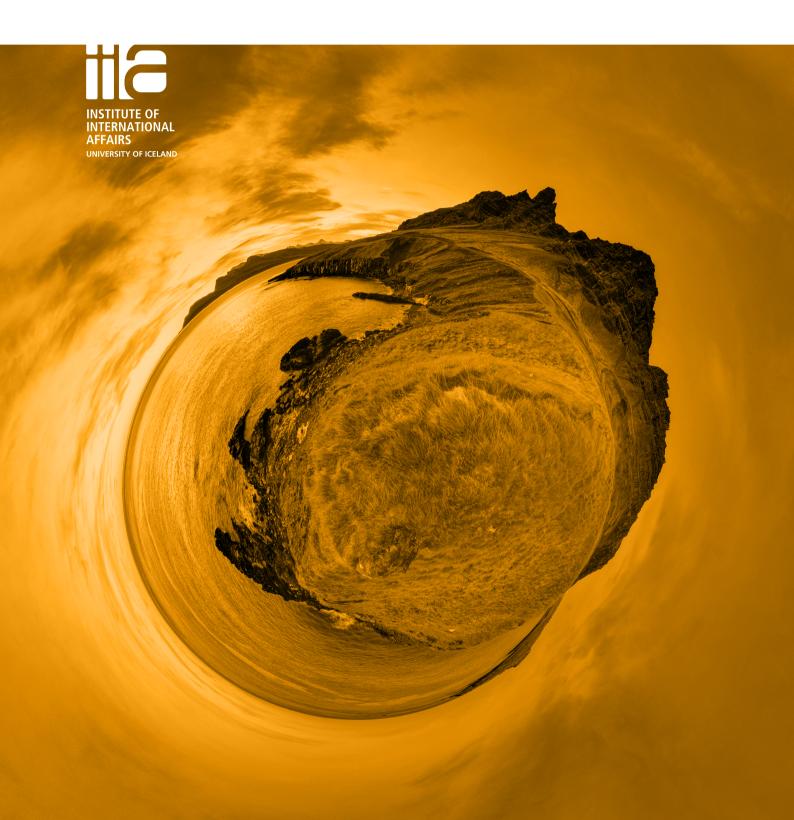
Pragmatic and Wary of Change Icelanders' Views on International Cooperation

Silja Bára Ómarsdóttir





INSTITUTE OF INTERNATIONAL AFFAIRS

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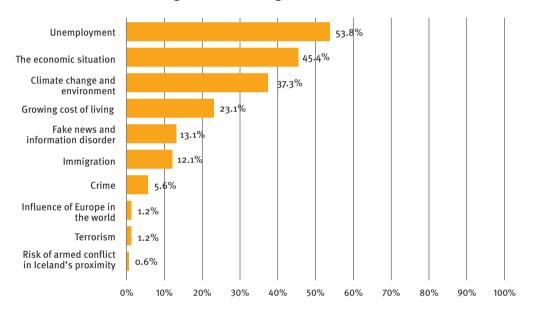
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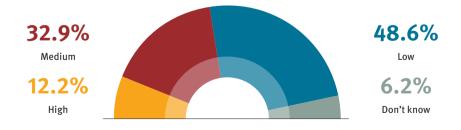
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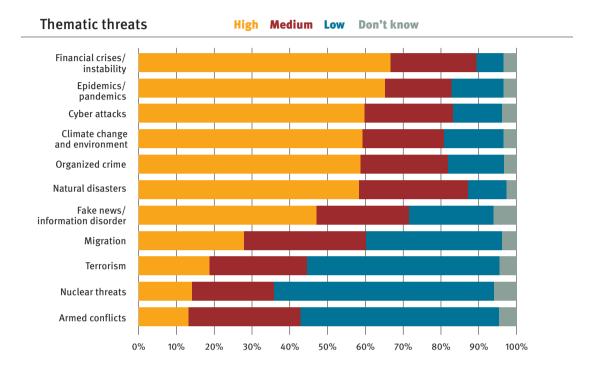
Challenges and perceived threats



What are Iceland's two greatest challenges at the moment?

