INTENSIFYING GREAT POWER POLITICS IN THE ARCTIC – POINTS FOR CONSIDERATION BY THE KINGDOM OF DENMARK

From an analysis of assessments and strategies in Finland, Norway and Iceland
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SUMMARY

Great power politics in the Arctic are intensifying. The US, Russia and China are all strengthening their presence in the region. With the Arctic strategy of the Kingdom of Denmark presently in the process of being updated, this report analyses the assessments and strategies of Finland, Norway and Iceland and identifies points for consideration by the Kingdom of Denmark. These include emphasizing the value of closely coordinating with the other Nordic countries to establish Arctic-specific military confidence-building measures (CBMs); prioritizing the development of sufficient national capability to decrease reliance on immediate US and NATO involvement; taking a proactive approach to securing influence over the evolving military presence and activities of the US and NATO on the Kingdom of Denmark’s territory; further exploring the idea of alternative funding options for Arctic development; and strengthening of Nordic collaboration on intelligence activities, information exchange and diplomatic efforts concerning all three great powers.
INTRODUCTION

Great power politics in the Arctic are intensifying. Both of the Arctic great powers, the US and Russia, and the self-proclaimed ‘near-Arctic’ great power, China, are assigning growing geostrategic and geoeconomic importance to the region and are strengthening their presence. In recent years, Russia has built up its military presence, establishing new and reopening old military bases along its coastline. China has sought to bind itself to the region through agreements, for example on research cooperation, resource extraction and infrastructure development, and the US has reoriented its diplomatic and military focus, seeing Arctic politics and security through a prism of ‘great power competition’. The other Arctic states are, in different ways, caught between the US as a close ally and traditional security guarantor, China as a prospective economic partner and Russia as an important Arctic neighbour that they need to cooperate with in order to handle the many complex challenges evolving in the region as the ice melts.

It reflects an increasing American interest in Greenland and the Arctic spurred by growing concerns about the Russian military buildup and the Chinese diplomatic and economic offensive in the region.

For the Kingdom of Denmark this became very apparent in August 2019, when the US President Trump, two weeks prior to a planned state visit to Denmark, offered to buy Greenland. Even as the offer was politically impossible and indeed dismissed as absurd by the Danish Prime Minister Mette Frederiksen – triggering a diplomatic incident and causing Trump to cancel the state visit to Denmark – it nevertheless
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Reflects an increasing American interest in Greenland and the Arctic spurred by growing concerns about the Russian military buildup and the Chinese diplomatic and economic offensive in the region. While a growing American focus on Greenland and the Arctic opens up new opportunities, it also raises new challenges. Quite fittingly, the Arctic strategy of the Kingdom of Denmark is currently in the process of being updated (as of September 2019). It is a complex process with new growing pressures and demands to deal with. The backbone of the current Arctic strategy of the Kingdom of Denmark is to ensure ‘a peaceful, and secure and safe Arctic’ (Danmark, Grønland og Færøerne 2011). While this goal is unlikely to change going forward, the question of how to achieve it, is certainly closely affected and complicated by the intensifying great power politics in the Arctic that we are presently witnessing.

How are the strategies and activities of the great powers and the security relations and dynamics between the great powers evolving in the Arctic? And how are such changes in Arctic politics and security assessed and dealt with in Finland, Norway and Iceland? This report sets out to answer these questions and, further, to identify and discuss any valuable inputs and ideas that can be drawn from the insights and experiences of some of Denmark’s closest allies and partners in the Nordic region. In so doing, it seeks to inform the current updating of the Arctic strategy of the Kingdom of Denmark.

The report’s analysis of the Finnish, Norwegian and Icelandic assessments and strategies draws on 14 interviews (10 used as direct references) with officials from the foreign ministries and the defence ministries (excepting Iceland, which does not have a ministry of defence) and with scholars from each of the three Nordic countries, supplemented with their official Arctic strategies, speeches on Arctic politics and security given by high-level politicians and officials as well as scholarly articles.1 Naturally, using such sources risks creating bias towards overstating the effectiveness of the strategic initiatives and efforts of the countries in question, as both interviewees and official documents will have an interest in presenting these in a favourable light. However, the purpose of this report is not to measure and evaluate the definitive degree of effectiveness – to do so would require a much more extensive study – but rather to use the assessments and strategies of Finland, Norway and Iceland to generate ideas for the Kingdom of Denmark. Why look at Finland, Norway, and Iceland? Like the Kingdom of Denmark, Norway and Iceland are NATO members and thereby face similar pressures both from potential adversaries like Russia and China and from their main ally in NATO, the US. Conversely, Finland, as a non-NATO member and border state to Russia arguably offers experiences from the most geographically exposed of the Nordic countries. Finally, Finland, Norway and Iceland

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1 Sources include: Finland; Norwegian Ministry of Defence; Swedish Ministry of Defence; Danish Ministry of Defence; Danish Ministry of Foreign Affairs; Nordic Council; Nordic Council of Ministers; and Academic Nordic Security Directors’ Network (NADeS).
all share with the Kingdom of Denmark a basic small state interest in trying to meet great power competition through a strong focus on maintaining the Arctic as a low-tension region with strong multilateral institutions and legal frameworks.²

The report presents its analysis in three steps. **The first section** details the main drivers behind the intensifying great power politics in the Arctic through analysis of the evolving Arctic strategies and activities of the three great powers, namely Russia, China and the US, while also specifying how the security relations and dynamics between them are developing these years. This section is primarily based on scholarly literature as well as on the Arctic strategies of the three great powers. **The second section** takes up the analysis of how the intensifying great power politics in the Arctic are assessed and dealt with in Finland, Norway and Iceland. As mentioned above, this section is based primarily on interviews, official documents and the scholarly literature on the subject. The insights are summed up in **the third section** – the conclusion – where a list of points for consideration by the Kingdom of Denmark is also presented.
'The Arctic] has become a region for power and competition ... We are entering a new age of strategic engagement in the Arctic'.

Mike Pompeo, May 2019

The above excerpts from US Secretary of State Mike Pompeo’s speech ahead of the 11th Arctic Council meeting in Finland in early May 2019 (State Department, 2019) give a clear indication of how the Trump administration increasingly views the Arctic as yet another arena for great power rivalry. It comes at a time when Russia has long been increasing its military presence in the region, and China, with its self-proclaimed status as a ‘near-Arctic’ great power, is increasing its research activities and economic investments in the region. This section outlines the evolving Arctic strategies and activities of the three great powers involved in the region and the changing security relations and dynamics between them, substantiating how great power politics are intensifying in the region. The section’s first two subsections explore the role that the Arctic has come to play in Russian and Chinese strategic thinking respectively, focusing on the key Russian and Chinese interests in the Arctic and their activities. The third subsection on the US shows how the recently updated US Arctic strategy comes as a reaction to the developments in Russian and Chinese growing strategic prioritising of – and increased presence in – the region over the recent decade.
RUSSIA’S EVOLVING ARCTIC STRATEGY AND ACTIVITIES

For Russia, the Arctic is a question of national security, national great power identity, legitimacy and prestige – also important for the Putin regime in a domestic context – and national economic growth and development (e.g. Staun 2017; Laruelle 2013, 2014; Klimenko 2016).

After the fall of the Soviet Union, Moscow paid little attention to the Arctic – the Arctic Zone of the Russian Federation (AZRF) was largely seen as a burden, fraught with socio-economic problems during the 1990s (Boulégue 2019: 4). However, since the 2000s the Russian Arctic, rich in resources, is increasingly presented as an
important pillar in the overall ambition of the Putin regime to revive Russia as a great power (Sørensen & Klimenko 2017: 13). An ‘Arctic revival’ has been ongoing with a focus on developing the region as a strategic resource base for the nation, which also requires development of infrastructure along the Northern Sea Route (NSR) (Russian Government 2008, 2013). Russia is one of the world’s biggest oil and natural gas producers. Although most of Russia’s oil and gas production is still located in the traditional area of western Siberia, the depletion of these resources over the past ten years means that the geography of production has been shifting to new regions, including the Russian Arctic, where there are large deposits. The extraction of resources in the Russian Arctic and the headway of the NSR are closely related – without progress in the development of the Russian oil and gas projects in the region, there will be less incentive to develop and invest in infrastructure along the NSR. Russia has in recent years launched a number of NSR infrastructure programmes in the Russian Arctic and there has been substantial progress, especially related to the large liquefied natural gas (LNG) project on the Yamal Peninsula, for example the construction of the seaport of Sabetta. This is increasingly done in cooperation with China under the ‘Polar Silk Road’ framework, as a consequence of the Russian need to look elsewhere for markets, investment, technology etc. also due to the Western sanctions (Klimenko 2018).

