ICELAND:
COOPERATION OPPORTUNITIES IN ARCTIC

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### List of abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>AC</td>
<td>Arctic Council</td>
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<td>EEA</td>
<td>European Economic Area</td>
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<td>EFTA</td>
<td>European Free Trade Association</td>
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<td>EEZ</td>
<td>Exclusive Economic Zone</td>
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<td>GDP</td>
<td>Gross Domestic product</td>
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<td>GNI</td>
<td>Gross National income</td>
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<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
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<td>NATO</td>
<td>North Atlantic Treaty Organization</td>
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<td>R&amp;D</td>
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Abstract

The present report is prepared by the students of the course “A Changing Arctic”, who have backgrounds in international relations and geology. The paper is supposed to be presented at the city council of Reykjavik, and it is aimed to answer the research question: “How Iceland should cooperate in order to improve its positions in Arctic?” The report is organized around cooperation opportunities of this republic in the region; in parallel, it contains an overview of key facts of its present situation and suggestions on how cooperation can improve it.

1. Introduction

In order to understand the importance of cooperation in Arctic, we need to answer four following introductory questions:

Why cooperation is vital for Iceland’s development? Iceland is a small country with population of around 340 thousands people, 2 the surface of its land area is a little bit more than 100 thousand km2, 3 and its economy with GDP of 16,7 billion USD is the smallest one among OECD members. 4 Due to small population and territory, Iceland cannot be a self-sufficient country and heavily depends on trade and imports (primarily of industrial supplies and consumer goods) 5 in order to ensure proper national development and maintain high-consumption level of its population (with GNI per capita in 60,830 USD, it is in the 7th place worldwide with regard to that indicator). 6 Cooperation opens wide opportunities for this small island nation in trade, attraction of tourists, R&D, infrastructure development, etc. – all the spheres that it cannot develop unilaterally, herewith, it is vital for Iceland to cooperate.

Why it is important for Iceland to cooperate in Arctic? Even if Iceland is a developed economy, due to its geographic isolation and extremely small population, it is still has not emerged as a significant actor of international politics. It is not in the front pages of newspapers and it is rare to hear about this republic in world news. We suppose, one of the potential reasons of this disappointing reality is that its main arena, in which it can reach its full potential is still not clearly determined. Arctic can become a solution for Iceland in this context. Thus, even if Arctic is a big region, its number of players is

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1Introductory questions are supposed to prove the necessity of Iceland’s cooperation in the region; they are not the research questions of the paper. The research question is determined further.
limited and includes mainly the “Arctic Eight” (i.e. Canada, Denmark, Finland, Iceland, Norway, Russia, Sweden, and the USA). Limited number of players gives Iceland guarantees that its voice will be heard, and a place for maneuver in order to enhance and keep its positions in the region.

What are the conditions of cooperation in Arctic? Arctic has a developed legal framework of cooperation, to which its main actors are committed and do not see a need for its dramatic modifications. This framework is based on the UNCLOS Convention, Polar Code, bilateral agreements as well as international commitments of the “Arctic Eight”. In the nearest future, the region is most probably will remain being one of the “untroubled parts of the world”. It does not mean that there are no disputes among states. There are disputes, but Arctic countries are open for dialogue and negotiation and there is no discernible reason to expect an open conflict in the region. Sovereignty and sovereign rights of Arctic states are the fundament of cooperation in the region, and sovereign states are its key players. At the same time, there is no a determined state-leader in Arctic, and as all its state-players prioritize their sovereignty, there is no a supranational authority that can impose compliance with common rules and manage governance in the region. The only organization that hypothetically can play such a role is Arctic Council (AC), but its format is too weak for carrying this responsibility because AC is only an inter-governmental forum of high-level officials of its member-states and observers of the Council, it is a “soft-law” institution and its decisions are not legally binding for participating counties.

