

International cooperation between the Faroe Islands and Russia

Political analysis of Faroese cooperation with Russia and future
consequences from this cooperation

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List of Abbreviations

CFP	Common Fisheries policy
FAO	Food and Agriculture Organization
FTA	Free Trade Agreement
EU	European Union
EEC	European Economic Community
EEZ	Exclusive Economic Zone
RFMO	Regional Fisheries Management Organisation
NAFO	Northwestern Atlantic Fisheries Organization
NATO	North Atlantic Treaty Organisation
NASCO	North Atlantic Salmon Conservation Organization
NEAFC	North East Atlantic Fisheries Commission
SPRFMO	South Pacific Regional Fisheries Management Organisation
UN	United Nations
UNCLOS	United Nations Conference on the Law of the Sea
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFSA	United Nations Fish Stock Agreement
IR	International Relations
TAC	Total Allowable Catch
WTO	World Trade Organisation

Abstract

This study aimed to examine how Russia appears to be an attractive trading partner for the Faroe Islands and if this cooperation can have consequences for the Faroe Islands in the future since the Faroese are members of the Danish Kingdom, but outside the EU. The cooperation of the Faroe Islands and Russia can be described as favourable to some extent since both countries cooperate in fisheries-related agreement and trade-related matters. However, there is an unfavourable aspect of the cooperation, which is rooted in the conflict between the Faroe Islands and EU in 2013 and the Ukraine crisis in 2014. While the EU along with western countries are in open conflict with Russia regarding economic and retaliatory sanctions on one another, the Faroe Islands have managed to stay out of the conflict claiming a position of neutrality and avoiding any measures of participation. However, in a relatively short period, Russia has become the Faroe Islands' most important trading partner where the Faroes is profiting from limited access of other states on the Russian market. Simultaneously, the Russias retaliatory sanctions on agri-food products such as fish have made the Faroe Islands the largest distributor of fish products on the Russian market. The fact that the Faroe Islands are openly profiting from the crisis places the unity of the Danish Kingdom in a peculiar political and international situation since one part of the Danish state is trading with Russia while another is directly affected by the retaliatory sanctions. As a third country outside the EU, the Faroe Islands are not obligated to follow the verdict from EU even though Denmark is a member state. Thus, the study aims at understanding how a none-sovereign state in the North Atlantic Ocean can effectively ensure their economic relations with Russia while maintaining membership in the Danish Kingdom and good relations with EU, or on the contrary if the cooperation between the Faroese and Russia can have consequences for the Faroe Islands in the future.

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Chapter 1

1.1 Introduction

The Faroe Islands is a self-governing nation with extensive powers and responsibilities to control their domestic affairs (faroeislands.fo, 2018). The Faroes is a Danish territory but has had home rule for 70 years, meaning that the Danish state has steadily transferred powers in multiple policy areas to the Faroes home rule government. However, nowadays the unity of the Danish Kingdom is divided between the Faroes and Denmark as both nations pursue their objectives in international affairs. Primarily, there are two events which have resulted in the division between Denmark and the Faroe Islands and closer Faroese cooperation with Russia. Firstly, the conflict between the Faroe Islands and the EU in 2013, related to a fishery dispute over shared stocks of travelling fish species resulted in economic sanctions imposed on the Faroe Islands by EU (Smith, 2013). Secondly, the Ukraine crisis between the EU along with western countries and Russia in 2014, and trade-related sanctions on one another (European Parliament, 2017).

The primary motivation behind this thesis is to understand how the cooperation between the Faroe Islands and Russia has developed and what factors are behind this cooperation. Thus, this thesis intends to analyse how Russia appears to be attractive trading for the Faroe Islands and the consequences this cooperation since the Faroese are a self-governing territory within the Danish Kingdom, but outside the EU. There are of course multiple ways of approaching this issue, but the focus of this thesis will aim at uncovering the motivations for this cooperation.

Over the past decade, the relationship between the EU and Russia can be characterised by conflict and sanctions in the aftermath of the Russian annexation of Crimea and Sevastopol (European Parliament, 2017). While Danish interest in this matter is intertwined with the EU to halt Russian aggression in Eastern Europe, the Faroe Islands have managed to stay out of the conflict claiming a position of neutrality and avoiding any measures of participation. Simultaneously, the Faroe Islands has experienced astonishing economic growth with Russia at the expense of the vice-versa sanctions, especially on agri-products such as fish. Even though there is no indication that conflict in Ukraine, will be resolved anytime soon, there are members of the Danish parliament who argue that the Faroe Islands is showing solidarity with Denmark and western countries by deliberately profiting the sanctions and conflict in Ukraine. While foreign policy remains exclusively within the control of the Danish state, the Faroe Islands home rule government have the power to negotiate and conclude international agreements under international with foreign states such as Russia by representing the Kingdom of Denmark. The apparent double standard places the Danish Kingdom into a peculiar situation where Russia is sanctioning one part of the Kingdom while another part is profiting from the trade-related sanctions.

As a third country outside the EU, the Faroe Islands is not obligated to follow the verdict taken by EU even though Denmark is a member state which makes the Faroe Islands political position is unique. With one foot, Faroes external trade cooperation with Russia has proven to economic success for the islands. Simultaneously with the other foot, the Faroes political positions in this matter indicate that the Faroes home rule government values the cooperation with Russia, above solidarity. The future consequences from the cooperation between the Faroes and Russia can only be speculatively at best.

However, as a non-sovereign state the Faroes high dependency on external trade the Faroes are gambling with their future, raising the stakes which could backfire, for instances, if Russia was to implement similar measures against the Faroes or if the EU was to impose similar sanctions as the Faroes experienced in 2013. The Faroes are in the centre of the crossroad between two economic supergiants claiming the role of neutrality while other nations see Russia as a threat to western traditions and democracy. Only the future can determine how the cooperation between the Faroes and Russia will unravel and if the cooperation can have consequences for the Faroes, but in so making the choices taken by the Faroes home rule government shows a signal that the Faroe Islands values economic prosperity with Russia above solidarity.

1.2 Research question

The primary purpose of this thesis is to investigate how Russia appears to be an attractive trading partner for the Faroe Islands and what long and short-term consequences are in the cooperation. Even though the Faroe Islands is not a sovereign state but a self-governing nation within the Danish Kingdom, but outside the European Union, based on the above description, the formulation of the research question runs as follows:

How does Russia appear to be an attractive trading partner for the Faroe Islands and can this cooperation have consequences for the Faroe Islands in the future since the Faroese are members of the Danish Kingdom, but outside the EU?

To answer the research question, I have chosen to focus my investigation on how Russia appears to be an attractive trading partner for the Faroe Islands since the Faroese are not a sovereign state but a self-governing nation within the Danish Kingdom. Currently, the conflict between Russia and western countries can be characteristics by sanctions and conflict while the Faroese have established beneficial cooperation with Russia which has affected the unity between the Faroe Islands and Denmark.

Mainly, the Faroe Islands have exclusive competences to govern themselves independently from Denmark in a wide range of policy areas which have been transferred from the Danish state to the Faroese home rule government. On the international stage, the Faroe Islands have the power to sign and conclude agreements with foreign states by representing the Kingdom Denmark and the Faroe Islands conjointly. And while Denmark has become more integrated into the European Union, the

Faroe Islands has chosen to remain outside the influence of the EU since 1973 (Uttanríkisráðið, 2010: 9). Hence, both countries pursue different policy objectives in the international community where self-interests sometimes conflict.

A combination of events influences the current cooperation between the Faroe Islands and Russia, such as the EU trade embargo against the Faroe Islands in 2013, and the Ukraine crisis in 2014. After the Russian annexation of the Crimea and Sevastopol, economic sanctions were carried out by numerous western countries on Russia and vice-versa. However, the Faroe Islands have managed to evade themselves from the sanctions and crisis, even though, the Faroe Islands is not a sovereign state, but a member of the Kingdom of Denmark, yet outside the boundaries of the EU.

Within the time frame 2013 to 2018, the Faroe Islands has become the largest exporter of fish products to the Russian market. Thus, it is relevant to ask what consequences the cooperation with Russia would have on the Faroe Islands in the future, both short and long term. The conflict between Russia and EU could be resolved and sanction removed which would have some economic effect on the Faroes or the Faroe Islands themselves could become sanctioned by Russia.

To answer the research question, I have chosen to apply different types of qualitative data sources such as interviews, public statements, statistics and documents. Furthermore, I have chosen a theoretical framework which illustrates how small states and microstates, such as the Faroe Islands behave as international actors and the opportunities and challenges these countries encounter. All of these factors help me shape the framework for the thesis and to answer the research question.

1.2.1 The fixed limitations and boundaries of the thesis

It is essential to have in mind that International Relations (IR) has traditionally been a state-centric and power-centric discipline, which implies that the main focus in IR is on how states behave as international actors in world politics (Ingebritsen et al., 2006: 3-4; Bertherton & Vogler, 2006: 12). Thus, it is vital to explain in detail the relevance of these two concepts in relation to the analysis. Firstly, by state-centric I am implying what power the Danish state has over the Faroe Islands since the Faroese are not a sovereign state, but a member of the Danish Kingdom. Secondly, by power-centric I am referring to what power the Faroes Islands has as a self-governing country within the Danish Kingdom.

Furthermore, I am aware that other actors such as intergovernmental organisations, supranational entities and transnational business corporations have an essential influence in the international community today such (Heywood, 2003: 111-114; Bertherton & Vogler, 2006: 15-16). Nonetheless, I have chosen to limit the boundaries of the thesis from these actors and focus on the traditional aspect of IR and the role of the state in world politics. Thus, by applying the small states theory, diplomacy

and economic diplomacy I will be able to uncover how Russia has become a vital trading partner of the Faroe Islands and the long and short-term consequences of this cooperation.

The Faroe Islands is not a sovereign state, but a self-governing nation within the Danish Kingdom. There are, of course, several ways to answer the research question, but since the theoretical framework is based in on the state-centric principles of IR and how states function in the international community, both the Danish and Faroese proportions are relevant to consider. As noted earlier, the legal boundaries of the Faroese foreign policy are bound together with the Danish. However, the Faroese government has full legitimacy and authority fishery trade-related matters. Thus, both the Faroese and Danish perspectives are necessary to answer the research question because international trade is often linked together with foreign policy.

An EU perspective on the Faroe Islands cooperation with Russia would also be interesting to investigate since the Faroe Islands have a long-standing relationship with the EU, but I have chosen to limit myself in this area. It would also be interesting to consider a Russian perspective since the Faroe Islands and Russia have become important trading partners but I have chosen to limit myself in this area as well.

1.2.2 Oversight of chapters

This section of the thesis functions as a general introduction, and the motivation for the structure of the thesis and has been divided into different chapters. Chapter 1 is structured as the leading introduction and choices are taken during the writing process of the thesis.

Chapter 2 functions as a general explanation of the Faroe Islands with a brief historical overview of the Faroese membership of the Danish Monarchy and the current judicial status of the Faroe Islands as a self-governing country within the Danish Kingdom and Faroese relations to the EU. This section also describes the Faroe Islands competences in foreign policy and the Faroe Islands dependence on international trade in relation to the global market and more importantly Russia's growing importance for the Faroe Islands as a trading partner in the aftermath of the Ukraine crisis.