Russia’s military posture in the Arctic is not specifically linked to the Arctic but is, rather, informed by the changing geopolitical environment.

Russia’s military posture in the Arctic is not specifically linked to the Arctic but is, rather, informed by the changing geopolitical environment (e.g. Staun 2017). In recent years, Russia has built up its military presence and expanded the scope of its military activities in the Russian Arctic, as its relations with the US and more broadly the West have deteriorated, especially following the Ukraine crisis. The Russian military buildup in the Arctic is directed by the ‘bastion’ defence concept consisting of the projection of multilayered denial and interdiction capabilities at sea and in the air and has a focus on ensuring the perimeter defence of the Kola Peninsula, located near the borders of both Finland and Norway, to ensure the survivability of the Russian second-strike nuclear assets (Boulègue 2019: 6–8). Most of Russia’s strategic submarines armed with long-range ballistic nuclear missiles are deployed as part of the Northern Fleet. The Russian concern is that the receding ice potentially leaves the Russian strategic submarines more vulnerable to attack, especially to potential high-precision missile attacks over the North Pole (DDIS 2018: 35). In
Russia’s view this, in combination with the US missile defence programme, has the potential to seriously undermine Russian nuclear retaliation. Furthermore, the Russian military buildup in the Arctic with the new and expanded forward bases has a focus on ensuring the Northern Fleet’s access to, and passage along, the NSR from the Atlantic to the Pacific Ocean and on strengthening Russia’s ability to control commercial and military activities and traffic along the NSR and generally in the Russian Arctic.

There is ongoing debate on how to ‘read’ the Russian military buildup in the Arctic – is it defensive or offensive in nature? (e.g. Kristensen & Sakstrup 2016; Boulègue 2019: 25–26). It seems, at least for now, predominantly defensive in nature, but there are capabilities and facilities being developed that have clear offensive functions, for example at the Nagurskoye base located in the Franz Josef Land archipelago. Unannounced Russian ‘snap drills’, often large in size, and simulated offensive air operations directed at, for example, Norwegian installations, bases and naval exercise areas also challenge the ‘defensive in nature’ argument (Åtland 2019). Furthermore, a key problem for Russia’s Nordic neighbours in this regard is the fact...
that the ‘bastion’ defence assumes Russian control of Northern Norway and Northern Finland (Mikkola 2019: 5–6). On the other hand, Moscow still regards regional stability as key in order to develop the Russian Arctic as a strategic resource base, and therefore Russia is still interested in keeping the Arctic as a ‘zone of peace and cooperation’ as stated in Mikhail Gorbachev’s ‘Murmansk Speech’ in 1987 (Klimenko, Nilsson & Christensen 2019: 28–29). There are several instances of Russia still seeking cooperation with the other Arctic states and Moscow still participates in – and largely abides by – the different Arctic governance regimes. This also in order to ensure the peaceful resolution of the maritime demarcation issues in the region, where Moscow generally still assesses that its objectives are best served by complying with international legal regimes, in particular the United Nations Convention on the Law of the Sea (UNCLOS) (Boulègue 2019: 2).

Moscow still regards regional stability as key in order to develop the Russian Arctic as a strategic resource base, and therefore Russia is still interested in keeping the Arctic as a ‘zone of peace and cooperation’.

It seems there are different factions within the Russian elite with different ‘takes’ on the Russian Arctic strategy. The ‘hardline’ faction is pushing for a more assertive line, which has so far manifested itself mainly in the military buildup in the region and the stronger military posturing (e.g. Staun 2017). Any US and NATO initiatives and military activities in the region are seen by Moscow as evidence of hostile intent towards Russia and of a too soft Russian line (Klimenko, Nilsson & Christensen 2019: 28–29). In line with well-known security dilemma dynamics, it would only trigger further Russian military buildup (Boulègue 2019: 24).

CHINA’S EVOLVING ARCTIC STRATEGY AND ACTIVITIES

In late January 2018, China released its first Arctic Policy White Paper (State Council 2018). It represents the culmination thus far of the development of a more confident, proactive and sophisticated Chinese diplomacy in the region over the recent decade, where Beijing increasingly stresses being respected and included in the Arctic as an important stakeholder. The main Chinese argument is that climate changes in the Arctic have global implications and international impacts, and therefore it is not up to the Arctic states solely to establish the rules and norms for the future development of and access to the region and its resources. Non-Arctic states like China also have
a role to play and legal rights to engage in Arctic research and a series of economic activities – cf. also with China’s ‘near-Arctic state’ categorisation of itself.

These are new directions. Previous Chinese official speeches and documents on the Arctic have taken a more modest stance and underplayed China’s ambitions in the region. These are new directions. Previous Chinese official speeches and documents on the Arctic have taken a more modest stance and underplayed China’s ambitions in the region. This had played an important role in reducing the concerns among the Arctic states and, in 2013, paving the way for China’s membership of the Arctic Council as an observer state. However, among Chinese Arctic scholars the framing of the Arctic as a ‘common good’ has long been prevalent, and Chinese President Xi Jinping also, already in 2014, openly characterised China as a ‘polar great power’ (Brady 2017: 3, 33–34; Wright 2011).

Overall, there are three main drivers behind Beijing’s assigning of stronger strategic priority to the Arctic. Firstly, China aims to build a solid Arctic (polar) research capacity particularly focusing on climate changes in the Arctic, which have direct effects in Asia and China causing extreme weather patterns that are negatively affecting Chinese agriculture and economy. However, setting up Chinese research stations in the Arctic is also essential for the rollout of China’s civil—military ‘BeiDou-2’ [北斗-2] satellite navigational system, China’s space science programme and more accurate weather forecasting systems. These programmes and systems have so-called ‘dual use’ character, i.e. both civilian and military uses (Brady 2017: 60, 107–110). A concern, especially expressed by the US as detailed in the next subsection, is that China is also gradually building up a military presence in the Arctic for example with Chinese strategic submarines in the region (DoD 2019a: 114). Although it cannot be ruled out, there is currently no evidence of any such concrete Chinese military presence and activity in the region, which would also meet strong Russian protests. However, it is likely that the Chinese military these years is also strengthening its focus and seeking to gain more knowledge and experience on Arctic or rather polar-specific operations, which links up with the ‘new strategic frontiers’ categorization discussed below (cf. DDIS 2018: 38).

In recent years, Chinese research activities in the Arctic – and in the Antarctic – have been further strengthened with more expeditions being launched and intensifying efforts to build research networks and research stations. Since 2004 Beijing has had
a research station, the Yellow River station, on Svalbard, has recently opened the Aurora observatory in Iceland, and has presented plans for opening a Chinese research station in Greenland as well as a satellite receiver station (Sørensen 2018a). The Chinese, like other non-Arctic states, are taking an active part in the general science diplomacy in the region using their research activities to legitimize and strengthen their overall growing presence in the region and China’s relations with individual Arctic states and stakeholders.

Secondly, China works to ensure access to the resources that the Arctic contains, hereby helping to secure and diversify China’s supply. This is also a question about ensuring China a frontrunner position within new technologies and knowledge. Together with the deep seabed and outer space, the polar regions are identified in Chinese strategic considerations and plans as the ‘new strategic frontiers’ [zhanlue xin jiangyu, 战略新疆域], where the great powers in the coming years will compete (e.g. Xinhua 2015). These new strategic frontiers are characterized as the most challenging areas to operate in and extract resources from. Therefore, the expectation
is that the great power who manages this first — first develops and masters the necessary new technologies and knowledge e.g. for building satellite receiver stations, offshore platforms, cables and pipelines and deep sea ports under polar conditions — stands to gain crucial strategic advantages ensuring it the dominant position in the great power competition of the 21st century. Beijing’s determined aim is to ensure that China gets to be first and superior at these new strategic frontiers. This links up with the ongoing restructuring of the Chinese economy, where Chinese-driven innovation is at the top of the agenda (Sørensen 2019).