In which spheres cooperation in Arctic is mainly demanded? Primarily, in general terms, if Iceland wants to increase significance of its politics in the region, it should pay a comprehensive attention to cooperation in Arctic, which in our opinion, could be achieved only if Reykjavik uses all its accessible instruments of influence in regional and national levels. In the regional level, it should use bilateral and multilateral instruments for improving its positions, while in the national level, it should promote among its citizens an idea that Arctic is vital for Icelanders. This comprehensive approach to political advancement we understand as a socio-political dimension of cooperation. For understanding the specific terms of cooperation, we decided to determine the drivers of Iceland’s economy because we suppose that the most rational way to improve positions of the country in Arctic is to simply expand its national achievements within the region, and compete in those spheres, in which the state is already highly developed. Thus, among the leading sources of export revenues of

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Iceland’s economy are fishing industry (i.e. use of sea living resources), and tourism services. Besides that, the country is well known in the world for its green economy, as 90% of the energy it produces comes from renewable resources. We find that these spheres of Iceland’s economic drivers (i.e. fishing, tourism, and green energy) can be used as specific areas for promoting country’s positions in Arctic. As we find that the energy sector is the most promising one for cooperation of Iceland in Arctic we will focus on this issue within the industrial (energy) dimension; while tourism as it belongs to services sector, can be studied under a tourism dimension of cooperation.

Understanding of the framework of these four introductory questions are reflected in the explanatory research question of the present paper: “How Iceland should cooperate in order to improve its positions in Arctic?”

2. Methodological and theoretical framework

As the paper deals with cooperation phenomena, in theoretical terms, it is constructed in a neoliberal perspective. Within this perception, cooperation conditions of the region analyzed in the introductory part, indicate that states in Arctic cooperate under anarchy. According to neoliberal theories, anarchy is an international system, which main characteristics are “lack of common government”, absence of a hegemon, an only state, that has enough power to “make and enforce the rules” of cooperation.

In order to create a theoretical body of the present paper, we decided to use key concepts of those authors, who theorize cooperation under anarchy, and for this particular report, we applied statements by R.Keohane, K.Oye, R.Axelrod and other authors, who explain relations among countries under anarchy.

Thus, cooperation under anarchy is possible, and commonly, its rules are negotiated. The most problematic aspect of cooperation under anarchy (as there is no enforcement body) is uncertainty in partners’ compliance with norms agreed through negotiations. In order to alleviate this negative effect, states should create a

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12 Among the drivers of Iceland’s economy there is also the aluminium industry, but as it is not directly related to Arctic, we did not cover it in this report.
14 Ibid, p. 18.
system of “complex interdependence” among them. It means that countries should be linked to each other and interdependent not in one sphere, but in many spheres, establishing herewith a complex of various links and interconnections, which makes any betray in one sphere unprofitable and disadvantageous because this betray may cause losses in other interdependent fields. Complex interdependence can be achieved via bilateral and multilateral (i.e. via international organizations) channels.\textsuperscript{21} For this phenomena, “domestic-international linkages” are found common. They occur when external politics of a state have direct effect on its internal politics; or when politicians use processes in international arena as instruments to promote their political preferences in internal domestic level.\textsuperscript{22}

Another way to increase credibility of cooperation is to develop it under “shadow of the future”,\textsuperscript{23} which makes it more credible and stable because countries become more reliable with those partners, with whom they know that they will cooperate for long time in the future.\textsuperscript{24} In other words, shadow of the future means confidence in continuous partnership, when developing relations states are guided by long-term cooperation.

These theoretical statements will be applied at the main body of the paper. As it is understandable from the introduction, three dimensions of cooperation in Arctic will be studied – socio-political, industrial and tourism.

For socio-political dimension, such terms as complex interdependence achieved through bilateral and multilateral ways and domestic-international linkages will be applied. Besides that, as the dimension deals with society, constructivist assumptions on citizens’ identities will be also analyzed. For this sphere, it is particularly important to study identities because if to believe to constructivists identities influence national priorities as well as cooperation-related decisions.\textsuperscript{25}

For industrial dimension, shadow of the future concept will be applied. In this part, we will describe how green energy can become a driver of Icelandic future development.

In tourism dimension, shadow of the future concept will be applied. In our opinion, tourist “shadow of the future” of Iceland consists of the importance of tourism for Iceland, the uniqueness of Icelandic landscape, its challenges, sustainable approach


\textsuperscript{25} K. Keil, “The Arctic: A new region of conflict? The case of oil and gas”, \textit{op.cit.}, p. 162.
and the Icelandic way of developing tourism in Arctic. We choose these “components” of the shadow of the future because they have biggest long-term cooperation significance.

3. Hypotheses

In the present paper, we suppose to test three following hypotheses (H) related to three cooperation dimensions:

H1 – In order to become an indispensable partner in Arctic, Iceland should develop complex interdependence with its regional partners via bilateral/multilateral instruments and common identity.

H2 – If Iceland will become a “green energy leader” in Arctic, it can use this leadership to develop its internal infrastructure and other external cooperation opportunities.