In chapter 3 I introduce the methodology framework and choice of method for the analysis in the premise thesis. In this section, I describe the scientific premise based on hermeneutics and hermeneutical circle. I also describe the research design based on the case study design where I establish an argument for the choice case in the relation of the research question. The method applied in the thesis is based on the qualitative method and the semi-structured interviews. Lastly, validity, reliability and generalizability of the thesis are defined and described.

In chapter 4 I introduce the theoretical framework in the format of small states theory, diplomacy and economic diplomacy. The small state's theory describes the challenges and opportunities small states

encounter as actors in the international community and the recurring problem of defining small states as international actors. Within the small state's theory, there is a sub-category of microstates which are smaller than small states and are essential when defining the Faroese statehood in the Danish Kingdom. In traditional terms, diplomacy is a method or tool used to influence decisions and behaviour processes of the foreign governments while economic diplomacy has a central interest in economic matters between states. These concepts are vital for understanding the cooperation between Russia and the Faroe Islands.

Chapter 5 functions as the analysis of the thesis by presenting the findings of my investigation. The analysis of the thesis has been divided into three sections. Firstly, to conceptualise the current cooperation between the Faroe Islands and Russia and answer the research question. The Faroe Islands special statehood with Denmark has to be identified in relation to the theoretical framework, due to limited definitional characteristics of the theory of the small state. Secondly, the unity of the Danish Kingdom will be analysed in relation to Denmark, and the Faroe Islands with a particular focus on the conflict between the Faroe Islands and EU in 2013 since Denmark is a member state while the Faroese are outside the EU. Lastly, the cooperation between the Faroe Islands and Russia will be analysed concerning Ukraine Crisis in 2014 since the Faroe islands have claimed a position of neutrality and avoided the retaliatory sanctions from Russia on food products (fish) while the EU and other western countries are sanctions. Hence, I can get a deeper understanding of the cooperation between the Faroe Islands and Russia and the long or short-term consequences from this cooperation and thereby, I will be able to determine how Russia appears to be an attractive trading partner for the Faroe Islands.

Chapter 6 functions as the discussion of the thesis.

Chapter 7 functions as the conclusion of the thesis.

Chapter 2

2.1 Introduction to background information

The primary objective of this chapter is to introduce the relevant background information of the thesis. Firstly, I will present a short historical description of the Faroe Islands with a particular focus on the historical relationship between the Faroe Islands and Denmark. Secondly, I will describe the statutory judicial conditions of the Faroe Islands within the Danish Kingdom in the format of the Home Rule Act (1948), the Takeover Act (2005) and finally the Foreign Policy Act (2005). The legal premise between the Faroe Islands and Denmark is relevant because it explains to what extent the Faroe Islands may conduct foreign policy as an international actor while retaining membership within the Danish Kingdom. Thirdly, I will present the political and diplomatic relations between the EU and the Faroes, since the Faroes are categorised as a third country outside the influence of the EU, while

Denmark is a member state. Lastly, I will present the current political and diplomatic cooperation between the Faroe Islands and Russia in the format of international trade, and what factors lead to this cooperation.

2.1 The Faroe Islands, a self-governing nation within the Danish Kingdom

The Faroe Islands are a self-governing a group of 18 rugged mountainous small islands located in the North Atlantic ocean halfway between Scotland and Iceland. The Faroese have a total landmass of 1.399 square kilometres and a maritime economic zone of roughly 274.000 square kilometres (faroeislands.fo, 2018; Rigsombudsmanden på Færøerne, 2017: 9). The Faroes have a population of 51.237¹ who are descendants from Scandinavian and Gaelic settlers (faroeislands.fo, 2018). The Faroe Islands is not a sovereign state, but a self-governing nation within the Kingdom of Denmark along with Greenland. Historically the Faroe Islands was a territory of Norway but joined Denmark and Norway into a dual monarchy in the 14th century until the beginning of the 19th century. In 1814, with the Treaty of Kiel, Norway was ceded to Sweden while the Danish monarchy maintained sovereignty over the Faroe Islands, Iceland and Greenland (Rebhan, 2016: 27). In 1816, the Faroe Islands and Greenland became Danish counties, and in 1851 they were officially integrated into the Danish constitution. The Faroe Islands remained a Danish county until the Second World War. On April 9, 1941, Denmark was invaded and occupied by Nazi Germany, and the Faroe Islands became self-governing for the duration of the war. After the wartime period, the Faroe Islands had the option to remain a county with some minor adjustments or separate from Denmark. Unexpectedly, in 1946 the separatist wing won the majority of the vote in a referendum, but the Danish King dissolved the Faroese government when the Faroese authorities wanted to accept the referendum as the legal outcome and binding. Two years later in 1948, the Faroe Islands and Denmark agreed on the constitutional status of the Faroes in the Danish kingdom, and the Home Rule Act was adopted which is still binding for the Faroe Islands to this day (ibid: 28). The Faroese political system resembles the Scandinavian style of parliamentary democracy. The Faroes home rule government is divided between the legislative assembly (*Løgting*) and consists of 33 elected MPs (*members of parliament*) while the First Minister, also referred to as (*Løgmaður*) heads the executive government (*Landsstýrið*) (faroeislands.fo, 2018). The Home Rule Act does not determine any further rules on the order of these bodies but has left it to the Faroese government to decide in this matter (Rigsombudsmanden på Færøerne, 2017:13).

Thus, to answer the research question, it is essential to understand the current relationships between the Faroe Islands and Denmark since the Faroes have gained a status of semi-sovereignty within the

¹ According to the Faroese statistical databank (Hagstova.fo) on the 1. of November 2018, the total population of the Faroe Islands numbered 51.237 inhabitants [online] Available at: https://statbank.hagstova.fo/pxweb/en/H2/H2_IB_IB01/fo_vital_md.px/table/tableViewLayout1/?rxid=53a58332-f4a8-461d-85cc-be84dc7490b1 [Accessed 4 Oct. 2018].

Danish Kingdom. Accordingly the power balance between the Faroes and Denmark is vital to consider since both countries have different and sometimes conflicting positions in international affairs. Hence, the legal, constitutional status between both countries will be defined since it has relevance for the further analysis and the research question.

2.2 The Home Rule Act (1948)

The Home Rule Act (*Heimastýrislógin*) was adopted, by the Faroese parliament and the Danish parliament by Act No 137 on 23 March 1948. According to The Home Rule Act, § 1 the Faroe Islands are a self-governing society within the Danish Kingdom. The primary purpose behind the Home Rule Act is to transfer policy areas from the Danish government to the Faroese parliament, thereby, allowing the Faroese government to draft and implement legislation in those transferred areas. The Faroese authorities have the responsibility to manage the social tasks of the Faroese society taken over from the Danish state, lay down rules for the administration and have the financial responsibility for the Faroese society (Rigsombudsmanden på Færøerne, 2016:13). Additionally, since 1948, two members of the Danish parliament have been elected by the Faroese people according to the Home Rule Act § 14. (Stm.dk. 2018; Home Rule Act of the Faroe Islands, 1948).

In matters of foreign policy where the Faroese home rule government has expressed wishes concerning business interest, the Danish Representations and Faroe home rule government work conjointly in these matters. In particular Faroese case where the Danish Minister of Foreign Affairs, deems the Faroese interest to be incompatible with interests of the Danish Kingdom, Danish government may authorise the Home Rule Representatives to submit direct negotiations under the assistance of the Foreign Service, according to § 8 in the Home Rule Act (Home Rule Act of the Faroe Islands, 1948).

2.3 The Takeover Act (2005)

In 2005, the dimensions of the Home Rule Act were widened with the implementation of the Takeover Act, Act No. 578 on 24 of June 2005. The Takeover significantly expanded the competences of the Faroese home rule government to take over additional policy areas from the Danish state (Takeover Act of the Faroe Islands, 2005). Together with the Danish constitution and the Home Rule Act, the Takeover Act constitutes the constitutional position of the Faroe Islands in the Danish Kingdom. The Takeover Act states that the legal bill is based on an agreement between the national government and the government as equal parties (stm.dk, 2018)

Furthermore, the Takeover also stipulates what policy areas may not be transferred from the Danish state to the Faroese home rule government. These include state constitution, citizenship, supreme

court, foreign policy, security and defence policy and monetary policy, according to § 1 in the Takeover Act (Takeover Act of the Faroe Islands, 2005).

2.4 Foreign Policy Act (2005)

In 2005, the Foreign Policy Act was adopted by Act No. 579 on 24 of June 2005. With the Foreign Policy Act, the Faroese legislative Assembly has been allowed the opportunity to negotiate and conclude international agreements with foreign states and inter-governmental organisations, including management agreements, which deal with matters concerning Faroese interests, according to § 1, of the Foreign Policy Act (Stm.dk. 2018; Foreign Policy Act of the Faroe Islands, 2005).

2.4.1 Faroese competence and relations abroad

Faroese competence and relations abroad are provided in Foreign Policy Act, as it was noted earlier. The legislation gives the Faroese home rule government full powers to negotiate and conclude agreements under international law by representing the Kingdom of Denmark where these agreements relate solely to those legal policy areas which have been transferred from the Danish state to the Faroese authorities (government.fo, 2018; foreign Policy Act of the Faroe Islands, 2005). However, the Faroe Islands' trade or business relations and special status mean that the Faroe Islands do not have directly the same interests and views as Denmark in international cooperation or by the conclusion of bi – or multilateral agreements with other countries in the world (Rigsombudsmanden på Færøerne, 2017: 16). Currently, the Faroe islands have FTAs with other foreign actors such as the EU, Iceland, Norway, Turkey and Switzerland. The Faroe Islands have also joined the multiple organisations in regional fisheries management of NEAFC, NAFO and NASCO in conjunction with Greenland (government.fo, 2018). The Faroe Islands also have representations office in Brussels, Copenhagen, London, Reykjavík and Moscow and work and cooperate with the Danish foreign offices within the policy areas transferred from Denmark to the Faroe Islands (Rigsombudsmanden på Færøerne, 2017: 17; government.fo, 2018)

2.5 The Faroese rejection of EEC/EU membership

In 1973, Denmark along with the Republic of Ireland and the United Kingdom decided to join the EEC which later would be known as the EU by the formation of the EU in 1993 (Reban, 2016: 81; Uttanríkisráðið, 2010: 9). The integration of Denmark into the European community left the Faroe Islands with a peculiar and vital political decision whether to join the EEC along with Denmark or remain outside the influence of the EEC (Uttanríkisráðið, 2010: 41). According to the official journal of the European Communities mentions the Faroe Islands position outside the Community while Denmark became a member state in article 14 section 5(a) in 1973 when it says:

This Treaty shall not apply to the Faroe Islands. The Government of the Kingdom of Denmark may, however, give notice, by a declaration deposited by 31 December 1975 at the latest with the Government of the Italian Republic, which shall transmit it certified copy thereof to each of the Governments of the other Member States, that this Treaty shall apply to those Islands. In that event, this Treaty shall apply to those Islands from the first day of the second month following the deposit of the declaration (Council Decision of the European Communities, 1973).