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Thirdly, China seeks to develop and get access to the Arctic sea routes, which present an attractive alternative to the longer and strategically vulnerable routes in use now. For China, the Arctic sea routes are approximately 30 per cent shorter than the passage through the Strait of Malacca and the Suez Canal. The general assessment is that there will still be many years before the Arctic sea routes will be commercially viable, but the Chinese, in particular the Chinese state-owned shipping company COSCO, seem to hold a more optimistic assessment, already in 2016 announcing plans to launch regular services through the Arctic, testing the Arctic sea routes and building new ships that are better suited to this. Over the past four years, COSCO has sent up to 30 vessels through the Arctic — this year alone the company aims to complete 14 transit voyages, which although still a relatively modest number is almost twice as many as in 2018 (HNN 2019). The growing Chinese focus on the Arctic sea routes is also demonstrated in China’s Arctic Policy White Paper, where Chinese companies are encouraged to assign priority to participating in the construction of the ‘Polar Silk Road’ infrastructure (State Council 2018). The fact that since June 2017 the Arctic sea route has been part of the Chinese ‘Belt and Road Initiative’ (BRI) likely means that the involved Chinese companies, banks etc. have better chances of obtaining financial and political support.

As mentioned above, China generally is strengthening its cooperation with Russia these years on NSR infrastructure, constructing ports, railways etc. linking up especially with the large LNG project on the Yamal Peninsula. However, the ‘Polar Silk Road’ is not only coming to Russia; China has also intensified ‘Polar Silk Road’ efforts in relation to Iceland and Finland (Conley 2018: 8–9).
In order to ensure the Chinese interests and activities in the Arctic, it is crucial for Beijing to make sure that China gets a say in Arctic governance. In China, the Arctic governance regime is generally seen as preliminary offering opportunities for non-Arctic great powers such as China to shape its further development and the institutionalization of rules and regulations in the region (e.g. Zhang 2019; Pan 2019). On the other hand, the Chinese leaders are keenly aware that China is the only great power that does not have Arctic territory and therefore depends on the Arctic states seeing a benefit in having China involved. Therefore, the key focus behind China’s diplomatic and economic offensive in the region is to establish strong and comprehensive relationships with all the Arctic states and stakeholders and gradually increase China’s presence and influence in multilateral Arctic institutions and mechanisms. China therefore seeks to propose many benefits to the Arctic states and stakeholders, because if it succeeds in binding China into the region – on multiple levels – through ‘win-win’ agreements on research, resource extraction, infrastructure development etc., China is better positioned to manage unforeseen developments and future attempts to marginalise China in the Arctic. It simply aims to make sure that the Arctic states and stakeholders have a strong interest in keeping China involved in the region. Such efforts are especially focused on Arctic small states that could then work as a counterbalance if the Arctic great powers, the US and Russia, want to push China out (e.g. Hong 2018).

Washington increasingly sees Arctic politics and security through a prism of ‘great power competition’ pointing to Russia and China as the great power competitors that need to be counteracted and kept down.

THE US’S EVOLVING ARCTIC STRATEGY AND ACTIVITIES

In recent months the US has strengthened its focus on the Arctic concentrated on countering what is seen as a growing Russian military threat on the one hand and a creeping Chinese diplomatic and economic presence on the other. In its introduction, the June 2019 updated Arctic strategy of the US Department of Defense is presented as a strategy for the Arctic region ‘in an era of strategic competition’ (DoD 2019b: 2). That is, Washington increasingly sees Arctic politics and security through a prism of ‘great power competition’ pointing to Russia and China as the great power competitors that need to be counteracted and kept down. This is a significant change, but one that has been underway for some time.
Before 2013, key US geopolitical interests in the Arctic were centred on its submarine nuclear deterrence, ever present in the depths of the Arctic Ocean (e.g. Gore 2006: 142–43), and on maintaining radars at a string of bases in the Arctic as part of the US missile defence system. US conventional military activity in the Arctic was, however, very low. In recent years, however, two factors in particular have brought about a change. Firstly, the Ukraine crisis spilled over to the Arctic region in 2014, during the Obama administration, with the introduction of US–EU sanctions on Russian offshore oil and gas projects in the Arctic, and with the reduction in Arctic dialogue on security issues and, most importantly, with the freeze of the annual meeting of the chiefs of defence of the Arctic states (Rahbek-Clemmensen 2017; Klimenko 2015). Secondly, the increasing assertiveness of China outside its own region in general and in the Arctic in particular has gradually led the US to focus on China as a competitor, if not an adversary, in the Arctic.

US Secretary of State Michael Pompeo in Rovaniemi, Finland, ahead of the 11th Arctic Council ministerial meeting, May 6 2019.
The American responses have also included a change in their military approach to the North Atlantic and the Arctic region. In 2016, it was announced that the US would return to the military base in Keflavik in Iceland on a rotational basis; in 2017 the US Marine Corps began a rotational presence of two companies in Norway, and in August 2018 the US Navy announced the reestablishment of the 2nd fleet for the North Atlantic (Faram 2018). Furthermore, in October–November 2018, the US participated in the NATO Trident Juncture exercise off the Norwegian coast, bringing an aircraft carrier into Arctic waters for the first time in 28 years (Eckstein 2018). Finally, in November 2018, the US Coast Guard issued their new strategy giving more priority to the Arctic, and in February 2019 Congress approved the acquisition of two new icebreakers for the US Coast Guard, set to replace the service’s aging icebreaker fleet (US Coast Guard 2018; The Associated Press 2019).

The Arctic ‘...represents a potential vector both for attacks on the homeland and for US power projection’.

In 2019 the Trump administration has significantly shifted the American approach to Arctic affairs and to multilateral Arctic institutions and mechanisms. It is now national security concerns rather than concerns about climate change and sustainable development that drive the American Arctic policies. The Arctic Council is not intended to discuss security and military issues (e.g. Conley & Melino 2016). However, in May 2019, speaking just before the meeting of the Arctic ministers of foreign affairs at the Arctic Council summit in Rovaniemi, Finland, the US Secretary of State Pompeo harshly questioned Russian and Chinese intentions and behaviour in the Arctic (see the quote at the beginning of this section). This was followed by the above-mentioned updated Arctic strategy from the US Department of Defense of June 2019 warning that the Arctic ‘...represents a potential vector both for attacks on the homeland and for US power projection’ (DoD 2019b). In this light, the Trump offer to buy Greenland in August 2019, home to the strategically important US Thule airbase, looks a bit less out of the blue. So, what kinds of threats does the US see Russia and China posing in the Arctic?

First, it is important to underline that the US sees the challenges posed by Russia and China in the Arctic as different in character and degree. In the case of Russia, it is the Russian military buildup in the Arctic that has caused growing US concern and US military countermeasures. As detailed above, in recent years Russia has established new, and reopened old, military bases along its coastline in the Russian Arctic and has been strengthening its capabilities in the region. The American
military response outlined in the strategy is to invest more in Arctic capabilities and further develop the North American Aerospace Defense Command (NORAD) with Canada, and to strengthen the American role in European Arctic security cooperation through NATO exercises and direct military cooperation. Especially important in this regard is cooperation with Norway and Denmark as well as non-Arctic states such as the UK, important for ensuring the Greenland–Iceland–UK (GIUK) gap. In the case of China, the rising US worries come against the background of the development of the more confident, proactive and sophisticated Chinese diplomacy in the Arctic of the recent decade detailed above. Here the US warns about creeping Chinese attempts to use investments and other economic leverage to gradually increase China’s role and influence in the Arctic, threatening regional stability (e.g. Pincus 2019; Sørensen 2019). As stated in the Arctic strategy ‘China is attempting to gain a role in the Arctic in ways that may undermine international rules and norms, and there is a risk that its predatory economic behaviour globally may be repeated in the Arctic’ (DoD 2019b: 6). The annual report on China’s military power by the US Department of Defense to Congress published in early 2019 also, for the first time, includes a special section on ‘China in the Arctic’, where it warns, as also mentioned above, of a China that is gradually building up a military presence in the Arctic. The section specifically highlights how ‘Civilian research could support a strengthened Chinese military presence in the Arctic Ocean, which could include deploying submarines to the region as a deterrent against nuclear attacks’ (DoD 2019a: 114). To counter the growing Chinese presence and activities in the Arctic, the US takes a different approach focusing on a diplomatic offensive and on a growing economic engagement in the region. This is illustrated by the significant increase of US high-level visits to the region in recent months bringing offers of American economic deals. Of special importance for the Kingdom of Denmark, this approach has also included the reopening of a permanent US diplomatic presence in Greenland announced in early June 2019.

Russia currently stands out as a tangible military threat primarily related to the Arctic, the North Atlantic and Eastern Europe, whereas China represents a long-term comprehensive challenge both in the Arctic and on a global scale.