How do you perceive the level of security threats against Iceland?

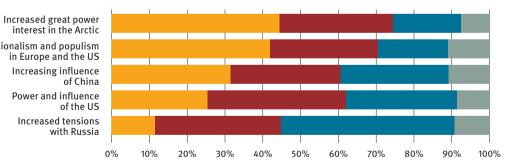




How high is the threat from the following to Iceland?

Regional threats

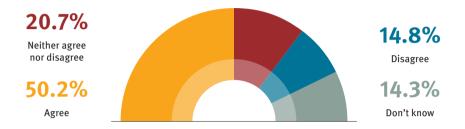
High **Medium Low** Don't know



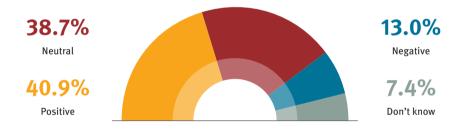
Nationalism and populism in Europe and the US Increasing influence Power and influence Increased tensions

Security and defence cooperation

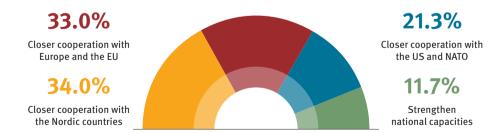
Should Iceland cooperate more closely with the EU on security policy issues?



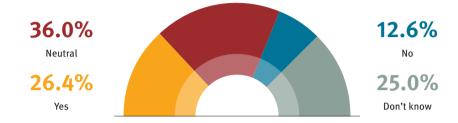
Do you have a positive or negative view of NATO?



What aspects should Iceland emphasize regarding national security in the near future?

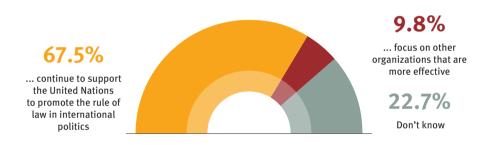


Should Iceland work towards a NATO with greater independence from the United States, even if this means a big increase in the defense budgets of other member states?

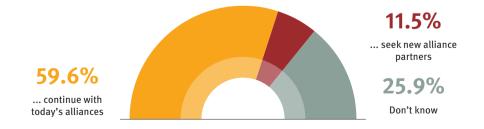


Iceland's foreign policy

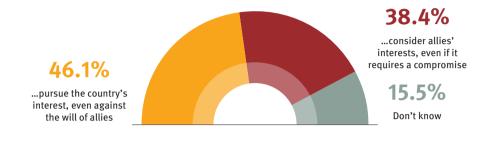
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In foreign policy, Iceland should ...

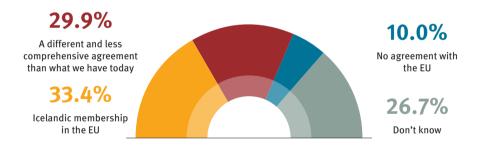


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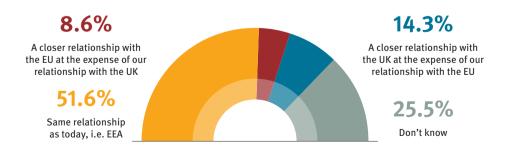


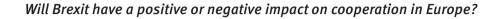
Iceland and Europe

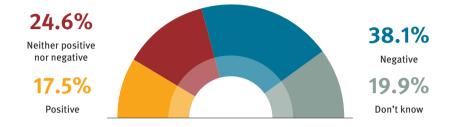
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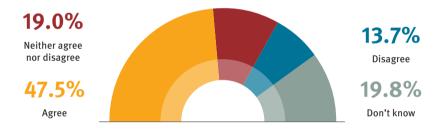
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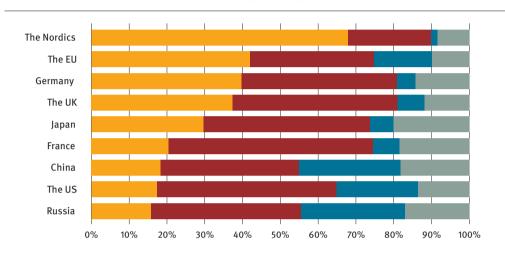


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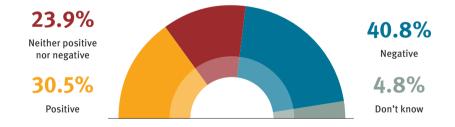
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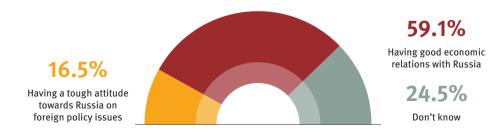


More The same Less Don't know

What is your general attitude towards foreign investment in Iceland?