However, in January 1974, the Faroese home rule government unanimously rejected the EEC membership and thereby decided not follow Denmark (Rebhan, 2016: 81). The primary disagreement between the Faroese government and the EC was related to fisheries policy. In June 1970, six member states of the EC adopted regulations for a common fisheries policy. The regulation of fisheries would later be known as the Common Fisheries Policy (CFP) and radically affect the debate on Faroese EEC membership. Equal access to the Faroese fisheries grounds would mean that EC fishing fleet would have access to the Faroese waters (ibid: 85). The political discourse in the Faroe Islands was related to the foreign fishing vessels accessing Faroese fishing grounds and harming the fisheries stocks by overfishing (Uttanríkisráðið, 2010: 23). Thus, transferring national sovereignty over the Faroese fisheries resources to Brussels was viewed by Faroese politicians as unthinkable, since fisheries were the only natural resources of the Faroe Islands (Rebhan, 2016: 33). The political debate of Faroese EEC membership came to an end when the UNCLOS declared their support for EEZ of 200 miles the resolution was implemented all over the world in 1977. In this context, Iceland was a forerunner for this development and unilaterally extended their fisheries limit from 50 nautical miles in 1972 to 200 miles nautical in 1975, and the Faroe Islands extended their fisheries limit to 200 miles in 1977 (ibid; Rebhan, 2016: 19). In aftermath of the Faroes rejection of EEC membership in 1974, the Faroes have to be categorised as a third country outside the EU (Uttanríkisráðið, 2010: 9).

2.6 The Faroe Islands a Mono-economy

The Faroese location in the middle of the North Atlantic Ocean makes the islands very remote and distant to the mainland of Europe. Thus, in the past and today, the Faroe Islands have been heavily dependent on the natural resources surrounding the archipelago and with a small population of 51.237 inhabitants the Faroese economy is tiny, compared to other countries. For decades the Faroe Islands have been dependent on fisheries as the primary commodity of export to other countries. The Faroese fishing industry covers different fields, spanning over, e.g. pelagic fishery, demersal fishery in Faroese as well, as foreign waters and fish processing industries. Even though the Faroese business sector has gradually become more diversified, the islands are still heavily dependent on fisheries which accounts for between 90% to 95% of the total exports. The fishing sectors and related industries such as salmon farming account for 20% of the gross-value in the Faroese economy and

employ roughly 15% of the Faroese labour force (faroeislands.fo, 2018). Besides the fisheries, the Faroe Islands also receive subsidies from Denmark in the format of a block-grant which amounts to 624 million DKK (102 million USD). However, the Danish block-grant from Denmark has shrunk from 11.2% of Faroese GDP in 2000 to 3.3% in 2017 (The Economist, 2017).

2.7 The Faroe Islands a Coastal State

In 1995 the UN decided to strengthen the policy areas within the UNCLOS by adopting the resolution of Straddling Fish Stocks and Migratory Fish Stock, or what would later be referred to as the United Nations Fish Stock Agreement (UNFSA), by advocating for “*regional fisheries management organisations*” or RFMO (Samró, 2015: 20). The purpose of the UN resolution was to exercise “*cooperation in relation to straddling fish stocks and highly migratory fish stocks*” according to article 8, section 1 (United Nations, 1995). Thus the EUNEAFC which is a REMO created between the joint coastal states of the EU, Norway, Iceland, Russia, Faroe Islands and Greenland (Samró, 2015: 20-21)

Faroe Islands participates independently from Denmark in the yearly fisheries negotiations between the EU, Norway, Iceland, Russia and Greenland. The yearly bilateral fisheries agreements between the coastal states in the North Atlantic involve negotiations on the yearly fishery quota on species such as mackerel, Atlantic-Scandian herring, redfish and blue whiting (Uttanríkisráðið, 2010: 28). The negotiations between the coastal states do not always reach an agreement on the total amount of catch that each coastal state should receive which leads to disagreements and conflict interest which became evident in 2013 when the NEAFC failed to research an agreement on the mackerel and herring stocks.

2.7.1 Breaking point!

In 2013 the negotiations between the coastal states in the NEAFC reached a breaking point. The coastal states were unable to reach a suitable agreement TAC of Atlantic-Scandian herring and mackerel stocks (Rigsombudsmanden på Færøerne, 2017: 40). The mackerel had been an ongoing issue between the coastal states since 2010 after the Faroe Islands claimed 15% of the TAC because climate change had altered migration patterns. The coastal state members rejected the Faroes claim, and the negotiations failed soon after (Samró, 2015: 97; Smith, 2013). However, the negotiations between the coastal states intensified in 2013 when the Faroe Islands pulled off an international agreement on TAC of Atlanto-Scandian herring by unilaterally awarding themselves 105.000 tones and increased the TAC of mackerel from 148.000 tones 159.000 tones (Smith, 2013).

From 2010 to 2013 disagreement and tensions between the coastal states increased and on the 28 of August 2013, EU imposed sanctions on the Faroe Islands. These trade-related measures included an import ban of Atlantic-Scandian herring and mackerel from the Faroe Islands and prohibited Faroese herring and mackerel vessels the licence to unload their catch in EU ports, including Danish ports. The trade embargo also hit the Faroese industries who exported herring and mackerel to the EU. (Rigsombudsmanden på Færøerne, 2017: 40-41). Reacting to the trade embargo, the Faroe Islands launched two international cases against the EU, in 2013, claiming that the trade embargo against the Faroe Islands was violating international law and rules from the WTO. In 2014, the EU lifted the trade embargo against the Faroe Islands, and the Faroe Islands dropped the charges against the EU after the parties reached an agreement (ibid: 41).

2.8 Faroese cooperation with Russia

The Faroe Islands and Russia have always worked closely together in the areas of the fisheries. The Faroe home rule government was the first western country to sign a bilateral fisheries agreement with the former Soviet Union (USSR) in 1977, and the two countries have cooperated in the fisheries sector ever since (Bilaterals.org, 2017).

In 2014 the relationship between Russia and The West, including the Faroe Islands changed. Russia invaded Eastern Ukraine and annexed Crimea and Sevastopol. In a response countering Russian aggression against eastern Ukraine the United States, EU and other western countries imposed economic sanctions against Russia. The economic sanctions included measures to restrict Russia's access to EU capital market, an embargo on the imports and exports of arms, prohibition of exports of dual-use goods and technology for military use in Russia and products that are destined for deepwater oil exploration and production, arctic oil exploration or production and shale oil projects in Russia (European Parliament, 2017). These sanctions went into effect on the 29 of July 2014. In the aftermath of the economic sanctions, Russia imposed sweeping counter-sanctions against the western countries in early August 2014. Russia prohibited imports of certain agri-food products from those western countries who had imposed sanctions against Russia. A ban on imports on agri-food products such as beef, pork, poultry and poultry products, smoked foodstuffs and sausages, milk and milk products, fish, vegetables and fruits. The western countries included in the counter-sanctions were the United States, the EU, Australia, Norway and later extended to Albania, Montenegro, Iceland, Lichenstein and Ukraine (ibid).

In the aftermath of the vice-versa sanctions between The West and Russia, the EU appealed to the third countries to not pursue economic gains from the situation by exploiting the political crisis between the western countries and Russia economically (Gardel, 2014). However, in September 2014, the later first minister of the Faroe Islands, Kaj Leo Holm Jóhannesen travelled to Moscow to meet

with the Russian officials. The primary purpose of the Faroese visit to Russia was twofold. Firstly, to assure the Russian government that the Faroe Islands were not a member of the EU even though the Faroese were a member of the Kingdom of Denmark. Secondly, to open a dialogue about increasing exports of Faroese fish products to the Russian market such as mackerel, Atlantic-Scandian herring and salmon (Joensen, 2018; Joensen, 2014). While in Moscow the Faroese First Minister criticised the EU sanctions policies and was presented with Russian commitment to increased exports of fish products to the Russian market (Fyens.dk, 2014). During this time the Faroe Islands were sanctioned by the EU, due to the disagreement on the shared amount of the mackerel and herring stock between the coastal which was noted earlier (Joensen, 2014). Thus, it is critical to ask whether the Faroe Islands is pursuing short-term economic gains by committing themselves to Russia, or if this cooperation will have long term consequences for the Faroe Islands in the future?

Chapter 3

Introduction to the methodological framework

In the process of writing this thesis paper, I have made an important decision and reflections on the scientific theory of the paper. These choices were necessary to form a scientific standpoint and have been applied throughout the writing process of the thesis. Firstly, I will present the scientific framework of the thesis. Secondly, the case study will be presented as my research design. Lastly, the validity, transparency and generalizability will be presented which is important when conducting any research of this magnitude.

3.1 The Scientific Theory

The scientific theory I have chosen to apply in this thesis is the hermeneutical position and thereby the concept of the hermeneutical circle. Through history, hermeneutics has been associated with interpretation processes by explaining political expressions, fiction and religious literature. Therefore, the hermeneutical framework opens the possibility of interpreting the statements from people which is a prerequisite for people to live in a society and to communicate with one another (Hviid Jacobsen, Lippert-Rasmussen, & Nedergard 2010: 205) While the natural sciences use general laws to explain reality, hermeneutics creates understanding through empathy and interpretation (Ibid. 249). In this thesis, I will attempt to apply the hermeneutical framework to interpret the expression from the interviews and thereby get a deeper understanding of cooperation between the Faroe Islands, and Russia and what factors are behind this cooperation. Thus, this thesis intends to analyse how Russia appears to be attractive trading for the Faroe Islands and what consequences this cooperation can have for the Faroese in the future since the Faroes are part Danish Kingdom, but outside the EU.

Furthermore, I am also aware that there are alternative scientific positions to the hermeneutical framework because it is vital the researcher can demonstrate other sources of scientific processes. One of the alternative scientific processes to hermeneutics is process tracing. While hermeneutics uses interpretation as a vital element of the scientific process to get an in-depth understanding of the particular phenomenon (ibid: 90-91), process tracing is an integral tool of qualitative analysis where the method is applied by scholars who work within the case analysis based on qualitative data (Collier, 2011: 823). Process tracing draws deceptive and causal inferences from distinguishing factors of evidence as elements of temporal sequences of events and make contributions to diverse objectives, including (a) identifying political and social phenomenon, (b) evaluating prior explanatory hypothesis, as well as uncovering new hypothesis, and determining these new causal claims (c) advancing insight into new mechanisms; and (d) (ibid: 824). While I am aware of the other scientific processes, I have chosen to work within the scientific framework of hermeneutics.

The hermeneutical circle provides an overall position of the chosen case by understanding the interactions between the parts and the entirety. Therefore it is possible of for the researcher to develop an even broader understanding of the phenomenon which is being investigated since the researcher gains more knowledge and can move further down the hermeneutical circle (Hviid Jacobsen, Lippert-Rasmussen, & Nedergard 2010: 90-91; Kvale & Brinkmann 2015: 275). By an often unclear intuitive understanding of the text as a whole, its various parts are interpreted, and from these interpretations, the parts are reintroduced in relation to the whole and so forth (Kvale & Brinkmann, 2015: 275). Hence, the hermeneutics circle creates understanding by fusing the whole – and different parts together (*horisontsammensmeltning*) and thereby providing a deeper understanding of the investigated phenomenon (Hviid Jacobsen, Lippert-Rasmussen, & Nedergard 2010: 249-250).