To sum up the view from Washington, Russia currently stands out as a tangible military threat primarily related to the Arctic, the North Atlantic and Eastern Europe, whereas China represents a long-term comprehensive challenge both in the Arctic and on a global scale.
THE INTENSIFYING GREAT POWER POLITICS IN THE ARCTIC
– A SUMMARY

As sketched out in the three sections above, the overall trend of growing great power interest and involvement in the Arctic is a two-step process. Firstly, the opening up of the region caused by climate change has brought about increased Russian economic and military activity in the region as well as a growing Chinese strategic prioritising of the region. Secondly, the increased Russian and Chinese strategic attentiveness to and various activities in the region have triggered a US response both in perceptual (seeing Russia and China as great power rivals and threats in the Arctic) and in actual terms, where the US is increasing its diplomatic activities in the region and for the first time in many years planning to invest in new US Arctic capabilities. As a consequence, ‘Arctic exceptionalism’ – i.e. the Arctic as a low-tension region where the great powers, despite conflicts in other regions, continue to cooperate and refrain from political and military coercion to get their way – is coming under increased pressure. This is an unfortunate development for the smaller Arctic states that have nothing to gain and much to lose as growing great power competition challenges multilateral Arctic institutions and legal frameworks. The next sections turn to the Nordic capitals of Helsinki, Oslo and Reykjavik to analyse how these new developments are assessed and dealt with there.
Having outlined above the evolving Arctic strategies and activities of Russia, China and the US, and having substantiated how great power politics are intensifying in the Arctic, this section changes gear and shifts focus to how the strategies and activities of the great powers and the changing security relations and dynamics between them, are assessed and dealt with in Finland, Norway and Iceland.

The first part of each country section concerns the assessments held by Finland, Norway and Iceland respectively of the present state of affairs in the Arctic and of the general degree of conflict potential in the region. The focus is on the Finnish, Norwegian and Icelandic analyses of ongoing developments of the Russian, Chinese and American presences and behaviour in the region, of the changing security relations and dynamics between the three great powers, and of the strengths and weaknesses of multilateral Arctic institutions and mechanisms in the changing security context. On the basis of these assessments from the three Nordic states, the strategies that Finland, Norway and Iceland have employed in trying to deal with the changing Arctic security context will be set out in the second part of each country section. Here the focus is on adjustments made in recent years to the Arctic strategies of the three Nordic countries as well as to their specific strategies towards Russia, China and the US in the region. Furthermore, these subsections also look into their views on multilateral Arctic institutions and mechanisms – e.g. on whether the Arctic Council should include discussions on Arctic security and military developments – and into their views on Nordic cooperation in the region.
FINLAND

Assessment

Finland’s official Arctic policy is from 2013, but it has been updated and was expanded in 2016. In 2013, it stated that ‘A military conflict in the Arctic is improbable – the Arctic states have declared that any disputes will be settled peacefully and in accordance with international law’ (Prime Minister’s Office 2013). This is also reflected in the 2016 update that sets out that, ‘...although [the Arctic has been] targeted by growing interests, in terms of security policy the Arctic region will remain stable’ (Prime Minister’s Office 2016). That does not mean, however, that Finland does not see potential challenges to the Arctic ‘low tension’ security environment. Thus, in the Finnish ministries there is a sense that while it is maybe still possible to keep the Arctic stable, it will not be as a demilitarized region. Indeed, all states, but in particular Russia, have increased their military presence in the Arctic though their military activities still fall short of Cold War levels. And with all the military activity, as one interviewee remarks, risks of accidents also increase. In terms of the state of affairs of ‘Arctic exceptionalism’ – i.e. the Arctic as a low-tension region, where the great powers despite conflicts in other regions, continue to cooperate and refrain from political and military coercion to get their way – the current impression from Helsinki is mixed; it depends on where you sit. One official mentions that people working closely with or in the Arctic Council are the most optimistic, whereas people
in defence circles have long since moved away from perceiving the Arctic region as anything near demilitarized.6 An overall point, however, remains that no matter how positively or negatively one views the Arctic, a peaceful Arctic is not something that happens automatically, especially when US–Russian relations are strained.7

The ‘bastion’ defence doctrine could lead Russia to try to occupy parts of northern Scandinavia in the event of a military conflict with the West.

In military terms only Russia is perceived as a potential adversary of Finland in the Arctic – with Finland broadly understood as including the entire country. However, the Finnish view actually is that the Russian military strategy in the Arctic is fairly defensive and status quo-orientated.8 However, Finnish defence planning still takes Russian aggression as the starting point for potential military conflicts, and the reason for this comes down to Finland’s status as a non-aligned country, unable to depend on anyone else for protection, and to concerns with the implications for Finland of the Russian ‘bastion’ defence doctrine. Thus, as mentioned earlier, the ‘bastion’ defence doctrine could lead Russia to try to occupy parts of northern Scandinavia in the event of a military conflict with the West (Mikkola 2019: 5). Indeed, Finnish officials interviewed seem to operate from the assumption that any military conflict in the Arctic would start with a clash between Russia and the West for non-Arctic related reasons.9

Finnish officials interviewed also see Russian behaviour as motivated by an interest in protecting Russian economic interests in the Arctic, for example its new LNG facilities on the Yamal Peninsula and Sakhalin Island. It is unclear from a Finnish perspective exactly who, short of an all-out general war with the West, the Russians would need to defend the plants against – being located unequivocally in Russian territory. Yet, this is attributed to Russian strategic thinking according to which a high value possession should always be considered a potential target.10 However, they also point to two key developments concerning the LNG part. Firstly, that the LNG trend, if successful, might form the basis for increased traffic along the NSR.11 And secondly, that even though the Chinese are involved in the LNG projects, Chinese-Russian friction over the legal status of the NSR could eventually develop, also given traditional Russian reluctance to have the Chinese too involved in the Arctic region. For the moment, however, the impression from Helsinki is that such potential friction is still subordinated by broader non-Arctic reasons for the Chinese–Russian alignment.12 A more plausible source of great power tension regarding the NSR,
however, is thought to come from the US potentially challenging Russian sovereignty over the sea route.\textsuperscript{13}

The Finnish interviewees are generally positive towards both increased US and NATO involvement in the Arctic as a balance to Russian military activities.\textsuperscript{14} However, they see the current US military involvement in the Arctic as half-hearted due to lack of investment in capabilities. The newly announced investments in new US icebreakers are welcomed in this regard but seen as a limited initiative, long overdue considering the age of the current US icebreaker fleet.\textsuperscript{15}

Compared to Russia, China is not considered a direct security threat by Finland in the Arctic or in general. Here, it should be noted that Finland among the Nordic countries has taken the most positive and proactive stance on China’s ‘Belt and Road Initiative’ (BRI) and specifically China’s ‘Polar Silk Road’ (e.g. Sørensen 2018b). For example, the Finnish information and communication technology (ICT) company CINIA joined forces with the Chinese ICT company Huawei in 2016 to develop ‘The Digital Silk Road’ connecting Europe to China via Finland and Russia and there is a group of Finnish business leaders working for an ‘Arctic Corridor’ railway connecting Finland to the ‘Polar Silk Road’ (CINIA 2016; Karijord 2017). There is overall growing cooperation between Finland and China, especially on communications and cable technology and icebreaker capabilities – China’s second icebreaker has been built with Finnish technology. This also comes in the context of a recent upgrading of bilateral diplomatic relations between the two countries (Chen 2019). However, that does not mean that the Finnish officials interviewed do not worry about Chinese influence in Finland, not least concerning critical infrastructure. Finland has yet to decide on 5G and the Chinese company Huawei is still in the running (as of September 2019).

\textbf{Strategy}

Though Finland’s foreign and security policy orientation has become markedly more pro-Western since the end of the Cold War, the Finnish strategy towards Russia has been consistently based on a combination of strength – or at least absence of weakness – and dialogue. In an interview with Bloomberg in June 2019, the Finnish President Sauli Niinisto said about Russia that ‘A Cossack takes everything that is loose. You have to be very clear and not let things become loose’ (Lake 2019). Following this strategy, Finland has intensified cooperation with NATO and claims to keep a 280,000-man army on 48-hour alert. Indeed, Finland has taken many active steps to strengthen its armed forces in recent years, e.g. through the purchase of German and Dutch tanks as well as various other heavy equipment from other European countries. Many of these purchases predate the Ukraine crisis. This has to
do with the fact that the Finnish armed forces have never abandoned territorial
defence, and the fact that Finnish defence planning has, for decades, been directed
almost solely at defending the country against attacks from Russia. Strength in
this regard is to be understood in terms of denial through hedgehog defence.