H3 – The way Iceland should cooperate in Arctic regarding tourism should be through a) the creation of “bridges” with the Arctic tourist destinations and b) the removal of the isolation perception of Iceland.

4. Main body

4.1. Socio-political dimension

The idea of this part is to start with society-related issue (identity-related, as it mentioned in the theoretical framework), then to pass to some internal issues (within understanding the domestic-international linkage) and finish with politics understood in terms of complex interdependence.

Concerning identity, Iceland’s geopolitical identity is still not determined. The country is balancing between European, Northern Atlantic, Northern American, Northern European and Arctic identities. European identity – because Iceland is a member of the European Economic Area (EEA) since mid-1990s, it is within the Schengen zone and has an access to the labor market of the EU. However, even if EU is the main trade partner of Iceland, which accounts for more than 70% of export, and more than 60% of import of the republic, it is unlikely that in foreseeable future the republic joins the Union because it is not beneficiary for Reykjavik to join the EU’s

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Common Fisheries Policy.

Public opinion is also against EU membership.

North Atlantic identity – because its mainland is situated in the North Atlantic Ocean. Northern European identity – because it shares with other Scandinavian states its “Viking past”.

Country is close also to the North America continent because and it has strong cultural connections with Canada, where live more than 100,000 of descendents of Icelanders, who settled in the Northern Canada more than 1000 years ago. As for Arctic identity, even if the mainland of Iceland is in the North Atlantic, it is considered as an Arctic country because of its small island called Grimsey situated in latitude 66°32’N, which is within the Arctic Circle.

However, even if Iceland shares different identities in geopolitical terms, its primarily society identity, as public opinion surveys show, is Nordic. Even so, nowadays, politicians try to impose Arctic identity on Icelanders, and the reason why it happens represents an example of domestic-international linkages. The case is that currently, Iceland tries to increase its geostategic importance and looks for its place in a “future Great Game” of world powers. During the Cold War, Iceland already enjoyed such a geostategic position being an important American ally; but with the end of the War, it lost this position, which was symbolically demonstrated by the USA through unilateral withdrawal of its military base from the country.

In this situation, the most promising arena for increasing the geostategic importance of the country is obviously Arctic. Reykjavik tries to convince both national and international audiences that Iceland is an important Arctic player. On the national level, politicians through public speeches, try that Icelanders “become” Arctic emphasizing an Arctic spirit and an Arctic character of citizens of the country, which are shaped by a unique geographical position of Iceland and uniqueness of its nature and climate conditions (explained in the “tourism dimension” part). On the international level, Reykjavik struggles for full-fledged status of an Arctic state, and the fact that it is not a coastal state does not deter it. Moreover, Iceland tries to convince its Arctic partners and international community that it is an Arctic coastal state, which

30 Eurobarometer, Iceland and the European Union, op. cit., p. 4.
is among the priority tasks of its Arctic strategy, last time revised in 2016. The basic argument for this is that even if Iceland does not have a coast in Arctic Ocean, its EEZ is extended to the Greenland Sea as a part of the Arctic Ocean, which makes it a coastal state.

Adoption of Arctic identity will make Iceland closer to its Arctic partners, especially to Russia, Canada and Denmark, for whom Arctic identity represents particular importance. It will also make it socially closer to Norway, for whom Arctic identity is important but to a lesser extent than to Russia, Canada and Denmark. As for Finland and Sweden, for them European identity is much more important than the Arctic one (85% and 88% subsequently in these countries feel themselves European). Concerning the USA citizens, they have never felt themselves as an Arctic nation.

Arctic identity is not only a question of internal development, as it was mentioned in the theoretical framework, constructivists says that identities influence national priorities and external policy decisions. In this regard, we suggest that Iceland, if it wants to play a more important role, it should promote its Arctic identity. However, it seems us impossible that Arctic identity can replace the Nordic identity of Icelanders, for this reason, our suggestion is that Reykjavik should promote a joint Nordic/Arctic identity.

Identity is not the only thing that unites and may unite Iceland with its Arctic partners. The country has strong multilateral and bilateral links with A8. Thus, membership at EEA creates an institutional framework for its cooperation with Denmark, Sweden and Finland. Membership at EFTA contributes to its links with Norway. Being a party of the Barents Euro-Arctic Council favors cooperation with Denmark, Finland, Norway, Russia, Sweden, while membership at NATO makes it closer to the USA, Canada, Denmark, and Norway.