3.2 Case study as research design

In this thesis, I have chosen the case study as my research design. In the social sciences, the case study approach is widely used in all types of social science studies which include traditional disciplines such as psychology, sociology, political science, anthropology, social work, business, education, nursing and community planning (Andersen, 2013: 109; Yin, 2009: 4). The researcher should think of the research design as the “blueprint” of the research and should consider what questions to study and what data is relevant for the investigation (Yin, 2009: 26). The case study research strategy can both use qualitative and quantitative methods and often combines different methods, yet, traditionally case studies are considered components within qualitative research method. (Andersen, 2013: 111). The case study is a preferred strategy when the researcher has little and or no control over events, and when the spotlight is on a contemporary phenomenon investigated within a real-life context (Yin, 2009: 18). The chosen phenomenon of investigation may take many structures, such as the investigation of individuals, groups, organisations and decision-making processes

(Andersen 2013: 110). Based on the above description Robert Yin defines the case study approach accordingly:

"A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident." (Yin, 2009:18)

Thus, it is imperative that the researcher can describe in detail the elements of the chosen case which is being investigated since it is possible to apply several sources of evidence to describe the phenomenon, such as documentation, archival records, interviews, direct observations, participant-observation and physical artefacts depending on the information gathering techniques (ibid: 101; Andersen, 2013: 109). However, there are both disadvantages and advantages and when working with case study design which is dependent on the chosen research topic and methods of conducting the investigation. Robert Yin argues no single source of gathering data has a complete advantage over other techniques because the various sources mentioned above are complementary to one another which is an advantage when conducting research (ibid). It is critical, however, that the researcher early on in the writing process can demonstrate the primary factors of the chosen case and the fixed limitations of the research (Andersen, 2009: 110). Thus the case study may be a disadvantage for the research and investigation if the researcher is not able to describe the fundamental factors of the chosen case and the field of the investigation (Yin, 2009: 101).

3.2.1 Choice of case

Therefore, it is essential for the researcher to explain and define the details and dimensions of the research design, in order to minimise confusion and to define the units of the analysis (Yin 2009: 32). My case involves how Russia appears to be attractive trading for the Faroe Islands and the consequences this cooperation since the Faroese are a self-governing territory within the Danish Kingdom, but outside the EU.

My case has been prepared through operationalisation, meaning that the theoretical concepts are empirically measurable. The fact that the theoretical concepts are operationalised makes it easier to merge theory and empirical data into the analysis. Subsequently, the operationalised definitions can be multi-dimensional, and therefore it is vital to indicate which dimensions are relevant for the case (Andersen, 2013: 80). The Small states theory and the sub-category of the microstates have several dimensional aspects which are relevant for the Faroe Islands, because of the Faroe Islands complex condition in the Danish Kingdom, but outside the EU. The dimension of Denmark's membership to the EU and the Faroes political position to remain outside is vital for the analysis because signals both nations have different opinions in international affairs. Similar is the Faroe Islands cooperation with Russia. While Danish interest regarding Russian aggression in Eastern Europe is intertwined with the

EU. The Faroe Islands have managed to stay out of the conflict by claiming a position of the neutrality and avoiding any measures of participation while profiting economically from the limited access of other states on the Russian market. Thus, the power-balance between the Faroe Islands and Denmark is essential for the analysis to establish the state-centric and power-centric capabilities of the Faroe Islands and Denmark as it was noted in chapter 1. Simultaneously, the concepts of diplomacy and economic diplomacy contribute to the understanding of how the Faroe Islands and Russia cooperate in foreign and economic relations. All these multi-dimensional factors help me to construct my case and the further research of small states, microstates, diplomacy and economic diplomacy.

3.3 Empirical data

According to Yin, there are six different information gathering techniques within the case study strategy: archived records, documents, interviews, direct observation, participant observation and physical artefacts (Yin, 2009: 101) In this thesis the primary information gathering sources are interviews and documents, but I am aware that there are other sources of data which are relevant for the analysis. Simultaneously, a good case study allows the researcher to apply several different data information sources to describe the chosen case (Andersen, 2013: 80; *ibid*). In this context, the concept of *triangulation* is a helpful tool to describe how different, but relevant data sources can contribute to the qualitative research strategy. Triangulation entails researcher's incorporation of more than one method source of data in the investigation of a social phenomenon such as 'multiple observers, theoretical perspectives, sources of data, and methodologies' (Bryman, 2012: 368). As noted earlier, the interviews and documents are the primary sources of data, but there are alternative sources of data such as articles, public statements and statistics which contribute to the investigation and the analysis. In this thesis the articles, public statements and statistics will be referred to as secondary data sources (Andersen, 2013: 137). The articles and public statements contribute to the investigation of my case and to answering the research question. Since the primary function of the news outlets is to deliver information to the general public, they include online media and radio. An alternative secondary data source is statistics from the Faroese statistical databank (Hagsotva.fo) and Russian statistical databank (Ru-stat.com) which provides useful information related to my investigation and to answer the research question. However, it is necessary to consider if the information is reliable from Ru-stat.com since Russia does not have a reputation as a free democracy with the rule of law and a free press. As the author of the thesis, I am aware of this factor, but by comparing different data sources of evidence, I can get a deep understanding of the case.

3.4 The qualitative method and semi-structured interviews

In this thesis, I have chosen to work within the qualitative research method which means that interviews constitute a considerable part of the empirical data. As noted earlier, the information gathering techniques in this thesis are interviews and documents. Within the case study design, interviews are considered one of the most important data collection sources because the interview is designed to identify concerns within the chosen case (Yin, 2009: 106). The primary purpose of the qualitative research interview is to understand the world based on the views of the subjects and thereby uncover important facts about their life experiences (Kvale & Brinkmann 2015: 49). Thus the qualitative research interview goes beyond the spontaneous exchange of views in the everyday conversation. The researcher uses careful questioning and listening methods, which aim to provide a thoroughly verified knowledge. The qualitative research interview is not a conversation between equal parties since the researcher must define and control the situation of the interview process (Kvale 1997: 19). The qualitative research interview is defined as follows: "*An interview aimed at obtaining descriptions of the interviewee's lifeworld in order to interpret the meaning of the phenomena described.*" (ibid). Therefore, it is essential for the researcher to know beforehand what type of interviews are going to be used to get the best result from the investigation. In my case have chosen to conduct semi-structured interviews which implies that the researcher has practical and theoretical knowledge of the phenomenon of the investigation. However, the researcher should also be open to new perspectives which might be presented during the interview process. (Andersen 2013: 155).

Simultaneously, there are weaknesses within the qualitative research method and interviews data source. For instance, the analytical process of transcribing an interview recording is very time-consuming for the researcher (ibid: 152). The qualitative research interview has occasionally been rejected for not being scientific enough, even though the result might be interesting for further research, it does not follow the scientific method. Even though qualitative research is an essential factor in social science today, there are still critical objections to the qualitative research approach (Kvale, 1997: 68). One of the most persistent requirements in social science is that science must be quantitative rather than qualitative (ibid: 75). Thus it is essential that the researcher can establish a compelling argument for the scientific framework and the reasons for choosing this scientific approach. As noted earlier, the qualitative method seeks to understand the world based on the view of the subject and their life experiences (Kvale & Brinkmann 2015: 49). While the quantitative method does not associate itself with individual cases, but rather it seeks to understand the world based on legal descriptions, systemic relations and explanations of phenomena. The quantitative research method does not regard the existential individual or individuality of primary importance for the research, but rather the research is associated with group data, statistics, predictions and probability calculations (Kvale 1997: 75). By this reasoning, the qualitative method and the research interview should be deemed to be unscientific. However, the interview is neither an objective or subjective method, but rather an intersubjective interaction. The question of the objective knowledge gained

through the interview is thus associated with the dichotomy between objectivism and subjectivism. According to the realist version of objectivism, there is an objective reality independent of the observer, and there is only one procedure of looking at it. While contrary to realist approach, relativist argue that all concepts of knowledge namely, truth, reality and goodness are relative to a theoretical framework, way of life or culture (ibid: 74).

The interviews, also contribute to the hermeneutical perspective by the understanding of a contextual aspect of the interpretation process which researchers use when working with this particular framework trying to seek real knowledge through rational argumentation with the interview candidates (Kvale & Brinkman, 2016: 81; Kvale, 1997: 74). By conducting semi-structured elite interviews, the researcher can gain a deep understanding of the case by having practical and theoretical knowledge about the investigated phenomenon. Through this process, the researcher will be able to get a better and deeper understanding of phenomena related to the research question - by including vital documents and interviewing vital politicians who know this field of research. Hence, the researcher will be able to get an indepth understanding of the chosen case and answer the research question.

3.4.1 Elite interviews

Within the qualitative method, there are different types of interviews which are suitable for different purposes depending on the type of investigation. In this thesis, a suitable choice was elite interviews since a central part of this research involves Danish and Faroese politicians (Kvale & Brinkmann 2015: 201). These interviews were necessary to get a deeper understanding of how the cooperation between the Faroe Islands and Russia has developed and what factors are behind this cooperation since the Faroe Islands part of the Danish kingdom. Hence it is essential that the interviewer be well informed about the central elements in the investigation and be familiar with the interview person's social situation and life story (ibid.). Elite interviews are sometimes challenging to manage because interviewees are often individuals who have experience in dealing with interviews. Thus, it is vital for the result of the investigation that the interviewer is prepared for this event and has vital knowledge concerning the problem area of the investigation (Andersen 2013: 131). To get the best possible results in the investigation, I have chosen individuals who have expressed their views on these matters and have the knowledge related to my case.

3.4.2 Presentation of respondents

To get in touch with the different topics, I have chosen to do interviews, for a minimum of 15 to 20 minutes. Usually, this involves interviewees who know the area of investigation. Usually, the researcher prepares an *interview-guide* which highlights the questions which the researcher wants the

interviewee to answer (Andersen 2013: 155). Initially, I chose to interview Danish and Faroese politicians who had expressed interest in the topic and had essential knowledge of Faroese cooperation with Russia. The candidates from the Faroese parliament were individuals from different political parties such as the Republicans (*Tjóðveldi*), the Progressives party (*Framsókn*), Social Democratic Party (*Javnarflokkurin*) and Unionist Party (*Sambandsflokkurin*). All the Faroese individuals agreed to participate in my research and will be presented in Appendix 1.

Simultaneously a Danish perspective was critical to answer the research question. However, this proved to be quite challenging and time-consuming. Firstly, I tried to contact members of the Danish parliament and government who had expressed their concerns regarding the cooperation between the Faroe Islands and Russia. These individuals did not wish to participate in my research. Secondly, I chose to contact multiple members of the Danish Parliament who represent the Faroe Islands Committee (*Færøudvalget*). One of the Danish members in the Faroe Islands Committee Christian Juhl agreed to participate in my research. Juhl is a member of the Red-Green Alliance (*Enhedslisten*). The rest of the committee did not reply or did not wish to participate in my research. After that I contacted the Danish Ministry of Foreign Affairs, the Prime Minister's office, journalists, the Danish Representative in the Faroe Islands and former members of the Danish parliament to get an interview. However, these individuals did not wish to participate in my research or did not reply.