Finnish defence planning has, for decades, been directed almost solely at defending the country against attacks from Russia.

The dialogue component of the Finnish strategy towards Russia also dates back to
the Cold War. On the small scale, it is about finding various projects, often related to
protecting the environment, where Russia and Finland have shared interests. The
key take-away for the Finns in this regard has been to be both patient and persistent,
often starting at the expertise-sharing level before moving on to the political level.
Prominent examples of such an approach include cooperation on improving the
maritime environment in the Gulf of Helsinki, including a recently finalized project to
clean the wastewater of St. Petersburg.

On a grander scale, Finland has also nurtured its traditional role of bridge-builder
between East and West with a record of hosting several key international summits,
with the summit in Helsinki in 1975 leading to the Helsinki Final Act being the most
famous of these. The Finnish President Sauli Niinistö has recently tried to take this
tradition into Arctic politics by calling for an Arctic Summit, gathering the state
leaders of the eight members of the Arctic Council, to deal with a wide range of
challenging issues in the Arctic – climate change, and in particular the fight against
black carbon pollution, has been proposed as a key focus, but security issues have
also been on the agenda (Safety4Sea 2018). The Finns have worked to conduct the
summit during their 2017–2019 presidency of the Arctic Council, but without
success. The reason for this is that while the Finns have confidence that Canada,
Iceland, Denmark, Norway and Sweden would attend a summit if both Russia and
the US were on board, and while the Russians have been relatively open to the
summit idea, it has so far failed to gain sufficient traction with the US. The idea,
however, is still on the agenda of the Finnish president, and it might find a better
reception at a later point, should tensions between the West and Russia subside.
Furthermore, a new democratic president in the US could also improve chances for
success, both because of the controversial figure Trump cuts and because a
democratic president would likely be more positive than a republican one towards
the environmental aspects of the proposed summit.
A final issue emerging from the Finnish interviews is an emphasis on increased Nordic cooperation on Arctic issues. Here, Denmark is viewed as a potentially closer future partner on Arctic issues in the EU, especially when it comes to the Multiannual Financial Framework (MFF) negotiations in Brussels. Thus, Finland is seeking EU investment for various Arctic infrastructure projects such as the Helsinki–Tallinn tunnel project and the railway between Rovaniemi and Kirkenes. Along similar lines, one of the interviewees expresses support for Danish thoughts on the creation of an Arctic Investment Bank as mentioned in the government-commissioned Taksøe report on Danish foreign and security policy (Taksøe-Jensen 2016). Such initiatives could help counteract reliance on Chinese investment in Arctic infrastructure projects.

Finally, one interviewee points out that the Nordic countries are well positioned to think creatively about developing frameworks for cooperation in the Arctic, and that cooperative Arctic initiatives could be launched, for example, through the Nordic Council of Ministers.

**NORWAY**

**Assessment**

The Norwegian Arctic strategy of 2017 emphasizes that ‘In spite of times of instability in other places in the world, the Arctic is a region characterized by peace, stability and cooperation’ (Norwegian Ministries 2017: 15). Like for Finland, however, that does not mean the absence of challenges to Arctic stability. Furthermore, as one Norwegian official expresses it, low tension and stability are not necessarily the same thing, and the Arctic could remain stable with an increased military presence and even as tensions occasionally rise. As such, although the Arctic may have seen less military activity pre-Ukraine as compared to today, it is not that the Arctic was previously demilitarized. In fact, the level of military undertakings today is still considerably lower than it was during the Cold War. However, that said, recent developments in Russian military activities in the Arctic are seen as troubling. The recent Russian exercise ‘Ocean Shield’ was bigger than anything the Norwegians have seen near their territory since the end of the Cold War (Navy Recognition 2019). Nevertheless, it simultaneously revealed that Russian capabilities still fall short of the previous Soviet capabilities in the Arctic.

Regarding the Norwegian assessment of Russian intentions, as in Finland the situation is regarded as complicated. On the one hand, the Norwegian interviewees do not tend to consider Russia a revisionist power in the Arctic, and they lean towards...
seeing Russian military activities in the region as directed not against Norway directly, but rather as against NATO and the US. Furthermore, they recognize that Russia has legitimate key interests in the region, and they see reasons for Russia’s current feeling of strategic encirclement. They also note that Russia generally adheres to the rules in the Arctic, and that the Russians are generally relatively predictable in the caretaking of their key interests in the Arctic, including oil and gas interests. On the other hand, however, they also stress that the Russian ‘bastion’ defence strategy for the event of a military conflict with NATO could require Russia to take control of parts of Northern Norway. Add to this that the Russians have often acted in various disconcerting ways in the Arctic, such as when they have engaged in what one official characterizes as ‘childish’ behaviour in the form of symbolic stunts in the Arctic, e.g. when they planted a flag at the bottom of the Arctic Ocean in 2007, or when they exploited a loophole in the Svalbard Treaty to have the then Deputy Prime Minister Dmitry Rogozin circumvent EU and Norwegian sanctions and visit Svalbard in 2015 (Parfitt 2007; Nilsen 2015).

Several Norwegian officials also stressed that NATO engagement should be restrained, and that it should respect the tacit Norwegian strategy of keeping the area closest to the Norwegian–Russian border free from NATO exercises.

In general, US Secretary of State Pompeo’s May 2019 speech is welcomed by the Norwegian interviewees as a signal of increased US interest in the Arctic. The US stance on Russia is more positively received than the American position towards China, which the Norwegian interviewees do not see as a military threat in the Arctic. Along similar lines, the Norwegians also see increased NATO involvement in the Arctic in a positive light, not least because such involvement could serve to make NATO more aware of and more capable in the handling of Arctic circumstances (Norwegian Ministries 2017: 20). However, several Norwegian officials also stressed that NATO engagement should be restrained, and that it should respect the tacit Norwegian strategy of keeping the area closest to the Norwegian–Russian border free from NATO exercises (cf. the Norwegian strategy section below). NATO’s 2018 Trident Juncture exercise, which took place well south of the Norwegian–Russian border, is regarded as an exercise where these conflicting goals were well balanced.

Regarding China in the Arctic, Norway follows the situation closely. Norwegian officials take note of the US perspective on rising Chinese engagement in the Arctic but note that Chinese engagement in the Norwegian part of the Arctic has yet to take
the form of any major economic investment. Moreover, Norwegian officials do not use the concept ‘near-Arctic’ state.\textsuperscript{36} In this connection, it is worth noting how specifically a strong potential for cooperation between Norway and China on polar issues was mentioned in the four-point joint statement that opened for resuming normal diplomatic relations between the two countries in December 2016. This followed six years of severed relations as a result of the awarding of the 2010 Nobel Peace Prize to the Chinese political activist Liu Xiaobo (China–Norway Joint Statement 2016; Sørensen 2018b). Dialogue and cooperation on Arctic affairs has since been a priority – in general, Norway has made huge efforts since re-establishing diplomatic relations to stabilize Norway’s cooperation with China and catch up on economic and commercial issues in particular, even seeking to negotiate a free trade agreement with China (e.g. Sverdrup-Thygeson 2016: 45). However, according to one Norwegian official, following this period of a relatively cautious Norwegian stance towards China as a consequence of the Liu Xiaobo Nobel Peace Prize, presently a more critical approach to China is gradually developing in Oslo.\textsuperscript{37} As in Finland, it is the potential Chinese investments in Norwegian infrastructure, most notably 5G, which raise some concerns. While Norway has yet to choose whether or not to go with Huawei (as of September 2019), the company’s efforts might have been hurt by recent bad press related to a Chinese law requiring Chinese companies to ‘support and cooperate in national intelligence work’ (McGregor 2019).\textsuperscript{38}

**Strategy**

Norway’s policy towards Russia in the North, like Finland’s, has its roots in Cold War times. Norway has a long tradition of combining dialogue and restraint towards Russia with taking a principled stand on key areas of importance. In practice that has meant promoting local cooperation across the border from Finnmark, and this has been reflected in the Norwegian approach of avoiding NATO exercises going too far east, too close to the Russian border or too close to Svalbard due to the special international status of the island.\textsuperscript{39} However, it has also meant insisting on the right for Norwegian troops to do exercises in all Norwegian territory thereby demonstrating to the Russians a Norwegian readiness to oppose and disagree with Russia.\textsuperscript{40} The Norwegian interviewees also point to several key advantages of taking responsibility for the monitoring of the border with Russia themselves as compared having to rely on allied help. This is pointed out as benefitting Norway, since the Russians not only tend to be less alarmed by Norwegian defence and intelligence activities as compared to the activities of larger NATO countries, but also because it helps ensure Norway a seat at the table in times of growing tensions with Russia in the North. Finally, it also allows Norway to keep control of the Norwegian–Russian border region in order to maintain low tension.\textsuperscript{41} This is attributed considerable importance,
not least because of the view that Norwegian authorities hold important local knowledge of the complex Norwegian–Russian border relationship, which NATO officials might not be immediately aware of. Finally, another important aspect of this Norwegian approach to Russia is the strategy of keeping Russia informed in order to avoid misunderstandings and unintended escalation of tension. Norway, for example, made sure to keep Russia informed about the NATO 2018 Trident Juncture exercise beforehand. This is part of a broader Norwegian strategy of ‘being predictable’ and ‘not unnecessarily provocative’ vis-à-vis the Russians.