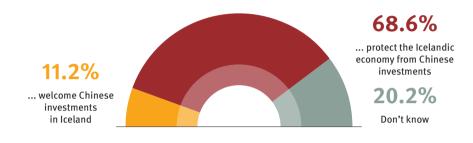


When you consider Iceland's relationship with Russia, what is, in your opinion, most important?

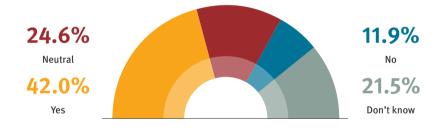


Iceland and China

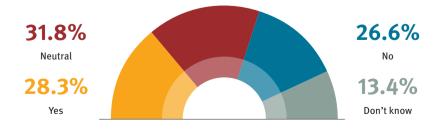
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Should Iceland more strongly defend its political values against China, even though this may come at the expense of its economic interest?



Should Iceland and Europe follow the US policy with a tougher stance on China?



Introduction

Modern Iceland is extremely well integrated into the liberal international order, economically,¹ and politically. The state is active in regional and global arrangements and as a small, unarmed state, is heavily reliant on the rule of law. It has increasingly demonstrated willingness to step up and take on roles in international fora that allow it to demonstrate its normative status as a "good state" that emphasizes human rights and gender equality² in its domestic and foreign policy. It is frequently ranked as one of the best places to be a woman and the most peaceful country in the world. This report summarizes the findings of a survey conducted on the international outlook of the population of this small state.

While Iceland is an island and physically distant from other states, it is deeply dependent upon international trade and imports of goods. It is therefore to be expected to see strong support for international collaboration among our respondents. The findings presented here largely support that assumption and our respondents tend not to perceive a significant threat from outside elements. Domestic problems, such as unemployment and the economic difficulties associated with the Covid-19 pandemic, emerge as the most significant challenges facing the country. The interest in international cooperation is greater when it comes to tried and tested partners, and a tendency to prefer bilateral cooperation seems latent, although support for the UN is quite significant.

Iceland's security is ensured through active cooperation with other states, including through its membership in NATO and a bilateral defense agreement with the United States. Participation in the UN, the OSCE, and security cooperation with neighboring countries are also emphasized by the authorities. Previous surveys on attitudes to international cooperation indicate a great deal of support for Nordic cooperation,³ and that continues to show here, as most respondents would like Iceland to cooperate more with these neighboring states than with any other state or state grouping. In general, the majority of respondents want to cooperate more or the same with the countries we asked about, but it stands out that quite a significant number wants to cooperate less with both China and the US. China is a recent actor of significance in Iceland's neighborhood, but the United States has been Iceland's most significant ally from mid-20th century. This will be an important statistic to monitor to see if it is only a reflection of current conditions. The other possibility is that the US's credibility is at risk in Iceland, as some observers have noted it is at the global level.⁴

¹ Gygli, Savina, Florian Haelg, Niklas Potrafke and Jan-Egbert Sturm (2019): The KOF Globalisation Index – Revisited, *Review of International Organizations*, 14(3), 543-574. DOI: <u>https://doi.org/10.1007/S11558-019-09344-2</u>.

² Einarsdóttir, Porgerður (2020): All that Glitters is Not Gold: Shrinking and Bending Gender Equality in Rankings and Nation Branding, NORA - Nordic Journal of Feministand Gender Research, 28:2, 140-152, DOI: 10.1080/08038740.2020.1745884; Karlsdóttir, Kristín Sandra and Silja Bára Ómarsdóttir (2020): Gender Equality as a Brand in Iceland's Foreign Policy, Icelandic Review of Politics and Administration 16(1), 65-82.

