic government, September 2, 2006; interview with a high-level Icelandic official, September 28, 2006.