Norwegian authorities hold important local knowledge of the complex Norwegian–Russian border relationship, which NATO officials might not be immediately aware of.

The Norwegians have generally found support for such an approach to Russia from the US and have been happy to welcome more US involvement, especially multilaterally though NATO. Indeed, US involvement is viewed as critical – as one Norwegian official remarks, initiatives such as Nordic defence cooperation are great, but will not deter Russia. Therefore, managing the pushes and pulls from the US great power ally is also a key priority in the Norwegian strategy. Crucial for Norway here is, as one official puts it, to avoid coming under the pressure of a big push from the US on Norway and trying to shape American policies and activities in areas of importance to Norway through ongoing consultations and cooperation. And in that regard, there might be potential for increased Nordic collaboration, but primarily in the form of information exchange and coordination over handling US and NATO interests in the North.

Finally, in its strategic approach to China, Norway is, at the moment, adopting a cautious line. As one Norwegian official remarked, it is not possible to deny Chinese ships access to the Arctic anyway, and therefore Norway would rather wait with a confrontation with China until absolutely necessary, also because the fear is that premature counter-acts would only benefit China in diplomatic terms. That is, efforts to go against China in the Arctic should be reserved for the event of any eruption of a concrete crisis with the Chinese. For the same reason, the view of possible future Chinese–Russian military cooperation in the Arctic is regarded with a wait and see approach.
ICELAND

Assessment

’Safeguarding broadly defined security interests in the Arctic region through civilian means and working against any kind of militarization of the Arctic’ – this is one of the key principles listed in Iceland’s Arctic policy of 2011, where securing Iceland’s position as a coastal state within the Arctic region and strengthening the Arctic Council as the most important forum on Arctic issues are also listed as important priorities (Althingi 2011). In Iceland, there is general acknowledgement that recent geopolitical developments in the Arctic have again confirmed ‘Iceland’s strategic importance for Western countries joint defences’. The current coalition government, led since November 2017 by the Prime Minister Katrín Jakobsdóttir of the Left-Green Movement, however, faces some difficulties dealing with it, largely due to internal disagreements. The Left-Green Movement is strongly anti-militarist and even opposes Iceland’s NATO membership. The other parties in the coalition government – the centrist Progressives and the right-wing Independence Party – are by contrast strong supporters of NATO membership. As these issues hold the potential to split the government, developments in Arctic geopolitics and Icelandic defence are side-stepped in Icelandic politics.

There are mixed and ambivalent Icelandic assessments of such an American ‘return’ to Iceland, partly due to a still high degree of Icelandic disappointment and resentment following the perceived US ‘desertions’ of Iceland in 2006 and 2008.

During the Cold War, the US military base at Keflavik was home to large numbers of US forces, sometimes as many as 5,000 personnel. In 2006, the US military base at Keflavik closed down without prior consultation, causing anger and frustration in Iceland, which was further fuelled by the US refusal to provide Iceland with a rescue package following the 2008 economic crash (Thorhallsson 2018: 61–62). In the most recent three years, the US has gradually returned to their military base at Keflavik (e.g. Ingimundarson 2018). Since 2016, American P-8 Poseidon aircraft, specially equipped to trace Russian submarines, have visited Keflavik more frequently. Furthermore, the airfields and buildings at the military base are being updated or rebuilt and new buildings are being constructed, also creating more economic activity and development in the local area. At end-September 2019, the US Navy had one cruiser and three destroyers operating in the waters surrounding Iceland as part of a temporary expeditionary mission coordinated from a temporary
Maritime Operations Center (MOC) in Keflavik (e.g. Humpert 2019). The US forces in Iceland are said to be ‘on rotation’, but as one Icelandic scholar rhetorically put it, how can it be called rotation, given that the US has been more or less consistently present at the military base at Keflavik for all of the last three years? However, as one Icelandic official points out, a formal reopening of the US military base at Keflavik making it a permanent US military base would be highly politically sensitive and a formal US request would be very difficult for the coalition government to handle.

In recent months Reykjavik has seen several visits by high-level US officials, e.g. Secretary of State Pompeo and Vice President Pence. This is a big change – since the US closed down the military base at Keflavik in 2006, Iceland has not seen many such visits – so the recent visits are taken, in Iceland, as a clear indication that the US is giving increasing priority to Iceland and to ensuring access to Iceland for American forces. As indicated above, there are mixed and ambivalent Icelandic assessments of such an American ‘return’ to Iceland, partly due to a still high degree of Icelandic disappointment and resentment following the perceived US ‘desertions’ of Iceland in 2006 and 2008.

Vice President Pence meets Icelandic Prime Minister Jakobsdóttir in early September 2019.
The high-level American visitors are promoting stronger economic engagement with Iceland and American investments in the island. During US Secretary of State Pompeo’s visit to Iceland in mid-February 2019, the US and Iceland agreed to set up formal economic channels to boost trade and business investments (Wroughton 2019). Since 2014 Iceland has had a free trade agreement with China, which likely plays into the new US approach. One Icelandic official points out that seen from Iceland, the wake-up call for the US in the Arctic has been China, and the US currently has a strong focus on countering what they see as a Chinese diplomatic and economic offensive in Iceland.55

Russia is not assessed to be a security threat in Iceland, but there are concerns about the implications of Russian actions, in Crimea for example, for international legal regimes.

Generally, the Icelandic government has a positive assessment of China and especially seeks to strengthen economic relations with China. When Iceland entered into the above-mentioned free trade agreement with China in 2014 it was the first European state to do so (Thorhallsson 2018: 75). There is a strong and active Chinese diplomatic presence in Iceland, with many visiting Chinese delegations, particularly focused on establishing research cooperation and networks. China has also recently opened the Aurora observatory in Iceland. However, there is generally very little information and discussion in Iceland on what the Chinese are doing there.56 As such, general concerns are gradually developing in Reykjavik regarding Chinese interests in Iceland, for example on how to ensure transparency regarding which Chinese actors are investing etc. On the other hand, there are also worries that the US is exaggerating ‘the China threat’.57 Furthermore, in the local communities in Iceland, there are strong interests in attracting Chinese investments and activities that create jobs and benefit the local economy. Hence there are some centre–local tensions regarding a potential stronger Chinese economic presence in Iceland, and there are problems around how to coordinate and control investments.58 Potential Chinese involvement in the development of the Finnafjord deep water port is mentioned as one of the more controversial projects – some envision it developing into a transit hub for traffic entering and exiting Russia’s NSR, benefitting the local community, whereas others point out that it is not worth going ahead with, as it risks causing a row with the US, especially since it is located close to a NATO radar station.59

Iceland has always given priority to Russia and currently has good bilateral relations, especially in working closely together with Russia in the Arctic Council (Thorhallsson...
Regarding the Russian military buildup in the Arctic of recent years, an Icelandic official acknowledges that there have been more Russian military activities in recent years, and emphasizes that Iceland supports Western sanctions against Russia. However, there is also a strong Icelandic wish to continue to strongly engage with Russia diplomatically and economically. As recently stated by the Icelandic Foreign Minister Gudlaugur Thor Thordarson, ‘Since I arrived in the Ministry for Foreign Affairs, and probably before that time as well, we’ve been hard at work to increase trade between Iceland and Russia’ (Ástvaldsson 2019). Russia is not assessed to be a security threat in Iceland, but there are concerns about the implications of Russian actions, in Crimea for example, for international legal regimes crucially important to small states such as Iceland (Icelandic Ministry for Foreign Affairs 2016).