³ Stjórnarráð Íslands: Utanríkisráðuneytið (2020): Íslensk utanríkismál: Útdráttur úr skýrslu utanríkis- og þróunarsamvinnuráðherra til Alþingis 2020 <u>https://www.stjornarradid.is/library/02-Rit--skyrslur-og-skrar/l%cc%81slen-</u> sk%20utanri%cc%81kisma%cc%81l%202020.pdf

⁴ Oppenheimer, Michael F. (2021): "The Turbulent Future of International Relations", pp. 23-47 in Christopher Ankersen and Waheguru Pal Singh Sidhu (eds.). *The Future of Global Affairs: Managing Discontinuity, Disruption and Destruction*. Palgrave Macmillan. DOI: <u>https://doi.org/10.1007/978-3-030-56470-4</u>

When it comes to security, Icelanders perceive themselves to be very safe, and the threats perceived in their immediate environment tend to be non-military in nature. Pandemics understandably have an outsized showing, as the survey was conducted a half year into the ongoing Covid-19 pandemic. It is worth noting that information disorder is a significant cause of concern, and that fear of the influence of rising populism and nationalism on both sides of the Atlantic is quite high. To counter that last point, however, it is a positive sign for Icelanders' international outlook that the perceived threat from migration is quite minimal, indicating that our respondents are not heavily influenced by the populist discourse that often frames migration as a threat.⁵ Regionally, the increased attention paid to the Arctic by outside actors is a significant cause for concern.

⁵ Adler-Nissen, Rebecca and Ayse Zarakol (2020). Struggles for Recognition: The Liberal International Order and the Merger of Its Discontentsi. *International Organization*, 1-24. DOI: https://doi.org/10.1017/S0020818320000454

A note on data

This report summarizes the findings of a recent survey, conducted by the Social Science Research Institute at the University of Iceland (SSRI) at the request of the Institute of International Affairs at the University of Iceland. The survey was administered through the SSRI's online panel from 16 November to 9 December 2020. The panel is composed of a random sample from the census, acquired from Statistics Iceland. Members to the online panel are collected steadily and its composition is monitored to adequately reflect the distribution of sex, age, residence, education, and income of the general population of Iceland. The survey was sent to 1985 members of the panel and completed by 882 respondents, or 44%.

Mainly non-military threats and fear of increased focus on the Arctic

Our respondents generally perceive Iceland to be a very safe country. The threats and challenges they do perceive stem mainly from domestic conditions – the greatest challenges facing the country are perceived to be unemployment, sky-high by Icelandic standards as a result of the Covid-19 pandemic, and the economic situation which can also be attributed to the same cause. Closely behind, however, are climate change and environmental conditions, which 37.3% of our respondents perceive as one of the two greatest threats. What might be considered "traditional" security threats are far behind, with only 1.2% perceiving terrorism as a significant risk, and 0.6% identifying the risk of armed conflict in Iceland's immediate neighborhood as a risk. This is supported by the low number of respondents, only 12.2%, who perceive a high or very high level of threat against the country. This sense of security is of course supported by Iceland's repeated ranking as the most peaceful country in the world. Very few respondents, 6.2%, claim they don't know what level of threat the country faces, but nearly half, 48.6% feel the threat is low or very low. We asked about a number of different types of threats, which are addressed in two separate tables; one focusing on thematic issues, the other on regional threats.

When asked about specific sources of threats, current and recent crises appear to have a significant impact. A full 2/3 of the respondents feel that financial crises are the most significant source of threat to the state, likely reflecting that some trauma remains from the deep recession after the banking collapse of 2008, and that the economic impact of the ongoing Covid-19 pandemic is sorely felt. This also fits well with previous measures, where financial crises were ranked as the third most significant threat to Iceland's security.⁶ The timing of the survey is also likely to be a factor in the high prevalence of threat perceived from pandemics, which 65.2% of our respondents believe pose a great or very great threat to the country. The significance of timing here is supported by the fact that in a previous survey,⁷ epidemics and pandemics ranked very low. These two sources of threats stand out from all others, although the perceived threats stemming from cyber-attacks, climate change, organized crime, and natural disasters all cluster just below 60%, and fake news/information disorder is considered a threat by nearly half of the respondents. There is some hesitancy towards migration, with 27.9% seeing that as a potential threat, but what brings Iceland's unique standing as a peaceful island state is the lack of perceived threat from issues such as terrorism, nuclear disasters, and armed conflict.

