

Through membership of the NATO alliance Iceland offers strategic value to the alliance over and above any contribution that military forces could provide. The alliance context provided the right framework for Iceland to be successful in the asymmetric bargaining process that was the Cod Wars⁹⁸. Military forces would have been of no utility to Iceland in pursuing its interests for a greater fishing zone. Indeed possessing military forces at the time of the Cod Wars, in the face of British military coercion, may have given cause for the Icelandic government to have used them. This would have changed the nature of the dispute into one that was not in Iceland's favour. By relying on the international system that valued its sovereignty and utilizing its value to the NATO alliance Iceland effectively gained territory at the expense of a major power without using military assets or military force.

With the precedent of the Cold War and the Cod Wars in mind it is perhaps unsurprising that Iceland has not felt compelled to develop military forces of its own. The nature of the security environment in the far North Atlantic is such that when Russia presents a threat it is in the context of broader great power confrontation and as a consequence there is an acceptance on the part of NATO to provide materially for the defence of Iceland. When the security environment with Russia is benign then there is no threat for Iceland and no requirement for forces⁹⁹. Iceland has used its alliance with NATO to not only provide the assurance of defence in the worst case scenario of existential threat but it has also been a valuable tool in advancing Icelandic interests in bilateral disputes.

The Pacific Compact States

The grand calculus of the Cold War in the North Atlantic provided Iceland with the bargaining chips it needed to secure its defence and concurrently pursue its national interest. Outside of this high-stakes, high-value arena small states sometimes need to look to a larger patron to secure their interests. An example occurs in the Central Pacific where three countries, Palau, Micronesia and Marshall Islands have all entered into Compacts of Free Association with the United States in order to provide security and a degree of prosperity to their small and fragile nations.

The three Compact states all have a relatively short but complicated colonial past. From the mid-16th century the territory now occupied by the three states was claimed by Spain and ruled as the Spanish East Indies, a subsidiary colony of the Spanish Philippines. Spain was defeated

⁹⁸ Steinsson, 270-271.

⁹⁹ Alison JK Bailes and Kristmundur por Olafsson, **Developments in Icelandic Security Policy**, *Icelandic Review of Policy and Administration*, (Volume 10, No. 2, 2014), 1-16.