Arctic itself has a significant institutional framework. Besides the Arctic Council, which institutionalize cooperation among eight Arctic countries and in which Iceland will chair from 2019 to 2021, A8 (plus EU parliament) also meets on the

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43 Guide to Iceland, “International Relations of Iceland”, https://guidetoiceland.is/history-culture/international-relations-of-iceland
45 NATO, NATO member countries, https://www.nato.int/cps/ie/natohq/nato_countries.htm
Conference of Parliamentarians of the Arctic Region.\textsuperscript{47} However, even if Iceland actively participates in these institutions, as it is not officially recognized as a coastal state, it is excluded from A5 meetings, as it was in 2008, when five coastal states signed the Ilulissat Declaration, in which they gave to non-coastal states the “status of “other users” of the Arctic Ocean.\textsuperscript{48}

Concerning state-to-state cooperation, Iceland maintains bilateral relations and has diplomatic missions in all Arctic states.\textsuperscript{49} In terms of trade, among top-ten importers to Iceland, there are Norway, the USA, Denmark and Sweden; as for Icelandic export, among Arctic states, among top-ten countries, to whom it sell its goods, there are the USA, Norway and Denmark.\textsuperscript{50}

All this information stated above to some extent is related to complex interdependence. For understanding the complexity of Socio-political dimension of cooperation in Arctic, we decided to summarize it in the table below (figure 1).

\textbf{Figure 1. Iceland’s complex interdependence with Arctic countries}

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<thead>
<tr>
<th>Complex interdependence link</th>
<th>Arctic partners</th>
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<tr>
<td></td>
<td>Sweden</td>
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<tr>
<td>Arctic institutions</td>
<td></td>
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<tr>
<td>Arctic Council</td>
<td>+</td>
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<tr>
<td>Conference of Parliamentarians of the Arctic Region</td>
<td>+</td>
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<tr>
<td>A5 meeting*</td>
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<tr>
<td>Other multilateral institutions</td>
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<tr>
<td>NATO</td>
<td>-</td>
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<tr>
<td>EEA</td>
<td>+</td>
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<tr>
<td>EFTA</td>
<td></td>
</tr>
<tr>
<td>Barents Euro-Arctic Council</td>
<td>+</td>
</tr>
<tr>
<td>Bilateral relations</td>
<td></td>
</tr>
<tr>
<td>Diplomatic relations/missions</td>
<td>+</td>
</tr>
<tr>
<td>Trade: export/import</td>
<td>/+</td>
</tr>
<tr>
<td>Arctic identity**</td>
<td>++</td>
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</table>

\textsuperscript{47}Conference of Parliamentarians of the Arctic Region, “About”, \url{http://www.arcticparl.org/about.aspx}
\textsuperscript{48}K.Dodds and V.Ingimundarson, “Territorial nationalism and Arctic geopolitics: Iceland as an Arctic coastal state”, \textit{op.cit.}, pp. 24-26.
\textsuperscript{49}Government Offices of Iceland, \url{https://www.government.is/ministries/ministry-for-foreign-affairs/diplomatic-missions/}
\textsuperscript{50}UNCTAD Comtrade database, \url{https://comtrade.un.org/data/}
Analysis of the figure 1 demonstrates that Iceland is interdependent with all Arctic states, and mostly with Norway and Denmark. However, there are still margins to improve by enlarging trade relations or becoming a part of A5 club. In this regards, we suggest that in order to become indispensable in the Arctic region, Iceland should build a strong of complex interdependence with its Arctic partners.

**4.2. Industrial (energy) dimension**

We consider that clean energy as the driver of an Icelandic future.

In the current state of grout and raise after the economic crisis in 2008-2009, and taking into account the need for clean sources by other countries for their sustainable development, Iceland has the opportunity to establish its position in the euro-arctic region as the leader in energy production systems in a cooperative framework with the Arctic states that would permit the implementation of an integrated energetic infrastructure for the assessment of future challenges on energy consumption in the region and receive back the collaborative retribution of the other countries.

Iceland has a privileged location between the Arctic and North Atlantic seas, that at some extent can be understood as a connecting central point for the interaction among countries, furthermore, Icelandic specially active volcanic environment, makes it one of the best regions of the world for the production of geothermal energy, its location between the wind currents, give also Iceland the possibility to successfully engage in the wind energy production field with. This conjunction between energetic potential and strategic location, together with the current state of change in the ice-covered areas in the arctic, make a perfect scenario for an integrated energy network based in Iceland.