Icelanders hold a certain skepticism towards the EU. Nonetheless, our respondents seem to feel that a closer cooperation on matters of security would be advisable. Over half of the respondents partly or strongly agree with this, and less than 15% disagree. This finding actually raises more questions than it answers, as it is unclear whether our respondents want to see more collaboration on military security, or whether they are more focused on, for example, economic security, which was a common focus of political debates when Iceland was in the application process with the EU.

⁶ Ómarsdóttir, Silja Bára (2018): Icelanders' Perspectives on Security and Foreign Affairs, *Icelandic Review of Politics and Administration* 14:2, 1-18. DOI: <u>https://doi.org/10.13177/irpa.a.2018.14.2.1</u>

⁷ Ómarsdóttir (2018).

Turning our focus to threats of a more specific origin, we can see that Icelanders are not comfortable with the increased attention great powers are paying to the Arctic. 44.4% of our respondents feel that this is a source of great or very great threat, with only 17.9% feeling the opposite. This may be related to skepticism towards China, and hesitancy towards continued US influence in the world, again with the note that this may be a reflection of the tumultuous Trump-era, rather than a permanent feature of Icelandic perceptions towards the US. It is also notable that many find the growing tide of nationalism and populism on either side of the Atlantic threatening to Icelandi's security. Whether this means that it is a fear of these ideologies gaining a foothold in Icelandic society, or that instability caused by these movements might impact the country's relations with its neighbors is unclear.

The perceived threat from these ideologies is noticeably greater than that of the three great powers and their influence in the world. Again, reflecting on the little interest there is in enhancing cooperation with the US, it is interesting here that increased tensions with Russia are seen as a very minimal source of threat, possibly as the conflict in Crimea has faded from the news. This matches fairly well with the attitude that it is more important to have good economic relations with Russia than to take a strong political stance against it. It is quite significant here that Russia is perceived as less of a threat than the power and influence of the United States in the world, but that again, is overshadowed by the perceived threat from China's increasing influence. Nearly a third, 31.4%, of our respondents perceive China's growing stature to be a risk, and we will later turn to a more detailed discussion of the perceptions of China.

Iceland has few standing security arrangements. It is a founding member of NATO and has a bilateral defense agreement with the United States, which maintained a military base in Iceland until 2006, and currently maintains soldiers on rotation in the country. While there is relatively little debate about that membership in Iceland, a small, but vocal group continues to object to the membership and the alliance's presence in Iceland. A significant portion, 40.9%, of our respondents maintain a positive attitude towards NATO, whereas only 13% are negative towards it and 28.7% are neutral in their stance. The share of negative attitudes is fairly consistent with the electoral support for the Left Green Movement, the only political party that opposes NATO membership. With regard to future directions in security, there is limited interest in strengthening national capacities, with only 10% wanting to go down that path. Expanding cooperation with the Nordic countries and the EU is far more desirable, with 30% and 29% expressing interest in that, but 19% want to expand cooperation with the US and NATO. Our respondents further maintain a fairly ambivalent attitude towards the direction NATO should go in; 26.4% feel Iceland should encourage the alliance to become more independent of US influence, only 12.6% are against it, but 36% are neutral and 25% are unsure - or a total of 61%. This may be more reflective of our respondents' lack of awareness of NATO and its role, rather than a strong view on the influence of the US.

