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HANDBOOK OF THE Politics of the Arctic

Edited by
Leif Christian Jensen • Geir Hønneland

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Preface

'The age of the Arctic' in modern international relations began in the mid- to late 1980s, when the Cold War was drawing to a close. World leaders such as then-Soviet President Mikhail Gorbachev spoke of the need to transform the previously militarized Arctic into a zone of peace, with international cooperation on urgent 'civilian' matters such as environmental protection. After the collapse of the Soviet Union in late 1991, Western governments were keen to draw the young Russian Federation into new forms of transnational institutional arrangements aimed at reducing the potential for future East–West conflict. In the European North, the Barents Euro-Arctic Region (BEAR) was established on Norwegian initiative in 1993. The EU Northern Dimension was launched in 1998, on Finnish initiative. These regional collaborative arrangements spanned several functional fields, with infrastructure, business cooperation and environmental protection at the core. At the circumpolar level, the Arctic Environmental Protection Strategy (AEPS) was created in 1990 by the 'Arctic eight' (Canada, Denmark, Finland, Iceland, Norway, Sweden, the Soviet Union and the United States). Canada soon proposed the establishment of an Arctic Council, to embrace policies on indigenous peoples in addition to the environmental focus of AEPS. The 1996 Ottawa Declaration created the Arctic Council, with the AEPS programmes subsumed under the new structure, along with sustainable development and indigenous issues.

Following some initial enthusiasm, Arctic cooperation – whether circumpolar or regional – was long considered to be 'a thing of the early 1990s': an immediate post-Cold War initiative that failed to spark sustainable high-level political interest. The Arctic Council remained a forum for coordinating Arctic environmental monitoring and science, with strong participation from the region's indigenous peoples, while the regional BEAR collaboration and the EU Northern Dimension were struggling to meet the initial expectations of thriving East–West cooperation on trade and industry. Much changed with the planting of a Russian flag on the seabed at the North Pole in August 2007. That action was performed by a Russian scientific expedition involved in collecting data for Russia's submission to the Continental Shelf Commission – in accordance with the Law of the Sea – but was widely perceived as a Russian demonstration of power in the Arctic. The incident happened at the same time as the summer ice melting in the Arctic Ocean reached ominous proportions, and there was growing interest in the prospects of petroleum development in the Arctic. This spurred a new wave of high-level political interest in the Arctic, and a global media buzz about a 'scramble for the Arctic' emerged. In the Arctic Council, high-level participation from the member states gradually increased, and the 2011 biannual ministerial meeting in Nuuk was the first to which all eight countries sent their foreign affairs ministers. It was also the first Arctic Council meeting attended by the US Secretary of State; and here the first binding treaty negotiated under the Arctic Council – on search and rescue in the Arctic – was signed. The interest of non-Arctic states in Arctic affairs was also heightened, especially among Asian nations. In 2013, China, Japan, Singapore

and South Korea, among others, were given status as permanent observers in the Arctic Council.

This volume traces the changes from 'the age of the Arctic' to 'the scramble for the Arctic', and beyond. It brings together some of the leading expertise on international relations in the Arctic, with contributors from nearly a dozen European countries, as well as North America and Australia. While situated mainly in the international relations tradition, in conjunction with neighbouring disciplines such as geography and anthropology, the book also contains a dedicated legal section. All four 'obligatory' elements of any contemporary book on international relations in the Arctic are included: geopolitics, the law of the sea, Arctic institutions and national Arctic strategies (Parts 1–4 of the book, respectively). Needless to say, functional fields such as climate change, energy, indigenous issues, jurisdiction, marine resources, pollution and preparedness and emergency response are covered.

The editors' gratitude extends above all to the chapter authors, who have patiently responded to our numerous queries after the submission of their first drafts – not least to those who were among the first to deliver and have seen their manuscripts rest on the editors' desk for a year or more (with the opportunity to provide updates, we must add). Three people have been indispensable in the last stages of the preparation of the manuscript: our eminent in-house language consultants Susan Høivik and Chris Saunders and copy-editor Maryanne Rygg. Thanks also to copy-editor Geraldine Lyons, and the highly qualified and always forthcoming staff at Edward Elgar, in particular, Madhubanti Bhattacharyya, for the extremely swift and professional journey through production.

Leif Christian Jensen
Geir Hønneland
Lysaker, February 2015

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PART I

GEOPOLITICS AND STRATEGIC RESOURCES

1. Energy as a developmental strategy: creating knowledge-based energy sectors in Iceland, the Faroe Islands and Greenland

Rasmus Gjedssø Bertelsen, Jens Christian Justinussen and Coco Smits

INTRODUCTION

Iceland, the Faroe Islands and Greenland share a history as overseas autonomies of the Kingdom of Denmark. It is relevant to compare their constitutional, political and socio-economic trajectories, since there are processes of learning and spill-over between these three microstates. Although only Iceland is fully independent, we refer to them as 'microstates' in this chapter, because that term highlights a central aspect of these societies: how they face the challenge of being very small societies located on the periphery. The three societies differ in size: Iceland has a population of about 310 000; the Faroe Islands, 48 000; and Greenland, 56 000. Some Icelandic commentators object to the label of 'microstate' for the island, but it is precisely Iceland's socio-economic success *despite* its very small population and remote location that is of interest here. Iceland is in a different position than the other Nordic countries that are typical small states.