**Strategy**

Developments in Arctic geopolitics and Icelandic defence are difficult to handle for the Icelandic coalition government. For domestic political – even intra-party – reasons, there are incentives to not be too vocal and positive towards the US coming back to the military base in Keflavik. On the other hand, there is a need to be realistic and pragmatic – Iceland does not have its own military, so it relies on the US and NATO and therefore is not in a strong position to present its own demands or generally to influence security and military developments. The Icelandic coalition government therefore seeks a balance between not coming out as too supportive of the American ‘return’ to the Arctic and to Iceland and also not displaying Iceland’s vulnerabilities. Furthermore, the Prime Minister Katrín Jakobsdóttir seeks to avoid in any way supporting the analysis that a militarization of the Arctic is taking place, and focuses instead on promoting cooperation and dialogue among the Arctic states. This is also the focus of the current Arctic Council chairmanship (2019–2021) that Iceland holds, where Iceland, with sustainable development as an overarching theme, seeks to highlight four priorities, namely: the Arctic Marine Environment, Climate and Green Energy Solutions, People and Communities of the Arctic, and a Stronger Arctic Council (Government of Iceland 2019). The particular and complicated domestic political situation is mentioned by one interviewee as a reason why Icelandic politicians and officials focus on promoting Icelandic values and priorities, such as for example women’s empowerment and free trade, and then seek to pragmatically adjust to the changing geopolitical situation in the Arctic and especially to the changing demands and expectations of Iceland’s main ally, the US.

However, in 2016 the Icelandic parliament approved, for the first time, a national security policy emphasizing Iceland’s environmental and security interests in the Arctic and highlighting Iceland’s NATO membership and the 1951 Bilateral Defence
Agreement with the US as the pillars of Iceland’s security and defence (Government of Iceland 2016; Althingi 2016). The 2016 National Security Policy further paved the way for the establishment of Iceland’s National Security Council. There are other signs of how developments in Arctic geopolitics are increasingly playing a bigger role in Icelandic politics and of a more proactive Icelandic approach, for example the 37% increase in the Icelandic defence budget in April 2019, which is described as ‘having to do with growing commitments that Iceland has taken on within NATO and the increasing temporary presence of NATO forces at Keflavík airport due to worsening security conditions in Europe, including in the North Atlantic’ (Ćirić 2019). That is, there are signs of Reykjavík gradually strengthening its capacity on security and military matters. But this is done from a low starting point and in a low profile way, while also continuously promoting cooperation among the Arctic states and a strong Arctic Council. Iceland does not support broadening the scope of the Arctic Council to also include security and military issues. Even though the Icelandic interviewees see a need for a mechanism or institutional framework in which to discuss security and military issues, they see no benefit in changing the Arctic Council. Their point is that the Arctic Council functions well and Russia participates in the Arctic Council. All eight Arctic states have a dialogue with Russian counterparts in the Arctic Council, and it is very important for Iceland that all must be done to maintain that. Generally, the Icelandic view is that the other Arctic states need to work with Russia and have as many different frames of dialogue with Russia as possible. Additionally, the need for Iceland to work with Russia is going to be especially great in the coming years, as Russia takes over the Arctic Council chairmanship in two years’ time. It is further highlighted how Iceland – being a small state and a former colony – takes an inclusive position, always also seeking to strengthen multilateral institutions and legal frameworks.

A particular concern raised is that Iceland does not have a strong intelligence base and does not want to rely solely on the US, for example to acquire intelligence on different Chinese actors seeking to invest in Iceland or to start other activities.

One issue raised by the Icelandic interviewees is the need for more Nordic collaboration on Arctic politics and security, especially with a focus on sharing of capacities and intelligence. A particular concern raised is that Iceland does not have a strong intelligence base and does not want to rely solely on the US for example to acquire intelligence on different Chinese actors seeking to invest in Iceland or to start other activities. This relates to an Icelandic concern that the US is
exaggerating ‘the China threat’ mentioned above. It is a general concern among the Icelandic interviewees that Iceland has few people with strong knowledge and experience in security and military matters. In relation to the call for more Nordic collaboration, it is emphasized how Iceland these years is seeking to build more cooperation and coordination with Greenland and the Faroe Islands.

COMPARING THE NORDIC ASSESSMENTS AND STRATEGIES

None of the three Nordic countries assess military crisis in the Arctic to be likely, but they all point to rising tensions. However, both Finnish and Norwegian interviewees stress that stability on the one hand and increased military activities and even tensions on the other, are not mutually exclusive. Interviewees from both Finland and Norway share the view that Russia may not exactly be a revisionist power in the Arctic, but given the role of the Russian military forces stationed in the High North as a strategic deterrent and as a staging ground for Russian incursions on NATO supply lines over the North Atlantic, the region is not considered to be detached from the overall Western–Russian tension either. Furthermore, of special concern to Finland and Norway, the Russian ‘bastion’ defence strategy could entail a Russian occupation of the northernmost part of the Scandinavian Peninsula. On that background, the mood in Helsinki is positive towards increased NATO and US involvement in the Arctic, while Norway is moderately positive, as long as activities in its border region with Russia are avoided. Iceland, conversely, has a more detached approach seeking to pragmatically adjust to the changing geopolitical context in the Arctic and especially to the changing demands and expectations of Iceland’s main ally, the US. The focus is rather on promoting Icelandic values and priorities such as women’s empowerment and free trade – the latter also in relation to Russia to the extent that Western sanctions allow.

None of the interviewees in the three Nordic countries see China as a military threat that in any way approaches the level of concern expressed by the US. Finland and Norway do seem more concerned about Chinese investments and involvement – especially in 5G networks – than does Iceland, which has long prioritized establishing strong, especially economic, relations with China. Even in Iceland, however, unease is growing over how to assess and deal with the stronger Chinese diplomacy, including ‘science diplomacy’, and economic presence in Iceland.

In terms of strategies regarded as successful, both Finland and Norway stress good experiences with their approach to Russia based on both assertiveness/strength and dialogue/self-restraint. For Finland, the perceived need for strength is tied to its
non-alignment position and being on its own vis-à-vis Russia. For Norway, it is about staying relevant through possession of key capabilities in times of growing tension with Russia in the North, and about maintaining control in the Norwegian–Russian border region at times of military crisis, also ensuring that important local knowledge of the complex Norwegian–Russian border relationship as well as Norwegian national priorities and interests are kept at the centre of early decision-making. Compared to these two positions, Iceland is much more cautious – Iceland does not have its own military and relies on the US and NATO without much own capability of any kind to counter or go against US demands and expectations. On the one hand Reykjavik is keen to get the US forces back to Iceland, but on the other hand, Reykjavik is also concerned about the volume and intensity with which the US returns and about the implications of a strong US presence in Iceland for Iceland’s relations with other countries, in particular Russia and China, with whom Iceland works hard to maintain good relations. The unpredictability surrounding the Trump administration also adds to the Icelandic uncertainty and fear of again being used and then abandoned by the US.

Furthermore, regarding dialogue with Russia, the lesson from the Finns is to identify and focus on common interests and persistently and patiently push for progress. Similarly, the Norwegians prioritize being predictable towards the Russians, while keeping tensions along the Norwegian–Russian border region low. The Icelandic view is more one-sided, highlighting that the other Arctic states should seek as many dialogues with Russia as possible. Icelandic opinions also to a higher degree continuously stress the promotion of anti-militarism and ‘Arctic exceptionalism’ with a strong Arctic Council at its centre.

The Finnish idea of launching an Arctic Summit to deal with security among other issues is in keeping with their tradition for hosting such events. Here the take-away is less about emulation and more about deciding whether or not to support the Finnish initiative.

Finally, with regard to Nordic cooperation in the region, the Finns see particular potential in strengthening Nordic collaboration to attract EU investment in various Arctic infrastructure projects also as a means to counteract reliance on Chinese investments. The Norwegians do not see Nordic defence cooperation as the solution to their security concerns with Russia – only the US alliance and NATO matter here – but they do see potential for Nordic cooperation in dealing with the US and ensuring that Nordic priorities and interests are heard. Finally, the Icelanders are very keen to strengthen Nordic collaboration on Arctic politics and security, especially with a focus on sharing of capacities and intelligence cooperation.
CONCLUSION AND POINTS FOR CONSIDERATION BY THE KINGDOM OF DENMARK

Whether the Nordic countries like it or not, the Arctic is changing – security and military matters do not exist in a vacuum, and it is becoming increasingly difficult to keep the Arctic isolated from the wider, intensifying ’great power competition’, also underlined as the departure point for the June 2019 updated Arctic strategy of the US Department of Defense. In security and military terms, neither the US nor Russia see the region as isolated and exceptional, and the whole idea of ‘Arctic exceptionalism’ – i.e. the Arctic as a low-tension region where the great powers, despite conflicts in other regions, continue to cooperate and refrain from political and military coercion to get their way – is increasingly under pressure. Even though is it still not at the level of the Cold War, the Arctic states are increasingly militarizing the region, and the growing level of mistrust and animosity puts the multilateral Arctic institutions and mechanisms under stress.

