



## Iceland Makes Changes to Foreign Policy after Russia's Aggression against Ukraine

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The Russian aggression against Ukraine forced Iceland to adjust its foreign policy. As a small country without armed forces but covered by security guarantees as a NATO member, it wants to strengthen ties with its allies while resigning from contacts with Russia. Its partnership with the U.S. and the Nordic countries, as well as activity in international organisations and relations with Central European EU Member States, including Poland, have become even more important to the country.

Iceland, with a population of around 360,000, is well-established in international organisations. It is a founding member of NATO. It has been part of the European Economic Area (EEA) since its establishment in 1994 and in 2001 also joined the Schengen Agreement. Iceland participates in numerous collaboration platforms in Northern Europe, including in the Nordic Council and the EU Strategy for the Baltic Sea Region, as well as in the High North, for example, in the Arctic Council and the Northern Dimension forum.

Iceland has a stable government. Since November 2017, a coalition of the conservative Independence Party (17 seats in the 63-seat parliament, the Althing), the agrarian Progressive Party (13 seats), and the Green-Left Movement (8 seats) has been in power, elected in 2021 to another term. Katrín Jakobsdóttir from the Greens remains the country's prime minister, while the office of the president since 2016 has been held by the non-partisan historian Guðni Th. Jóhannesson, re-elected in 2020.

**Previous Directions of Security and Foreign Policy.** The pillars of Iceland's security policy are NATO membership and the 1951 bilateral defence agreement with the U.S. Without a standing army, Iceland contributes to the Alliance with financial and civilian personnel, and provides a strategic foothold in the Atlantic. It also operates an air defence and surveillance system as part of the NATO integrated Air Defence System. In turn, relations with the U.S. include, apart from defence of the far North, political, economic, and

scientific cooperation. Bilateral ties have been negatively affected in the past by the withdrawal of U.S. forces from Iceland in 2006 and the United States' refusal to provide financial support in 2008 during the global economic crisis, which hit Iceland hard. As a consequence of the end of the permanent American military presence in the country, it signed defence agreements with, among others, the United Kingdom and Canada, and has deepened cooperation with the Nordic countries.

Iceland's relationship with the EU is based on EEA membership and cooperation formats in Northern Europe. The ruling coalition's programme does not include the resumption of accession negotiations to the EU (started in 2010 and suspended in 2013). None of the coalition partners favours joining, mainly for fear of losing control over Iceland's fishing grounds (fish products account for 40% of exports). This is in line with the level of public support for EU membership, which has been low for years (in 2021, it was around 30%). In 2022, that support increased to 47%—the highest level since the economic crisis in 2008.

Another goal of Iceland's foreign policy was the widest possible access to export markets. Active diplomacy and extensive bilateral and multilateral cooperation, including with Russia and China, were to serve this purpose. In autumn 2015, Iceland withdrew from EU political statements condemning Russia in order to further develop relations with it (although Iceland still implemented sanctions). It also showed benevolence towards Russia in the framework of

the Arctic Council. For example, during its chairmanship of the forum (2019-2021), Iceland organised a meeting between U.S. Secretary of State Antony Blinken and Russian Foreign Minister Sergey Lavrov in 2021 in Reykjavik. It also [tightened cooperation with China](#) and was the first European country to sign a free trade agreement with this country in 2014.

Activity in international organisations is also an important instrument of Icelandic policy, serving to promote and strengthen the position of the state as an actor attached to universal and democratic values. Iceland is an advocate for women's, children's, and LGBT+ rights, environmental protection, and the rule of law. It has prioritised these topics during its current presidency of the Council of Europe and promoted them as a member of the UN Human Rights Council in 2018.

### Reactions and Changes Since Russia's Invasion of Ukraine.

Since the beginning of Russia's full-scale war against Ukraine in February 2022, Iceland has focused its foreign and security policy on deepening relations with other Western countries in order to defend the rules-based international system. These actions result from the assessment of the Icelandic National Security Council, which in its October 2022 report indicated that Russia's invasion of Ukraine poses the greatest threat to European security since World War II. The report also noted the increased military importance of the state as a result of the war and, therefore, the need to strengthen institutional and social resilience to cyberattacks and to monitor critical infrastructure. In the face of war, the Icelandic government reaffirmed its support for strengthening NATO's Eastern and Northern flanks in accordance with its [new strategic concept](#).

Iceland is also working with allies and the EU to implement all sanctions against Russia and Belarus into national law. At the same time, public institutions point to the threat of economic dependence on other authoritarian states, including China. Iceland provides political, financial and humanitarian assistance to Ukraine. Together with its counterparts from the Nordic and Baltic states, Minister of Foreign Affairs Thórdís Kolbrún Reykfjörð Gylfadóttir visited Kyiv in November last year. The country took in around 2,000 refugees, sent nine tonnes of winter military clothing to Ukrainian soldiers and participates in their training.

In the face of the Russian aggression, Iceland has further tightened cooperation with the Nordic countries. Just a week after the invasion, together with Canada and the U.S., it refused to attend meetings of the Arctic Council chaired by Russia. In turn, a declaration by Nordic prime ministers from August 2022 expressed a desire to deepen defence and security cooperation, not only in the field of exercises, defence planning, and cybersecurity, but also by increasing the resilience of societies and their economic security. Strengthening the cohesion of the Nordic countries is also

a goal of the [Nordic Council of Ministers](#), in which Iceland holds the presidency this year.

**Central Europe—a New Opening.** After the start of Russia's invasion of Ukraine, Iceland intensified contacts with Central European countries. In August 2022, the Baltic states' presidents and chiefs of diplomacy paid a visit to Reykjavik (Iceland was the first to recognise their independence in 1991, which these countries refer to in their mutual contacts to this day). President Jóhannesson visited Slovenia (in August) and Slovakia (in October). The topics of all these meetings included cooperation in the fields of defence and security, trade, and energy (in reducing emissions, geothermal energy, and hydrogen production).

Strengthening diplomatic relations with Poland holds the greatest importance in the context of deeper cooperation with the region. In December 2022, Iceland opened a diplomatic mission in Warsaw with an ambassador accredited also to Ukraine, Romania, and Bulgaria. This complements bilateral relations, as the Polish embassy in Iceland has been operating since 2013, mainly to serve the 20,000 or so Poles in the country, constituting the largest group of immigrants there.

**Conclusions.** Before Russia's invasion of Ukraine, Iceland perceived various forms and directions of international cooperation as a way to maintain contacts also with authoritarian partners. The country saw its role as helping to ease tensions between Western countries and Russia by encouraging the parties towards dialogue, including in the Arctic Council. In this way, it wanted to minimise the likelihood of a conflict in the far North. It was also a supporter of increasing the volume of trade between the Nordic countries and China.

The Russian invasion of Ukraine prompted Iceland to abandon this approach. Its adaptation to changes in the international system consists of giving up cooperation with Russia, perceiving China as a threat, deepening defence and security cooperation among the Nordic countries, increased involvement in allied activities, and multidimensional cooperation with the U.S. For NATO allies, this means a cohesion of strategic interests and a full commitment to their implementation, and for the EU, a unanimous political partnership. Although Iceland is not planning accession to the EU, it pays increased attention to the organisation's eastern members, standing out for their commitment to Ukraine.

By taking advantage of this increased interest and raising the level of diplomatic relations with Iceland, Poland may seek opportunities to deepen economic cooperation. In turn, further involvement in defence activities concerning Iceland, for example, in the field of air defence—important for the security of the entire Northern Flank—will strengthen Polish-Nordic cooperation.