In this chapter, we examine the role of energy as a developmental strategy for these societies: historically, today and in the future. We enquire into the role of knowledge, competences and human capital for an environmental, socially and culturally sustainable use of energy resources for development. All three societies have been working determinedly to increase their political and fiscal independence, to diversify very narrow economic bases and to ensure human development and economic growth. And, as we will see in this chapter, energy continues to play a key role in these endeavours.

These three North Atlantic societies came to be overseas territories of the Kingdom of Denmark through the early mediaeval expansion of the Kingdom of Norway for control of the Viking settlements of Iceland, the Faroe Islands and Greenland, followed by the 1397 Kalmar Union between Denmark, Norway and Sweden, and the Danish–Norwegian re-colonization of Greenland in the 1700s. This constitutional-political status defined Icelandic history, and has continued to define Faroese and Greenlandic politics and society.

Iceland progressed through home rule to, first, sovereignty and then to a republic through a political process from 1845 to 1944. In 1845, the Icelandic Viking-age assembly, Althingi, was reconstituted as an advisory assembly to the absolute Danish monarch, and remained so until 1874 (Denmark became a constitutional monarchy in 1848, but Iceland kept its separate overseas status by remaining outside the unitary state). In 1874, the Althingi gained legislative and budgetary power, although executive and judiciary power remained Danish, with the administration of Iceland led by a Danish Minister for

Iceland residing in Copenhagen. Then followed the crucial step in 1904: the appointment of an Icelandic Minister for Iceland, responsible to the Althingi, brought the government of Iceland to Reykjavik. In 1918, Iceland became a sovereign state as the Kingdom of Iceland in a personal union with a shared monarch with the Kingdom of Denmark. This union was mutually dissolvable after 25 years, and Iceland declared itself a republic in 1944. This historical process should be borne in mind for its learning effects for subsequent processes in the Faroe Islands and Greenland.

The Faroe Islands enjoy close cultural, family and economic ties with Iceland, and have been inspired by the history of Icelandic independence. When Iceland managed to remain outside the unitary Danish constitutional monarchy after 1848, the Faroe Islands became an overseas county of the Kingdom, with the local Viking-age assembly Løgting reconstituted as the county council. During the Nazi German occupation of Denmark from 1940 to 1945, the Faroe Islands were de facto politically self-governing under British military occupation. After the Second World War, a return to the previous situation was impossible, and in 1948 the Faroe Islands gained internal home rule within the Kingdom of Denmark, with the Løgting as the legislative body for matters of home rule. In 1998, an independence-minded majority of the Løgting proposed a '1918' union between Denmark and the sovereign Faroe Islands closely modelled on the Danish–Icelandic union treaty of 1918, although without severing the financial ties between Denmark and the Faroe Islands as had happened in 1918, which made the agreement unacceptable to Denmark. In 2005, Denmark and the Faroe Islands agreed that the Faroe Islands could act in international affairs in domains covered by Faroese home rule and become an associate member of international organizations, under certain conditions. The Faroe Islands gained the rights to their mineral resources in 1992 – a point central to the argument here.

Greenland had also been settled by Norsemen from Iceland in the Viking age, who later accepted the sovereignty of the King of Norway. Contact with these Norse settlers in Greenland was lost in the Middle Ages, but they were not forgotten. In 1721, the Danish–Norwegian pastor Hans Egede received the permission of the king to set out for Greenland to convert the Norsemen, still believed to be Catholics, to Protestantism. Hans Egede did not find any Norsemen, but instead found the Inuit, which led to the colonization of Greenland by Denmark-Norway. Greenland remained a colony of Denmark until 1953, when it became an overseas county on a par with the rest of Denmark. The experiences of de facto self-rule by the Danish governor during the Second World War while under US military occupation and the lifting of colonial status led to a forced modernization process during the 1950s and 1960s. Inspired by indigenous land claims in North America, and learning from previous Icelandic and Faroese experiences of home rule, Greenland was granted home rule in 1979. There has been strong determination in Greenland to expand and develop this self-government and work towards full independence. In 2009, Denmark and Greenland reached an agreement on self-rule for Greenland which recognizes the Greenlanders as a people with the right to gain full independence when desired, and which awards the mineral rights of Greenlandic territory to Greenland with certain deductions of natural resource rents from the Danish financial support to Greenland.

That was the backdrop. What has defined these North Atlantic microstates and continues to define the Faroe Islands and Greenland is the search for political and economic