On the background of this analysis of Finland, Norway and Iceland’s assessments and strategies towards the intensifying great power politics in the Arctic, this report identifies four main insights from which six points for consideration by the Kingdom of Denmark are derived.

The first insight is that while Helsinki, Oslo and Reykjavik certainly hold growing concerns for current security and military developments in the Arctic – much more concentrated around Russia than China – they nevertheless still regard military crisis in the Arctic as relatively unlikely, emphasizing that the region has always been militarized and that this does not necessarily prevent regional stability and cooperation. A key point in this regard is the view that maintaining regional stability and cooperation is still possible even when tensions and military activities intensify.
The **second insight** is that Finland and Norway in particular report good experiences with a two-pronged approach to Russia, building on both strength and dialogue. A key point, regarding strength, is that even for NATO members covered by the US security guarantee, developing sufficient capabilities to be able to handle the early phases of a military crisis with Russia is valuable, as it grants a higher degree of national control. That is, it extends the window of national control before having to turn it over to the US and NATO, allowing both for greater safeguards of national priorities and interests and for opportunities to use local expertise and contacts to resolve military crises before they escalate. A key point, regarding dialogue, is that low-key and long-term cooperation with Russia at the local level pays dividends over time. For Finland and Norway, there is no alternative to dialogue and engagement with Russia. In this regard, the Finnish idea about an Arctic Summit for the state leaders of the eight members of the Arctic Council, dealing with climate change, but also potentially with security issues, is worth considering.

The **third insight** is that the Nordic countries come out in support of stronger cooperation on securing alternative venues of investments and funding for the Arctic, specifically for Arctic infrastructure projects. For the Nordic EU countries, MFF negotiations in Brussels would be an obvious place to start, but Danish ideas about ensuring alternative funding options through the establishment of an Arctic Investment Bank or Fund could also be further explored.

The **fourth insight** is that Nordic cooperation on Arctic politics and security, already significant, could be increased further – it is looked positively upon in Finland, Norway and Iceland even though there are different expectations and focus points. In particular, stronger Nordic collaboration concerning information exchange and sharing of capacities and intelligence, for example on different Chinese and Russian actors seeking to invest or to start other activities, but also potentially on US approaches and activities in the region, would be positively received. Finland, Norway and Iceland are generally positive toward a stronger US presence in the Arctic, but they are also all concerned about their ability to influence it, and about whether they can safeguard their own national priorities and interests if the US and NATO increasingly start setting the agenda in the Arctic.
Points for consideration by the Kingdom of Denmark

1. In order to maintain regional stability and cooperation even though tension and military activities are increasing in the Arctic, the Kingdom of Denmark – preferably in close coordination with the other Nordic countries – should work for transparency and predictability when developing new capabilities and conducting military exercises in the region and for the establishment of Arctic-specific military confidence-building measures (CBMs).

2. In order to maintain, control and handle the early phases of a military crisis while also ensuring national priorities and interests, the Kingdom of Denmark should prioritize developing sufficient Arctic capabilities so as to not, at the outset, depend too much on US and NATO involvement.

3. Related to the above, the Kingdom of Denmark should aim to define guidelines for when and where to have US and NATO military activities, also including which kinds of activities – that is, the Kingdom of Denmark should take a more proactive approach aiming to influence the evolving military presence and activities of the US and NATO on the territory of the Kingdom of Denmark.

4. Even though there is no broad support for expanding the Arctic Council to include discussions on security and military matters, there is general agreement about the need for a new dedicated forum or mechanism. Here the Kingdom of Denmark – successful with the Ilulissat Declaration in 2008 – could proactively contribute to efforts underway in e.g. Finland (cf. the Finnish proposal of an Arctic Summit).

5. The Kingdom of Denmark should further explore the ideas of ensuring alternative funding options for Arctic development, e.g. Arctic infrastructure projects, through the establishment of an Arctic Investment Bank or Fund and should work with the Nordic EU countries to secure EU funding.

6. With the reopening of the US military base in Keflavik, Iceland and Denmark once again share the challenge of managing a US military presence in turbulent times, making Icelandic–Danish information exchanges and policy coordination particularly relevant. The US is the most important ally of both Iceland and Denmark, but it is an unpredictable one with a history of not being overly sensitive to national – and local – priorities and the interests of the host countries. The Kingdom of Denmark could explore possibilities for stronger Nordic collaboration concerning information exchange and sharing of capacities and intelligence activities of all three great powers.
NOTES

1 The interviews were conducted in September 2019.
2 For the scholarly debate and literature on small states, see e.g. Wivel, Bailes & Archer (2014).
3 This follows from the overall frame for US security policy reflected in the National Security Strategy of December 2017 (White House 2017).
4 Interview Finnish Official 1.
5 Interview Finnish Official 1.
6 Interview Finnish Official 2.
7 Interview Finnish Official 3.
8 Interview Finnish Official 1.
9 Interview Finnish Official 1; Interview Finnish Official 2.
10 Interview Finnish Official 3.
11 Interview Finnish Official 3.
12 Interview Finnish Official 1.
13 Interview Finnish Official 1.
14 Interview Finnish Official 3; Interview Finnish Official 2.
15 Interview Finnish Official 3; Interview Finnish Official 1.
16 Interview Finnish Official 2.
17 Interview Finnish Official 3.
18 Interview Finnish Official 3.
19 Interview Finnish Official 3; Interview Finnish Official 1.
20 Interview Finnish Official 3.
21 Interview Finnish Official 1.
22 Interview Finnish Official 1.
23 Interview Finnish Official 1; In 2018, a report by research company Oxford Research, commissioned by the Danish government, published recommendations regarding financing in the Arctic, including on the prospects for an Arctic Investment Bank – the report is favourably inclined towards the idea (Oxford Research 2018).
24 Interview Finnish Official 1.
25 Interview Finnish Official 1.
26 Interview Norwegian Official 2.
27 Interview Norwegian Official 2; Interview Norwegian Official 1.
28 Interview Norwegian Official 2.
29 Interview Norwegian Official 1.
31 Interview Norwegian Official 2.
32 Interview Norwegian Official 1.
Interview Norwegian Official 1; Interview Norwegian Official 2.

Interview Norwegian Official 1; Interview Norwegian Official 2; Interview Norwegian Official 3.

Interview Norwegian Official 1.

Interview Norwegian Official 4; Interview Norwegian Official 1.

Interview Norwegian Official 1; See also Jakobsen & Lee (2013: 15–16) for more details on the awarding of the Nobel Peace Prize to Liu Xiaobo.

Interview Norwegian Official 1.

See Pedersen (2009) for an extensive analysis of Svalbard in a Norwegian foreign and security policy context.

Interview Norwegian Official 1; Interview Norwegian Official 2.

Interview Norwegian Official 1; Interview Norwegian Official 2; Interview Norwegian Official 3.

Interview Norwegian Official 1; Interview Norwegian Official 3.

Interview Norwegian Official 1.

Interview Norwegian Official 1; Interview Norwegian Official 2.

Interview Norwegian Official 1.

Interview Norwegian Official 1.

Interview Norwegian Official 2.

Interview Norwegian Official 2.

Interview Norwegian Official 2.

Interview Norwegian Official 1.

Interview Icelandic Official 1.

Interview Icelandic Official 1. According to a declassified 2020 fiscal budget report from the US Department of Defense, the US military plans to spend some 57 million USD on the Keflavik military base (DoD, 2019c).

Interview Icelandic scholar 1. See also Ingimundarson (2018).

Interview Icelandic Official 1.

Interview Icelandic Official 1.

Interview Icelandic Official 1.

Interview Icelandic scholar 2.

Interview Icelandic Official 1.

Interview Icelandic scholar 2. Cf. also Pelaudeix (2018: 2).

Interview Icelandic Official 1.

Interview Icelandic Official 1.


Interview Icelandic Official 1. Interview Icelandic Scholar 2.

Interview Icelandic Official 1. Interview Icelandic Scholar 2.

Interview Icelandic Official 1.


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