So it was necessary to find alternative sources of the data, sources where the Danish government or Danish politicians had expressed their concerns regarding Faroese cooperation with Russia. Thus articles, radio shows, statisticians, newspapers, public statements and Danish government documents became useful sources of data. In this context it is vital to acknowledge that the original structure of the thesis has changed since it was necessary to find alternative sources of data. The interview with the Danish parliamentarian will be presented in Appendix 2, and the candidates whom I have contacted and who did not wish to participate in my research will be presented in Appendix 3. Arguably, it is fascinating that only one Danish member of the parliament wishes to participate in my research. Thus, in the Discussion this point will be analysed.

Below is an overview of the people I have either interviewed or used public statements from with brief explanation of the background and whom they represent politically.

- **Faroese Minister of Fisheries:** Høgni Hoydal (*Tjóveldisflokkurin*), the Republican party, interview (Appendix 1).
- **Faroese Minister of Foreign Affairs and Trade:** Poul Michelsen, (*Framsókn*), Progressive party, interview (Appendix 1).
- **Former First Minister of the Faroe Islands, 2008 – 2015:** Kaj Leo Holm Johannesen, (*Sambandsflokkurin*), Unionist party, interview (Appendix 1) and public statements.

- **Faroese member of the Danish Parliament:** Magni Arge, (*Tjóðveldisflokkurin*), The Republican party, interview (Appendix 1).
- **Faroese member of the Danish Parliament:** Sjúrdur Skaale, (*Javnarflokkurin*), Social Democratic Party, interview (appendix 1) and public statements.
- **Member of the Danish parliament:** Christian Juhl, (*Enhdslisten*), Red-Green Alliance, interview (Appendix 2).
- **Member of the Danish Parliament:** Søren Espersen, (*Dansk Folkepart*), Danish Peoples party, public statements on radio.
- **Member of the Danish Parliament:** Martin Lidegaard (*Radikale Venstre*), The Social Liberal party, public statements in newspapers.
- **Danish Minister of Foreign Affairs:** Anders Samuelsen (*Liberal Alliance*), the Liberal Alliance party, public statements and government records.

3.4.3 Interview-guide

In relation to the semi-structured interview, it is entirely reasonable for the researcher to prepare an *interview-guide*. An interview-guide indicates the topics of the subject and their order in the interview. The guide may only contain the primary question subjects of the investigation or a detailed order of - if precisely formulated - questions. In the case of this thesis, the method chosen is the latter. It is essential that the researcher promotes proper interview techniques and that the interview questions be thematic contributing to the production of knowledge. Thematically the questions should relate to the subject of the investigation, the theoretical perceptions and the analysis. Dynamically the questions should promote positive interaction between the researcher and the interviewee by motivating the interviewee to explain their life experiences. The questions should be simple to understand, short and not contain academic language (Kvale, 1997: 133-134). Accordingly, I have structured my questions to the subject of the investigation preparing questions beforehand in the format of an interview guide. This interview-guide aims to establish a decisive well-structured set of questions so the interviewee may prepare his or her answers in advance.

The questions for the interview will be formulated accordingly:

1. How would you define the Faroe Islands as an international actor, since the Faroe Islands are members of the Danish kingdom, but outside the European Union?
2. Does the Faroese cooperation with Russia affect Denmark as an international actor and as a member of the European Union?
3. How does Russia appear to be an attractive trading partner for the Faroe Islands?
4. Do you believe trade policy can be part of foreign policy?

5. Is there any conflict of interest between the Faroe Islands and Denmark in relation to Russia or Faroese trade relations to Russia?
6. What consequences can the cooperation between the Faroe Islands and Russia have for the Faroe Islands in future? (both short and long-term)

3.4.5 Language

In the process of preparing the interviews, I have made necessary reflections on the language position of the thesis, since the literature is both in Faroese, Danish and English. Hence, I gave the interviewees the option to choose what language they wished to communicate in since the language barrier sometimes causes issues because the interviewees are not able to formulate themselves accurately. Most of the interviewees chose to communicate in their native language, but some chose English as well, to get the best result and more in-depth understanding of my case. Even though it is possible to conduct all the interviews in English or Danish, it is possible to obtain better results if the interviewee can communicate in their native language rather than in a language where vital facts may be lost in translation. All the interviews will thus be translated into English.

3.5 Generalizability, Reliability and Validity

The concepts of generalizability, reliability and validity are essential components to consider in the social sciences when conducting scientific research. These concepts seem to belong to an abstract area of science, removed from everyday interactions, yet they have signification and are valued in science (Kvale, 1997: 225). However, sometimes researchers who adopt the qualitative approach ignore concepts of generalizability, reliability and validity because they argue it limits creativity in qualitative research and initially the concepts favour positivism (Kvale & Brinkmann, 2015: 317). Even though there are different arguments for and against these concepts, they should not be ignored. So we shall now define these concepts and how they are contributing to the research and the investigation of the thesis.

Within the scientific method, the generalizability of a particular subject raises questions which all scientists acknowledge at some point during their research. According to the positivist methodology, the primary objective is to establish lawful perceptions of humans nature where scientific knowledge requires generalisability which implies that the social sciences can be generalised universally, while the humanist traditions contradict this method of permanent, accurate knowledge. They argue that every situation is unique, every phenomenon has its structure and logic (Kvale, 1997: 227; Kvale & Brinkmann, 2015: 332). In this thesis the research is related to the case study and the research question, which implies that my investigation into the cooperation between the Faroe Islands and

Russia is a unique situation and can not be generalised. The case deals with a contemporary phenomenon within a real-life context between the Faroe Islands and Russia. Thus the case deals with a particular situation where the boundaries between the Faroe Islands and Russia are not clearly evident and where it is possible to get a deeper understanding of the cooperation between both countries. Since my investigation into this contemporary phenomenon is unique, it would most likely not be possible to get the same result if the same methods were renewed.

Within science, validity refers to whether a scientific method investigates what it is alleged to investigate. Broadly speaking validity in the social sciences has been associated with the extent to which our observations reflect the phenomena or variables we find interesting (Kvale & Brinkmann, 2015: 318; Andersen, 2013: 80). To answer the research, question the method used in the thesis investigates a practical event and to uncover the motivations for the cooperation between the Faroe Islands and Russia. Thus, limitations or boundaries to the investigation were necessary to get an in-depth understanding of this phenomenon. In this context, the primary data sources and the concept of triangulation contributed to the validity of the thesis by applying different data sources which contributed to the credibility of the research and my case.

Reliability takes into account the consistency and credibility of the results from the research. Reliability deals with the question of whether a result of an investigation can be reproduced at different times and by other researchers. In qualitative research, this implies whether the interviewees might change their response during an interview and whether they might give alternative answers (Kvale & Brinkmann, 2015: 318; Andersen 2013: 84). It is thus essential to ask if the qualitative research interviews are reliable. Since the case is situated around a political perspective and is unique, it investigates a counterparty situation between the Faroe Islands and Russia. Thus, my research into this phenomenon might contribute to future analysis into this particular area. However, different research might give an alternative perspective into this area.

Chapter 4

4.1 Introduction to the theoretical framework

This chapter presents the theoretical framework, which consists of a combination of small states theory, as well as diplomacy and economy diplomacy. The primary objective of this chapter is to apply the theoretical educational tools used in the analysis. Both the small states theory and diplomatic concepts complement each other because of a focus on how small states are subject to

some conditions that larger states are not. While diplomacy and economic diplomacies are methods or tools to manage positive relations between states, the small state's theory describes the power balance in the international community, and the challenges and opportunities of small states. The theories along with the concepts help to shape the theoretical framework and to answer the research question.

4.2 Small States Theory

Within the field of social science IR has traditionally been a state-centric and power-centric discipline, which means that much of the focus in IR concentrates on the great powers, and therefore small states are often neglected because usually small states are less relevant (Ingebritsen et al., 2006: 3-4). Hence, small states are commonly categorized by the competence they do not possess compared to the powerful states such as the United States and Russia (Thorhallson, 2018: 17). This does not mean that small states are less critical in IR, but rather that “small” and the “great” do not correspond with the definition between strong and weak (ibid: 8) A general rule amongst small states is that they are more sensitive and vulnerable to their environment; small states have fewer resources and fewer options of action than the more considerable powers (Höll, 1983: 23; Thorhallson & Steinsson, 2016: 3). In this context, small states are often more exposed to events that occur outside their borders which makes small states and its leaders vulnerable. Thus, small states are less resilient to shape superior outcomes in political and economic crisis compared to more considerable powers because larger powers can shape their outcomes. As a result, small states are often affected by the actions taken by foreign states both on the regional and global level (Thorhallson 2018: 22).

Throughout history, small states have been regarded as less important compared to more considerable powers, but this mindset has altered. Following the end of the Napoleonic wars (1815) “the five” great powers namely Great Britain, Prussia, Russia, France and the Hamburg Empire (Austria) met at Congress of Vienna to settle matters concerning the future of Europe and to discuss questions of concern, draw up treaties and agreements. Those smaller powers who were deemed to be inconsequential to the superior power of the five were less relevant and came to be known as “middle – and small powers”. These smaller powers were excluded from negotiations and deemed too weak to be taken seriously by the more extensive powers. These five great powers dominated the international system for the rest of the century up until the beginning of the 20th-century and World War I (Ingebritsen et al., 2006: 4-5; Archer et al., 2014: 3).

As a consequence the 20th-century experienced an increase in the number of new states as a result of the break-up of the Hapsburg Empire in 1919, British and French decolonisation in the 1950s and 1960s and lastly the dissolution of the Soviet Union (USSR) in 1991 (ibid). In the aftermath of these events, small states were all the states that were not considered great powers but less potent than the middle powers such as Australia, Canada and South Africa (Ingebritsen et al., 2006: 5-6) As a result, research into the small states phenomenon started as a residual category because well into the 20th-

century all states were categorized as “powers”. However, today this reference only applies to the great powers (ibid: 4).

In 1959 Annette Baker Fox contributed to the research on small states in the publication *The power of Small States: Diplomacy in World War II*, by theorising a shift from the more considerable powers and their competences to global governance of all actors within the international community (ibid; Archer et al., 2014: 3). The primary focus was related to security matters of small states in military and economic terms (Thorllason 2018: 20). Fox argues that during World War II it was widely shared among students that the days of small powers was over because such states had no security under modern conditions and small states. However, a common perception among the great powers used to be that small states were helpless pawns in world politics. The larger states frequently regarded small states as mere objects which could be pushed around by the greater powers in their contest for dominance in the international system against other powers. Arguably, small states viewed themselves as good law-abiding countries and perceived the more considerable powers as cynical manipulators (Baker Fox 1959: 1-2).