Despite not being completely located into the Arctic Circle, Iceland has a position as a member of the 8 states in the Arctic council\(^{51}\). Between the goals of the Sustainable Development working group\(^{52}\), Iceland, for its natural and current industrial conditions, could excel as the leader of the cooperative group of nations in the achievement of goals 7, 9, 11,12 and 17 for “Affordable and clean energy”, “industry innovation and infrastructure”, “sustainable cities and communities”, “responsible consumption and production” and “partnership for the goals”; using the huge Icelandic geothermal and wind energy generation potential, as the main driving force. The construction of a network in which Iceland is the main provider of clean energy.

\(^{51}\) Lecture notes: A changing arctic course.
\(^{52}\) UN, United National sustainability goals, [https://www.sdgw.org/activities/un-sustainable-development-goals/](https://www.sdgw.org/activities/un-sustainable-development-goals/)
energy and expertise, would consolidate its geopolitical position as a key actor in the Arctic region and even establish the country as a reference spot for Observer countries such as China that consider essential the development of geothermal energy to meet the needs of energy consumption and relieve air pollution\textsuperscript{53} and the UK from which a regional network of energy distribution could incorporate Icelandic energy with the rest of Europe, Africa and the Middle East system (See figure 2).

Once consolidated the position of Iceland as the energy leader in the region, as a counterpart, the building of multilateral schemes should be the next step, in which all the other countries contribute back to Iceland in the development of all the other industrial affairs, such as shipping from the Norwegian experienced point of view, and even in the scientific research dimension, that could make an impact in the understanding of other natural resources for the country such as fish distribution in the current state of change in the arctic waters, where displacement of warmer fish species has been observer to northern parts of the Arctic\textsuperscript{54}, or the connection of Icelandic waters with west Europe basing trough the Iceland Scotland Overflow Water\textsuperscript{55}, which could have impact in the distribution of nutrients and consequently in the living resources. All of these projects, can be better achieved in a cooperative framework of mutual benefit in a win win situation in which each country gets to benefit from its own possibilities and experience, for the case of Iceland it is proposed that the main effort should be in consolidating its presence in the arctic and north Atlantic as the main producer of energy and knowledge, to build a reliable dependence by the other countries in order to receive contributions in the different industrial affairs.

It has been proposed the Idea of pushing further in the development of clean energy solutions to consolidate Iceland position In the Arctic. That’s why the actual clean energy potential of Iceland must be demonstrated through case studies.

It has been shown in the “Improved Forecast of Wind, Waves and Icing” (IceWind) project that Iceland wind power is between the highest wind power class described by the European Wind Atlas (does not include Iceland)\textsuperscript{56} which is determined to be in Ireland and Scotland. Wind power is clearly one of the best options, due to is low environmental impact and high potential in Iceland.

\textsuperscript{54}Lecture notes: A changing arctic course.
The combination of wind energy projects with Geothermal energy could give the necessary production to contribute in the proposed regional cooperative project of energy transmission from Iceland. Another advantageous opportunity for Iceland is the concept of deep drilling project, which gives the possibility of accessing hotter waters than conventional drill sites for geothermal generation, giving outcomes of one order of magnitude bigger\(^\text{57}\).

The possibility of becoming the top energy producer in an Euro-Arctic integrated cooperative network gives Iceland the opportunity of consolidating itself as a dependable state, but not only is it possible to give energy itself but provide the exchange of Knowle to help in the development of clean energy projects for other member and observer states of the Arctic council such as China that currently is developing *The 13th five-year plan for geothermal energy development and utilization (2016-2020)*\(^\text{58}\) or Russia that has being long interested in the development of geothermal projects\(^\text{59}\) as an option for a transition to low carbon energy system, being geothermics the system with more technical potential\(^\text{60}\).

Cooperation between Iceland and countries of the AC in energy matters has been undertaken already, that is the case of Canada that in 2016 stablished an agreement to launch research projects to foster development of sustainable energy for communities and industrial projects in northern regions and increase the economic competitiveness of both nations, understanding that “As an Arctic territory that’s more accessible than Quebec, Iceland is a veritable open-air laboratory in these research fields. Numerous other subjects linked to energy will emerge from this collaboration”\(^\text{61}\).