Comfortable in the liberal international order, focus on middle powers rather than great

Icelanders appear to be comfortable with the liberal international order. A full two thirds of our respondants want to continue supporting the UN and preserve the current system it represents. While this may not appear as too strong support from a small state that is heavily entrenched in the liberal world order and reliant upon the rule of law, this is strengthened by the fact that less than one in ten respondents would like to pursue other, more effective organizations. Rather than demonstrating an opposition to the UN, it is more likely that the responses indicate a lack of awareness of the role and tasks of the UN and other international organizations, as demonstrated by nearly 1/4 respondents saying they don't know what they would prefer.

A majority of our respondents – almost 6/10 – also want to maintain current alliances, with only 11.5% wanting to seek out new allies in the world. Again, quite a high number is uncertain, or nearly 3/10, indicating that they may now know what is entailed in Iceland's current alliance constellations, or that they are simply not certain that new alliances will cover anything better than the current ones. It is interesting to compare this to the general attitude towards NATO, where 4/10 are positive, 4/10 are neutral, and 13% have a negative attitude towards the alliance, of which Iceland is a founding member.

Icelandic national discourse often maintains a proud go-it-alone theme, with the country depicted as standing on its own two feet, often against a more powerful outsider such as the UK in the Cod Wars, and the UK and the Netherlands in the Icesave dispute following the financial crash of 2008. This attitude also often comes out in skepticism towards EU membership, which many perceive would limit the country's ability to act on its own terms. Our respondents, however, demonstrate a fairly even split between prioritizing the country's own interests against the will of allies (46.1%) and compromising to accommodate the needs of allies (38.4%).

Iceland has traditionally been skeptical of EU membership, perceiving the control over its fisheries as too important to the national interest to share with other states. After the banking collapse of 2008, the population temporarily became more positive toward the possibility of joining the EU, but negotiations were not fruitful and since they were abandoned very little support has been measured for membership. It is therefore interesting to see that if the EEA agreement were to be terminated, a full third of our respondents (33.4%) would prefer to join the EU. Another 29.9% would like to see another, less expansive agreement, and only 10% would prefer no agreement at all. Still another 26.7% are uncertain, indicating that there is quite a significant room for discussion and persuasion on this issue.

When the question is framed around Brexit, some nuances appear. While more than half, 51.6%, of our respondents want to maintain the same relationship with the EU after Brexit, that is one based on the EEA agreement, only 8.6% want to see a closer relationship with the EU at the expense of the relationship with the UK. 14.3%, however, would like to work more closely with the UK at the expense of our relationship with the EU. Again, there is some space here to change opinions, as 25.5% are uncertain of the best course of action. This preference for a stronger relationship with the UK is in line with a strong tradition of maintaining bilateral relations, often within a multilateral constellation, and a perception that Iceland can get better deals for itself than any multilateral agreement could provide.

Despite these perceptions, our respondents clearly feel that Brexit will have a detrimental effect on European cooperation, with 38.1% perceiving its impact as negative, and only 17.5% seeing it as positive. 24.6% are uncertain, while 19.9% do not know. This is also supported by the fact that nearly half, 47.5%, believe that the current constellation of agreements between Iceland and the EU secures the country's most important economic interests. Only 13.7% disagree, and although 19% are ambivalent and another 19.8% are uncertain, the clear distinction here indicates that there is quite significant support for the EEA and other related agreements.

When asked how much Iceland should collaborate with specific other countries, or country groups, a picture emerges of a fairly conservative approach to international cooperation, where the tried and tested are preferred over any new and adventurous overtures. The only group more than 50% of our respondents wish to work more with are the neighboring Nordic countries, with almost 90% wanting to see the same or increased level of cooperation with them. The familiar countries of Europe are also placed highly, with 81% wanting to maintain or increase cooperation with Germany and the UK. Other European countries, and the EU are also seen as desirable partners, with around 75% wanting sustained or increased cooperation with Japan (29.7%), but many want to see it maintained at current levels. Since the support for expanding cooperation with the EU is significant, it is interesting to see how favorable our respondents are towards maintaining relations with the recently departed UK. While Japan is a more distant partner, it has a strong history of trading with Iceland, so it is not surprising to see such great support for continued cooperation.