However, in certain circumstances, small powers may find themselves either being unheeded or being an arbiter in a struggle between giants. It is only during crises of integrate-power war that one can experience the active and intense aspects of the relationship between the small powers and the more extensive powers (ibid: 4). Thus, small states are usually permanent security consumers with limited space and little to offer the great powers when they set out goals beyond their security and survival (Archer et al., 2014: 5). Hence, an apparent theme among small states is their geographical location which often determines their security (Thorhallson & Steinsson, 2016: 9). In general, the belief is that the more considerable powers set the course of world politics where the small states have little or no choice but to comply with the decisions made by the more powerful states (Baker Fox 1959: 2).

Today, small states play an important role in the international community. Currently, there are 193 sovereign states in the world which are members of the United Nations (UN), where one or two dozen do not fall into the category of small states (Un.org, 2018; Ingebritsen et al., 2006: 3). Assuming the international community remains peaceful, economically accessible and institutionalised, it is reasonable to the expectations that the number of new small states will rise in the future (Thorhallson & Steinsson, 2016: 1).

4.2.1 Defining the Small States

Throughout history, small states have been regarded as less important compared to more considerable powers, but this mindset has altered. Scholars who study the small states phenomena often approach this question by using exact numbers, since there no absolute consensus on how small states should be defined. As Thorllason and Steinsson argue in their essay *Small states in Foreign Policy* (2016), a

central theme among small states is that they have a shortage of resources and capabilities which determines the power and influence that small states obtain (Thorhallson & Steinsson, 2016: 2-3; Ingebritsen et al., 2006: 6). Typically, small states have been grouped into at least three different categories of states: Small states in the developed world, small states in the Third World and micro-states (Archer et al., 2014: 8). Principles such as military power, economy, size of population and territory, are usually applied when defying small states (Thorhallson & Steinsson, 2016: 2-3; Ingebritsen et al., 2006: 6). Among these categories, a common approach has been defining the size of the state based on the population. Even though scholars approach the problem by using the size of the population as an indicator, there is no agreement among them what the exact number of inhabitants should determine a small state. Most academic literature places the population bar between 15 to 10 million inhabitants, but this is not an exact condition because states with 30 million inhabitants are sometimes considered small as well. (Thorhallson & Steinsson, 2016: 3; Thorhallson 2018: 18; Handal, 1990: 30-31). Some studies place the population bar considerably lower at 1 million inhabitants (ibid).

Thus, it is relevant to ask, “how can small states be measured?” since there is a substantial gap in academic literature on this topic. Mathias Maass argues in his paper “*The elusive definition of the small states*” that there is a need for analytical clarity of small states (Maass, 2009: 68). Firstly, the requirements for statehood must necessarily be defined. So, Maass argues that those entities that are *units of the international system* and fulfil the requirements mentioned in the 1933 Montevideo Convention give a general definition of statehood (ibid: 69). In order to be considered a state, an entity must (a) have a defined territory, (b) have a permanent population, (c) have a government and (d) be willing to participate in international relations (ibid: 68; Montevideo Convention on the Rights and Duties of States, 1933).

Furthermore, Baldur Thorhallason’s essay *Studying small states: A review* contributes to the definition of small states. Thorhallason argues that instead of focusing on a single category like the population, there is a need for a multifunctional framework, to define the *size of the state* which includes six factors. These categories are *fixed size*, which refers to the size of the population and the territorial size of the state. *Sovereignty size* is the degree to which a small state can maintain sovereignty over their internal affairs, borders and govern it entirely; *political size* refers to the administrative and military capabilities to form foreign policy, domestic cohesion and to deal with the problems. And *Economic size* refers to a small state gross-domestic-product (GDP) and market development. *Perceptual size* refers to political dialogue and self-perceptions which leaders, elites, groups and the public have of their country. Small states who value their role in the international community and see themselves as influential actors might be more successful in making an influence in world politics. While small states who consider their role not to be influential in world politics end up as victims. Lastly, *preference size* refers to the specific label of ideas, ambitions and priorities which elites have

regarding their purpose and role in the international community. Scholars who study the small states phenomenon consider size as a relative concept, and the influence which considerably greater powers project is arguably far more significant than the influence of middle and small powers (Thorhallsson, 2018: 20). However, there remains the issue of how these small states are to be measured as states. It is generally accepted in the academic literature that small states are in a distinctive category of states, yet there exists no universal consensus on the characteristics of them. A relevant question to ask is how is one to define the characteristics of the small states if the essential requirements are not distinct (Maass, 2009: 70). Hence, in order to define the characteristics of small states, there is a need for clarity. The characteristics and definition of small state size in relation to the Faroe Islands are essential to identify. Thus, the principles of the Montevideo Convention from 1933, as noted earlier will be applied and Baldur Thorllasson six principles to determine the size of state will contribute to the understanding in this regard. As opposed to a single factor, all of these elements have equal value when defining small states and what role or influence the Faroe Islands has as an international actor, since the Faroe Islands are not a sovereign state, but a self-governing nation within the Danish Kingdom.

4.2.2 Opportunities and challenges for the Small States as international actors

Being a small state in the international community brings opportunities and challenges both from a political and from an economic perspective. Scholars who study the small states phenomenon such as Baldur Thorhallsson and Sverrir Steinsson agree that small states are in a disadvantaged position compared to larger states, but still, small states can have influence and prosper in the international community. Small states face different challenges regarding security, welfare, economy and geography. Thus, it would be pointless to group all small states in the same category because small states represent diversity and face different challenges (Thorhallsson & Steinsson 2016: 2). For instance, Luxembourg which is a founding member of the EU and boasts a key position in European politics deals with different challenges compared to the new Baltic states, namely Lithuania, Latvia and Estonia which geographically share a border with Russia at the EU's periphery (ibid). In line with this, it may be useful to think of small states as excelling in some areas. As the famous sociologist, Emile Durkheim noted in his book: *Professional Ethics and Civic Morals* from 1950 "Societies can have their pride, not being the greatest or the wealthiest, but being the most just, the best organised and possessing the best moral constitution" (Durkheim 1950: 75). Small states can thus be influential actors if they value themselves as having a significant role to play in world politics (Thorhallsson 2018: 20). Many small states will often seek to influence more considerable powers by making normative appeals by relying on the legitimacy of international cooperation such as the European Union (EU), United Nations (UN) and the North Atlantic Trade organisation (NATO) (Thorhallsson and Steinsson 2016: 10). The development of the EU has in many ways altered

conditions for external behaviour of small states on the European continent (Thorhallsson 2006: 651). Most of the scholars who study the small states phenomenon agree that small states commonly prefer multilateralism as a path to influence, but also to in check more extensive powers for their security (ibid: 2).

In order to prosper as international actors, small states are often heavily reliant on an open economy and international trade since they have a small market. Unlike larger states who have a large domestic market and access to larger markets without trade barriers, small states with their small domestic market face challenges (Thorhallsson and Steinsson 2016: 7). With little diversification of the economy, limited natural resources, higher costs of production, limited competition, low research and development expenditure, small economies are more dependent on external trade with non-tariff and limited tariff barriers (Ingebritsen et al., 2006: 11; Thorhallsson and Steinsson 2016: 7). Small states also face challenges because they are often dependent single commodity of export and generally do not export any industrial goods (Ingebritsen et al., 2006: 11). But tying themselves to international markets also contributes to innovation and efficiency in a small domestic market. The activity for small states to prosper depends on an open economy and limited trade barriers since a significant component of a small states GDP is associated with the free movement of goods (Thorallsson and Steinsson 2016: 7).

However, there are assumptions which suggest that small states are more “successful” in using the “management bargaining models” in foreign economic policy than larger states, according to Ottmar Höll: Firstly, small states are dependent on the small society understanding the importance of managing a successful foreign economic policy for the national welfare, and thus small states accept aggressive trade and investment policy from the business community. Consequently, the only issue is the tariff policy. Secondly, small states are those actors who have the most experience in dealing with a reliance on the foreign economy. In a globalized industrial economy, all states are more reliant on the international market. In this field, small states are considered the “leading experts” as decision makers. Finally, as noticed earlier small states enjoy a very restricted freedom of action because they have no influence in world affairs. Thus, one presumption can be argued, because small states have almost no influence in world affairs, neither in the economic nor political area, the more considerable powers do not pay attention to small states. In other words, small states can take more risks in matters of foreign policy and economic policy with no fear of sanctions. (Höll, 1983: 66-67).

4.2.3 Microstates

A sub-category within the small state's theory are those nations which are smaller than small states and generally categorised as “micro-states” and therefore, fall into a unique category of “smallness” altogether. These micro-states are states which have a low population and share some essential

limitations to their sovereignty and are commonly dependent on other polities in formulating legislation on key policy areas. Commonly micro-states are defined according to the size of the population, usually with a threshold set between 100.0000 and 1.5 million inhabitants (Andorra, Liechtenstein, Monaco, San Marino, and Luxembourg) are some examples (Ingebritsen et al., 2006: 6). However, classification of what factors constitute a microstate falls short since any exact definition can only be arbitrary. Hence, a helpful way of categorising microstates is to consider them as those states whose claim to maintain effective sovereignty over their territory, yet, is questioned by other states and they have a minimal presence in the international community. Thus, micro-states should be understood to follow the minimum requirements which are a presence in the international community in a format of membership in international organisations and have embassies (ibid; Archer et al., 2014: 8; Handal, 1990: 47-48).

Michael Handal defines some of the problems in defining the concept of micro-states in his book: *Weak states in the International System (1990)*. According to Handal, it is complicated to define “mini” or “micro” states in the international community. A general theme among microstates is that they have a small population and territory. Some exceptions would be states such as Singapore and Hong Kong. Many microstates are still colonial dependencies or have managed to attain independence or some status as semi-independent nations. A common issue for micro-states is they have economic problems which affect their competences in maintaining effective material and human resource capabilities. As noted earlier all the criteria small states face as international actors apply, even more readily to microstates (Handal, 1990: 47-48). Microstates are also facing limitations in military and economic terms. Most microstates do not maintain a standing army and are commonly protected by larger neighbours, and in some cases, they are members of international alliances such as NATO. While microstates face challenges economically, yet, in Europe most micro-states have solved these issues by some combination of dependence on neighbours, sharing of currencies (often the euro) and joining collective institutions such as the European Union (Archer et al., 2014: 15).

4.3 Diplomacy

In international relations diplomacy is the skill and practice of conducting negotiations between states. States are the leading actors in the international community with the competences and power, and its primary units of action are its diplomats and soldiers (S. Nye & O. Keohane, 1971: 329). Since IR is as state-centric discipline geography, technology and domestic politics form the environment within which states interact amongst each other, in an otherwise anarchic system (ibid: 330; Waltz, 1979: 88). In this unstable environment, diplomacy is a political activity, which includes principles such as communication, negotiations and sharing of information between states. Hence, diplomacy includes all actions and activities executed by states political actors and states representatives. Mainly, political

actors and state representatives operate through embassies, consulates, ministries of foreign affairs or through international organisations. The primary essence of these bodies is to administer a relationship between states in a positive and constructive aspect (Ewa Szatlach, 2015: 210).