The positioning of Iceland as the leader for energy production and knowledge distributer in that matter, has implications in the general development of the country, the revenue and income from energy distributed outside the country, could be used to invest in other projects such as the improvement of the transport infrastructure inside the country, the maintenance of a good educative system and the funding of science and technology projects that could impulse the country even further. This improvement of the complete spectrum of the industry transport and infrastructure of

\(^{58}\)Notice of the National Development and Reform Commission on Printing and Distributing the 13th Five-Year Plan for Renewable  [http://www.nea.gov.cn/2016-12/19/c_135916140.html](http://www.nea.gov.cn/2016-12/19/c_135916140.html)  
the country would be the main objective that could be achieved based in the ground provided by clean energy. Certain challenges would need to be addressed from the construction of the energetic infrastructure itself, to other issues not so intuitive such as the likelihood of tourist not wanting to go to areas where energetic transmission lines are present and altering the famous Icelandic landscape\textsuperscript{62}.

Source: DESERTEC EUMENA project\textsuperscript{63}

Herewith, we consider that Iceland is a paradigmatic example of gaining energy independence and decarbonizing the power sector while meeting its growing demand\textsuperscript{64} its access to clean and reliable energy sources, together with the current state of recovery and the economic growth given by other sectors like tourism, mineral resources, and fisheries, could give impulse to the rise of Iceland as the coordinating leader of multinational projects for the development of an integrated energetic infrastructure and cooperation framework to provide the Euro-Arctic region with the needed energy for the future and give the opportunity to shift toward a more sustainable and green development in the region.

4.3. Tourism dimension

As it was mentioned in the methodological and theoretical framework, tourism “shadow of the future” of Iceland in our opinion consists of the importance of tourism

\textsuperscript{63}DESERTEC Foundation, DESERTEC EUMENA project, https://creativecommons.org/licenses/by-sa/2.5
for Iceland, the uniqueness of Icelandic landscape, its challenges, sustainability and Icelandic way of developing tourism in Arctic. All these “components” of the shadow of the future are explained below.

Before proceeding to components of the shadow of the future, we need to understand if Iceland tourism meets “Arctic criteria”. The question whether Iceland can be considered as an Arctic region or not is still a controversy. There are three definitions of what Arctic is: a) Arctic circle: The Arctic is the region above the Arctic Circle, which is an imaginary line at around 66° 34’ N. The Arctic Circle is the latitude above which the sun does not set on summer, and does not rise on winter; b) Treeline: The Arctic is located within a region delimited by the “treeline”, which is the limit of the space in which trees can develop and c) Isotherm: An isotherm is a curve which represent points with the same temperature. Arctic includes any location in high latitudes where the average daily summer temperature is not higher than 10 °C.

Iceland satisfies the Arctic circle’s definition since the Island Grimsey crosses this line, however Iceland as a country would be considered as Arctic, not Iceland the island. On the other hand, over half of Iceland is above the isotherm line, therefore Iceland is Arctic under the isotherm definition.

There are two main branches of tourism: culture and nature tourism. In Iceland, nature is the most important segment of the tourist industry and attracts most foreign visitors. According to the Icelandic Tourist Board (2005), the majority of the visitors (76%) go to Iceland to experience nature. Therefore, it makes sense to focus attention on the development of nature tourism and speak about components of tourist shadow of the future in terms of nature.

**Importance of tourism for Iceland.** There are several examples of countries in which tourism has been a driver of economy, creator of jobs and development. Actually, during the twentieth century, tourism has been one of the fastest growing economic sectors worldwide. In the case of Iceland, compared with the global growth, tourism expanded more rapidly in recent years to become one of the central sectors of the national economy.

**The uniqueness of Icelandic landscape.** Nature is definitely the basis of tourism in Iceland. The particular landscape of Iceland begins with the fact that its territory is located in a Mid-Ocean Ridge, a place where new oceanic crust is being formed. This

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65 A Changing Arctic course, presentation “Arctic Ocean”, week 1.
66 Icelandic Tourist Board, Survey among foreign visitors, 2004, [http://www.ferdamalastofa.is/konn_vetur0405
eyfur/index.html](http://www.ferdamalastofa.is/konn_vetur0405
eyfur/index.html)
fact, along with the climate, are the main drivers of the Icelandic landscape. We could divide the Icelandic landscape in four main groups: solid earth (rocks, minerals, mountains), water (ocean, lakes and rivers), ice (glaciers) and fire (geysers and hot springs). This landscape diversity is what gives Iceland a privilege regarding nature tourism and advantage in developing its tourist sector.