This leaves only a discussion of the three great powers, China, Russia, and the United States, the view of which holds more surprises. Less than 20% want to increase Iceland's cooperation with any of these countries, although the United States is perceivably more popular when it comes to maintaining the same level of cooperation. Yet, only 17.4% want to increase cooperation with the United States, and while nearly half of the respondents would like to maintain the same level of cooperation, the total for these two categories only amounts to 64.9% or less than two thirds. Surprisingly, 21.5% want to see less collaboration with this traditional ally which has longstanding relations with Iceland, in culture, business, and politics. Whether the timing of the survey, which was conducted at the end of Donald Trump's tumultuous four year presidency, is a significant factor here remains to be seen.

Throughout the Cold War, Iceland maintained a strong trading relationship with the Soviet Union and this carried over into relations with Russia in the post-Cold War era. The two countries, however, have only limited cultural connections, and with Iceland aligning itself with the United States and the EU in the sanctions on Russia after the start of the conflict in Ukraine, it is not unexpected to see little interest in expanding cooperation from the general public. Nearly 40% of the respondents, however, indicate an interest in maintaining the same level of relations although it is unclear whether that means to the level pre-sanctions.

China is clearly a rising power in the world and its interest in Iceland has been obvious for a number of years, and often questioned. A level of hesitation against the increased influence of China is indicated in other parts of this report, and is visible here as well. Only 18.3% of the respondents are interested in seeing increased cooperation with this economic powerhouse, and at 54.9% the combined interest in expanded or continued cooperation is at the lowest point for all the countries and country groups we asked about.

Wariness of China

China has taken on an increasingly prominent role in Iceland, and the Arctic in general, over the last few years. While Icelanders tend to be fairly pragmatic about outside interests, often looking primarily at what there is to be gained from such attentions, debates around Chinese investments and operations have often proven quite contentious. This attitude is quite clear in the response to the question whether Iceland should welcome Chinese investments in the country. Only 11.2% are in favor of this accepting approach, while 68.6% wish to protect the Icelandic economy from Chinese investments, and 20.2% are uncertain. This is significantly different from general attitudes towards foreign investments, which 30.5% of our respondents are fairly or strongly in favor of, although 40.8% still oppose this.

In addition to the strong resistance against China's potential economic influence in Iceland, there is also an overwhelming willingness to defend Icelandic values or attitudes when they conflict with China's, as 42% of our respondents wish to do so, even at the expense of economic interests. Only 11.9% would prefer to concede politically in favor of economics, and a significant portion of respondents don't know (21.5%) or cannot decide (24.6%). Despite these decisive attitudes towards Chinese interests and values, our respondents are not interested in following the lead of the US, whose policy under Trump's presidency, was to claim a tougher stance against China. 28.3% want Iceland and Europe to follow the US, 26.6% do not want to – and 31.8% are indecisive.

Conclusion

While Iceland is heavily entangled in the international system, it is clear that the general public could be better informed about the alliances and institutional arrangements Iceland belongs to. High proportions of our respondents tend to answer neither/nor or don't know when asked about various changes to international arrangements. A good example is the question of a future relationship with the EU, if the EEA agreement were to be disbanded. Almost equal shares would want to join the EU as would like to have a less comprehensive agreement. This, and other examples from this survey, indicates that foreign policy is not a very salient topic in our respondents' minds. Nonetheless, we can draw some lessons from their responses, including that the main challenges occupying them are largely domestic in nature, and the main threats perceived are environmental (climate change) and ideological (populism/nationalism). The responses indicate a largely pragmatic view to economic cooperation, not necessarily challenging trading partners on political grounds when it might risk economic interests. This pragmatism also appears in attitudes towards the great powers, although some hesitation appears in the high numbers that would like to cooperate less with both China and the United States.

This short overview provides an insight into the Icelandic people's attitudes towards security and foreign affairs. It does not address the foreign policy of the state, and while there are some clear indications that the people are aligned with the foreign policy Iceland conducts, there are some nuances that need to be explored. It needs to be taken into consideration that this survey was conducted in quite exceptional times – during the Covid pandemic and at the very end of Trump's presidential term in the US. By continuing to monitor these attitudes, we hope to gain an improved understanding of these dis/alignments and how they shape public debates and foreign policy.



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