Thus, diplomacy is an instrument of statecraft used to manage the goals of foreign policy in communication (Kleiner, 2008: 321). As the famous political scientist Hans Morgenthau noted in his book: *Politics among Nations* from 1948, “*This method of establishing the preconditions for permanent peace we call peace through accommodations. Its instrument is diplomacy*” (Morgenthau 1948: 419). Thus, diplomacy is one instrument of a state’s national power where the preservation of international peace is but one aspect of the general function which diplomacy fulfils. In cases where diplomacy ends in war, diplomacy has failed in its primary objective which is the promotion of national interest by peaceful means (ibid). Morgenthau argues further that the organised instruments of diplomacy are twofold: *firstly*, the foreign offices centred in the capitals of the individual foreign countries are the policy-forming agencies and are tasked with gathering and evaluating information from the outside world. *Secondly*, while the foreign office's main task is to process information, diplomatic representatives fulfil a symbolic, political and legal role for the foreign agencies and are considered the eyes, ears and mouth of their country (ibid: 421-422).

4.4 Economic diplomacy

Within the concept of diplomacy, one of the various diplomatic approaches is economic diplomacy which emphasises economic interest as a component of the state’s foreign policy (Ewa Szatlach, 2015: 211-212). In IR economic diplomacy has received little attention until recently, yet this does not mean that economic diplomacy is a new phenomenon in IR (Okano-Heijmans, 2011: 13) From the very beginning diplomacy was concerned with issues related to war and trade (ibid: 9-10). At its earliest stages the principles of the economic diplomacy were referred by Thucydides, who mentions a trade boycott inflicted by Athens against Megara, a Spartan ally (ibid: 10). At the national level newly, elected governments tend to focus much of their attention on the commercial and trade dimensions of economic diplomacy in clear-cut and direct policies (Okano-Heijmans, 2011: 13) Generally, economic diplomacy uses economic resources as its main instruments by granting privileges or imposing sanctions, when states pursue their foreign policy agenda. As it was noted with diplomacy, economic diplomacy is a tool, method or instrument, with which states construct economic relations with different states (Ewa Szatlach, 2015: 211-212).

However, economic diplomacy is no linear concept, meaning that it is related and influenced by different diplomatic approaches, such as trade diplomacy, financial diplomacy and commercial diplomacy. Scholars argue that economic diplomacy incorporates some aspects from all of these different diplomatic approaches and how they relate to one another (Okano-Heijmans, 2011: 8). According to Alan Geoff R. Berridge and Alan James economic diplomacy can be placed into two

categories: *Firstly*, economic diplomacy is commonly concerned with economic policy. *Secondly*, it is diplomacy which applies economic resources, either as rewards or sanctions, in pursuit of a particular foreign policy objective (Berridge and James, 2003: 91).

A critical element in the literature of economic diplomacy is related to diplomacy itself, and to what extent economic diplomacy is an instrument of states or if economic diplomacy incorporates a broader range of private and non-governmental actors. (Okano-Heijmans, 2011: 15-16). Thus states are not regarded as the only players, however, the general assumption is that states are the primary actors in economic diplomacy. Overall economic diplomacy is affiliated with the actions taken by the state and the environment in which the states operate. From a realist perspective, economic diplomacy is the pursuit of economic security in an otherwise anarchic system. Economic security comprises elements such as economic prosperity and political stability of a nation; it suggests that economic diplomacy involves a “business end” and a “power-play end”, and all the instruments and tools used are placed somewhere between these two categories. In the “power-play end” process these instruments are the political actions and negotiations, such as the implementation of sanctions. The primary purpose of these activities is the blueprint of the national government, and the underlying cost-benefit estimation pursues a political logic. Commonly, the objectives of the activities are to contribute to a calm international environment which is referred to as economic statecraft. In the “business end” of economic diplomacy are the elements of cooperative efforts by the national government and businesses which have a mission to achieve their commercial objectives advancing national interests such as trade and investments promotions (commercial diplomacy). Overall, cost-benefit calculations follow an economic logic in order to maximise business opportunities which is the primary driver behind these activities. Situated in between all these ends are activities which are more or less economic or political, such as economic or development aid (and aid suspension), bilateral and multilateral negotiations on trade agreements (trade diplomacy), and financial and monetary policy/negotiations (financial diplomacy). Thus, as it was noted earlier economic diplomacy is not a linear concept and tends to overlap into different branches of diplomacy which have economic and political dimensions (ibid: 16-17).

Chapter 5

5.1 Defining the role of *smallness and the size* of the Faroe Islands and Denmark

“ ... *Well I would define the Faroe Islands as an international actor “in between”* (Hoydal, 23.11.2018)

In this chapter the state-centric and power-centric properties between the Faroe Islands and Denmark will be defined according to the small state’s theory because of the Faroe Islands complex statehood, meaning a self-governing nation within the Danish Kingdom, but outside the EU. Defining the Faroe

Islands by the theoretical framework is challenging because of the limited definitional characteristics in the academic literature on small states and microstates. However, by merging the different aspects from the theoretical framework and the hermeneutical traditions in the format of different data sources I can determine what challenges and opportunities come with size and thereby get a more in-depth understanding the Faroe Islands role in the Danish Kingdom

Thus, the four definitional characteristics of statehood mentioned in the Montevideo Convention (1933), namely (a) *a defined territory*, (b) *a permanent population*, (c) *a government* and (d) *participation in international relations*, gives a general definition of statehood (Montevideo Convention on the Rights and Duties of States, 1933; Maass, 2009: 68). Also Baldur Thorhallsson's multifunctional framework for defining the *size of the state* will contribute to the definition of *size and smallness* because of the Faroe Islands complex statehood in the Danish Kingdom. The definitional characteristics include a *fixed size*, *sovereignty size*, *political size*, *economic size*, *perceptual size* and *preference size* (Thorhallsson & Steinsson, 2016: 4; Thorhallsson, 2018: 20). All of these factors are necessary because of the limited definitional characteristics in the academic literature on small states and microstates. However, it is necessary to acknowledge that some of the definitional characters from the Montevideo Convention and the multifunctional framework overlap one another.

5.2 Conceptualizing the Faroe Islands as an actor

In IR the vast majority of the states within the international community are small states. Of the currently 193 member states of the United Nations (UN), all but one or two dozen fall into the category of small states. Thus, small states are too numerous and too significant to ignore (Ingebritsen et al., 2006: 3; Un.org, 2018;). The Faroe Islands, just as Greenland are members of the Danish Kingdom which means that even though these territories have gained sovereignty to some extent, the Danish Constitution (1954) is binding for the whole Kingdom, according to §1 section 1 (Danmarks Rigs Grundlov, 1954).

During the past 70 years the Home Rule Act has been enforced. There has been a continuous process of distribution of power from the Danish state to the Faroese home rule government (Home Rule Act of the Faroe Islands, 1948). In 2005 the legal framework of the Home Rule Act was extended by the implementation of the Foreign Policy Act (2005) and the Takeover Act (2005) which granted the Faroese home rule government additional power-centric competences in the international community. However, the state-centric competences of Denmark do not allow the Faroe Islands to take over certain policy areas including the constitution, supreme court and foreign, security and defence policy and foreign exchange and monetary policy (Takeover Act, 2005; Foreign Policy Act of the Faroe Islands, 2005).

5.2.1 Defining *fixed size*

A natural starting point for defining *smallness and size* is to consider whether the Faroese have a *defined territory, permanent population and a government* concerning the Montevideo Convention (Montevideo Convention on the Rights and Duties of States, 1933). Simultaneously, the definitional characteristics of *fixed size*, which refers to the size of the population and the territorial size of the state are relevant to conceptualise the Faroe Islands unique position within the Danish Kingdom (Thorhallson & Steinsson, 2016: 4; Thorhallson, 2018: 20).

The Faroese (and Greenland) undoubtedly constitute a permanent “people”, and the Danish state has never contested that fact. The Faroese have a profound culture, speak a distinctive language, inhabit a defined geographical area, and they perceive themselves as a separate people with a living pattern and a history (Harhoff, 1993: 497). The Home Rule Act also confirms that point in the introduction of the legislation and §1 section 1, when the legislation mentions: “*In acknowledgement of the special position held by the Faroe Islands within the Kingdom in national, historical and geographical respects (...) [the] Faroes constitute a self-governing community within the Danish Kingdom. In conformity therewith the Faroese people, through its elected representatives, the Løgting and an executive established by the latter, the landsstýri, takes over within the framework of States the administration and government of special Faroese affairs as indicated in this Act* (Home Rule Act of the Faroe Islands, 1948). Thus concerning a *defined territory, a permanent population and a government* the Home Rule Act and thereby the Danish state recognise that even though the Faroe Islands officially became part of the Danish Kingdom in 1815, the Faroese people have a separate culture from Denmark.

Furthermore, most academic scholars such as Baldur Thorhallsson, Sverri Steinsson and Michael Handel, use the permanent population as the primary indicator for defining small states and microstates, concerning fixed size. The general assumption is that the permanent population bar of a small state is somewhere between 10 to 15 million inhabitants and the permanent population bar of a microstates is between 100.000 to 1.5 million inhabitants (Thorhallson & Steinsson, 2016: 3; Thorhallson 2018: 18; Handal, 1990: 30-31). The Faroe Islands have a permanent population of 51.237² inhabitants and based on these quantifiable measurements the Faroe Islands do not fulfil the requirements of a small state but resemble more the definitional characteristics of microstates even though the Faroese populations is half of the requirement to be categorised as a microstate.

² According to the Faroese statistical databank (Hagstova.fo) on the 1. of November 2018, the total population of the Faroe Islands numbered 51.237 inhabitants [online] Available at: https://statbank.hagstova.fo/pxweb/en/H2/H2_IB_IB01/fo_vital_md.px/table/tableViewLayout1/?rxid=53a58332-f4a8-461d-85cc-be84dc7490b1 [Accessed 4 Oct. 2018].

5.2.2 Defining sovereignty size

Applying a *sovereignty size* perspective is to categorise whether the Faroe Islands can maintain sovereignty over their internal affairs and govern the country entirely. In this connection, the Home Rule Act provides some clarity (Thorhallson & Steinsson, 2016: 4; Thorhallson, 2018: 20). The Home Rule Act mentions in §2 and §3: “*Those affairs and fields of affairs enumerated in the accompanying List A are in principle, considered special Faroese matters. The Faroese Home Government (the bodies mentioned in section 1, second paragraph) can decide that all or some of these affairs and fields of affairs shall be transferred at once to the Home Government (...) As to those fields of affairs enumerated in List B, it is to be decided through further negotiations whether and to what extent these can be included under matters of special Faroese concern* (Home Rule Act of the Faroe Islands, 1948). In this context, Michael Handel argues that one helpful way to categorise whether the Faroe Islands are a microstate is to consider them as those states who claim to maintain effective sovereignty over their territory, yet are questioned by other states (Handel, 1990: 47-48). The Faroese home rule government has the legal authority to exercise legislative and executive powers mentioned in list A, and B in negotiation with the Danish state after the policy areas have been transferred to the Faroese home rule government. Simultaneously, § 3 of the Danish Constitution mentions that the “*Legislative authority shall be vested in the King and the Folketing conjointly*” (Danish Constitution, 1954). Arguably, these sections of the Home Rule Act and the Danish constitution are conflicting, since there are separate branches of government in the Danish Kingdom who have the executive and legislative powers in the Danish state.