**Challenges.** The current challenges in Iceland tourism are the tourist industry competition with other intensive land users for its resources, for example with hydro and geothermal power production, patterns of seasonality and high concentration of tourists at few attractions that puts pressure on environment. 69 Other aspects that make Iceland nature vulnerable for tourism is vulnerability of the most widespread plant communities and the susceptibility of Icelandic soils (mainly volcanic) to erosion 70.

**Sustainability of Icelandic tourism.** We think that Icelandic tourism perspective should be sustainable and include environmental education programs oriented to sustainable development, climate change and specially, the changing Arctic. Some visible features of sustainability can be used to invite tourist to reflection, for example the melting of glaciers through years. The situation of polar bears in Iceland can also be included as part of the narrative. Although polar bears are not native to Iceland, polar bears often arrive to Iceland, most drifting in on icebergs from the east coast of Greenland. However, it’s been seen that as global warming is increasing, the occurrence of this animals arriving to Iceland is becoming more frequent and there is a probable correlation with the fact that they might be looking for food 71. This reflect a connectivity and closeness of Iceland and the Arctic, but also reflect the change of the environment, feature that can be used in the “A changing Arctic” topic of the environmental education agenda that we propose.

Even if tourism is one of the best ways of Iceland to improve their economy, it’s fundamental to keep in mind the concept of “tourism carrying capacity”: maximum number of visitors that can be in an area without unacceptable alteration in the physical environment 72. This, in order to be congruent with the proposed sustainable tourism focus and to conserve the landscapes as much “unspoiled” as possible.

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The establishment of a sustainable tourism can attract attention of the members of the Arctic states to cooperate through tourism, those who through several mechanisms, are committed with environmental protection of the Arctic region.

**Icelandic way of developing tourism in Arctic.** The importance of cooperation of Iceland in the Arctic has been mentioned previously. In order to take maximum advantages from this cooperation, in our opinion, Iceland should build “bridges” between the Arctic destinations and remove an isolate perception of the country. Therefore, is necessary to create a link between Arctic and Iceland in the tourists perception. Even though Iceland only satisfy two of the three definitions of Arctic, this is enough to create a tourism narrative in which at least a relationship with the Arctic is mentioned. The mains resource that Iceland can use is its “wilderness”. The concept of wilderness has been associated with high latitude and polar regions\(^{73}\) and is significant for both cultural and natural heritage management and conservation. The wilderness of Iceland is based in its diverse and dynamic landscape. The country is often promoted as ‘Europe’s last wilderness,’ by the tourism industry.\(^{74}\) Also, the marketing slogans which have played a main role in tourism industry, extensively make use of the wilderness concept: e.g. ‘Iceland naturally,’ ‘Nature the Way Nature Made It’ and ‘Pure, Natural, Unspoiled’. Since our main suggestion is the creation of a link of Iceland with the Arctic, we propose the slogan “Iceland: the doors to the Arctic”. This slogan and its representation should keep the original concept of wilderness but it should include the concept of the Icelandic connection with the Arctic.

Herewith, in tourism dimension of cooperation, we suggest that Iceland should create “bridges” between the Arctic destinations, remove isolate perception of Iceland, and the doors to sustainable tourism in the Arctic.

**Summary suggestions**

Within the present report, we covered such areas as:
- society, national governance and politics (within the socio-political dimension);
- energy (within the industrial dimension);
- climate, nature, tourism (within the tourist dimension).


\(^{74}\) Ibid.
In the summary, we would like to highlight and make clearer our suggestions and proposals how Iceland should cooperate in order to improve its positions in Arctic.75

These are our suggestions:

In socio-political dimension, in order to become indispensable in the Arctic region, Iceland should develop Nordic/Arctic national identity of Icelanders, and should build a strong of complex interdependence with its Arctic partners.

In industrial (energy) dimension, we suggest that Iceland has potential to become a “green energy leader” in Arctic and use this leadership as an instrument for internal development and enlargement of cooperation opportunities with other countries.

In tourism dimension, Iceland should create “bridges” between the Arctic destinations, remove isolate perception of Iceland, and the doors to sustainable tourism the Arctic.

References


75As the present paper represents not an academic article, but a report for city council of Reykjavik, the authors decided to abolish a traditional conclusion as a summary of what that has already been said in the text, but to develop an alternative approach making a summary of their proposals.


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