In this context, the Danish expert on the Home Rule legislation in the Faroe Islands (and Greenland), Frederik Harhoff, who wrote his doctoral dissertation (*Rigsfællesskabet*) or the Kingdom of Denmark in 1993, provides some clarity on the constitutional framework of the Danish realm (Sølvará, 2003: 173). Harhoff argues that the Danish constitution is entirely valid in the Faroe Islands, but the Home Rule Act is a law of unique characteristic that lies between the Danish constitution and an ordinary piece of legislation in the Danish parliament. Simultaneously, Harhoff argues that a piece of legislation in the Faroese parliament and the Danish parliament have the same legal status (Harhoff, 1993: 262). Firstly, this implies that the Home Rule Act cannot be changed without negotiations between the Faroese and Danish authorities. Secondly, a Danish piece of legislation cannot change a Faroese piece of legislation (ibid; Sølvará, 2003: 173). Thus, it is not the Danish constitution itself, but rather the power of the Danish parliament which has limited validity in the Faroe Islands because the Home Rule Act is a unique piece of legislation, which Harhoff calls “*forholdets natur*” or the “*nature of the relationship*” (Harhoff, 1993: 274).

In addition, it would be unwise for Denmark to amend or terminate the Home Rule Act without negotiating with the Faroese authorities since Denmark is bound by international law (ibid: 497). The

United Nations Charter (1945), mentions the legal right of peoples to self-determination in Chapter 1, Article 1 section 2 when it states: “*To develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, and to take other appropriate measures to strengthen universal peace*” (United Nations, 1945). The principles of international law mentioned in the UN Charter have undoubtedly affected the nature of the relationship between the Faroe Islands and Denmark with the introduction of the Home Rule Act in 1948, thereby allowing the Faroese people the right to self-determination. According to the definitional characteristics of microstates, the Faroes have the competences to maintain effective sovereignty over their internal affairs. This was also the main objective of the Home Rule Act. An argument could be made that Denmark has to some extent progressively distributed power-centric responsibilities over to the Faroese government, thereby empowering Faroese internal competence and allowing the Faroese to govern themselves while preserving the unity of the Kingdom. Thus, in relation to *sovereignty size* the Faroe Islands have *semi-sovereignty*, because the Home Rule Act gives the Faroese government internal power-centric competences in the policy areas mentioned in list A and B. While sovereignty elsewhere remains somewhat limited because Denmark has state-centric competences in those policy fields which cannot be transferred to the Faroese home rule government.

5.2.3 Defining economic size

Economic size refers to a small state gross-domestic-product (GDP) and market development (Thorhallson & Steinsson, 2016: 4; Thorhallson, 2018: 20). In this context, it is vital to determine if the Faroe Islands can maintain a resilient economy and take financial responsibilities for the wellbeing of the Faroese population.

As it was noted earlier, the Faroese government has the power to take over policy areas mentioned in list A and B in the Home Rule Act thereby acquiring more internal competence to govern themselves. However, the Home Rule Act further states in § 2 section (2) “... *The Faroese Home Government (the bodies mentioned in section 1, second paragraph) can decide that all or some of these affairs and fields of affairs shall be transferred at once to the Home Government, with the consequence that the expenses involved are born by the same*” (Home Rule Act of the Faroe Islands, 1948). Thereby for every policy area which is transferred to the Faroese home rule government financial responsibility follows.

The Faroese are still dependent on Denmark for economic support which amounts to 642 million DKK (86 Million Euro) also known as the (block-grant). A common issue among microstates is that they have economic problems which affect their competences in maintaining effect material and humans resource capabilities (Handel 1990: 47-48). However, the Danish block-grant currently makes up 3.3% of the Faroese GDP, compared to 11.2% in 2000, and in 2017 it funded 13% of the national

budget compared to 28.7% in 2000 (faroeislands.fo, 2018). The annual subsidies have decreased since 2000, becoming a less dependable source of financial support for the Faroese society. The Faroese economy is still a mono-economy, meaning that the primary source of export is fish products accounting for 90% to 95% of the Faroese economy (ibid). This is also a common feature among small states and microstates that they are generally dependent on a single commodity of export (Ingebritsen et al., 2006: 11). While the strength of the Faroese economy lies within the development of the Faroese market and ability for Faroese business to specialise in the fisheries sector, it is also the most significant weakness at the same time. The global fluctuations in fish prices on the international market make the Faroese economy vulnerable. Thus, in relation to *economic size*, it is vital to acknowledge that the Faroe Islands is still reliant on Denmark for economic support to some extent. For every policy area acquired from the Danish state, the block-grant subsidies decrease and financial responsibility is transferred to the Faroe Islands (Home Rule Act of the Faroe Islands, 1948). In regard to market development, the Faroe Islands is a mono-economy and still heavily dependent on the production and development of fish products as the primary source of revenue of the Faroese society.

5.2.4 Defining political size

Political size refers to the administrative and military capabilities to form foreign policy, domestic cohesion and to deal with the problems (Thorhallsson & Steinsson, 2016: 4; Thorhallsson, 2018: 20). In this context, military, defence, security and foreign policy remains exclusively within the control of the Danish state according to § 19 section (2) of the Danish Constitution when it mentions: “*Except for purposes of defence against an armed attack upon the Realm or Danish forces, the King shall not use military force against any foreign state without the consent of the Folketing*” (Danish Constitution, 1954; Takeover Act of the Faroe Islands, 2005). Thereby it firmly confirms that it is the Danish state which has the military power and is responsible for the defence of the Kingdom as a whole against foreign states.

However, commonly small states prefer multilateralism as a path to influence, but also to restrain more extensive powers for their security (Thorhallsson 2006: 651). In this context, the Danish Kingdom’s membership of the NATO alliance has been a cornerstone of Danish security and defence policy which also assimilates the Faroe Islands (and Greenland) into the organisation (Sølvará, 2003: 178-179). Thus, in relation to *political size*, the Faroese home rule government does not influence these policy areas since it is Denmark which has the state-centric responsibility for the defence and security of the Danish Kingdom.

5.2.5 Defining perceptual - and preference size

The ability for the Faroe Islands to *participate in international relations* is a requirement for any state

who wants to pursue their objectives in the international community (Montevideo Convention on the Rights and Duties of States, 1933). *Perceptual size and preference size* refers to political self-perceptions which leaders, elites, groups and the public have of their country and the ambitions with the priorities which elites have regarding their purpose and role in the international community (Thorhallson & Steinsson, 2016: 4; Thorhallson, 2018: 20).

Currently, the legal conditions within the Danish Constitution and related laws mentioned earlier allow the Faroe Islands extensive competence to engage in the international community while still retaining membership within the Danish Kingdom. However, the Danish Constitution § 19 section (1), mentions that "*The King shall act on behalf of the Realm in international affairs, but, except with the consent of the Folketing*" (Danish Constitution, 1954). In this context, it is the Danish government (the king) which has the power to act on behalf of the Danish Kingdom in international affairs, and § 19 clearly states that the different parts of the realm do not have independent competence in these matters. Therefore, it would require a constitutional amendment if the Faroe Islands were to have the power to pursue their own independent objectives in international affairs (Spiermann, 2008: 12).

However, the self-perception among the Faroese political leadership is such that their ambitions to receive more responsibility within the international scene has been repeatedly expressed, but the Danish government has repeatedly rejected this request. According to a public statement made by the Danish Prime Minister, Lars Løkke Rasmussen in Jyllandsposten, he argues "*Understanding that the Faroe Islands want to pursue their own foreign policy, but regrettably the Constitution, unfortunately, prevents it*" (Michelsen, 2017). Similarly, as it was noted in *political size*, it is the Danish state which has the competences and power to act on behalf of the whole Danish Kingdom in foreign policy. As of now it is improbable that the Faroe Islands will receive additional competences on the international scene because the Danish Constitution does not permit different parts of the Kingdom to pursue their own foreign policy objectives since foreign policy is exclusively an area of the Danish state.

In this context, Ole Spiermann, a former professor at the Faculty of Law at the University of Copenhagen, argues that from a historical perspective, Danish foreign policy has been considered absolute, meaning that the Danish state has absolute authority in these matters which is prerequisite for the unity of the Danish Kingdom. But Danish foreign policy has undergone a change in recent decades which has effectively given Faroe Islands (and Greenland) additional powers to act in the international community. Spiermann assumes that Denmark's membership in the EU has made it possible for the Faroe Islands to acquire additional competences in foreign policy while still retaining membership within the Danish Kingdom (Spiermann, 2008: 12). The Faroe Islands are exempted from Denmark's membership of the EU, and as the EU increasingly acts on behalf of its members, it increases the real need for independent actions for the Faroe Islands (and Greenland) (ibid). Spiermann's critical acknowledgement that Danish foreign policy has undergone a dynamic

development with Denmark's membership in the EU is an essential argument that the unity of the Danish Kingdom is changing. Thereby the Danish state is allowing the Faroe Islands a presence in international affairs independent of the Danish state.

As noted in the previous chapter, the Foreign Policy Act empowers the Faroese Government to negotiate and conclude agreements under international law with foreign states and international organisations by representing the Kingdom of Denmark (Foreign Policy Act of the Faroe Islands, 2005). It is vital to acknowledge that from a legal perspective Faroese foreign policy remains solely in those policy areas which have been transferred to the Faroe Islands. Thus Faroese foreign policy is generally related to fisheries and trade issues. (Home Rule Act, 1948; Rebhan, 2016: 16). However, regarding the theoretical framework of microstates, a minimum requirement is to have a presence in the international community in a format of membership in international organisations and have embassies (Ingebritsen et al., 2006: 6; Archer et al., 2014: 8; Handel, 1990: 47-48).

Arguably, as a self-governing nation with the Danish Kingdom the Faroe Islands see themselves as having an influential role in the international community in the format of independent membership of international organisations and representations abroad. The Faroe Islands dependence on their fisheries resources means that the Faroes cooperate in different international organisations related to fishery decisions such as NAFO, NEAFC, NASCO, SPREFMO, FAO and UNESCO (government.fo, 2018). However, Faroes ability to join international organisations is limited since the Faroe Islands cannot join similar organisations as Denmark according to section Article 1 section 4 of the Foreign Policy Act (Foreign Policy Act of the Faroe Islands, 2005).

Also, the Faroes have representation offices abroad in Brussels, Copenhagen, London, Reykjavík and Moscow in cooperation with the Danish Ministry of Foreign Affairs. The Faroe Islands also have multiple bilateral free trade agreements with foreign states such as the EU, Iceland, Norway, Switzerland and Turkey and fisheries agreements with Greenland, Iceland, Norway and the Russian Federation (government.fo, 2018). However, formally these agreements are signed by the Danish Kingdom and acted into law (Skaale, 16.11.2018).

Thus, an argument could be made that the Faroese see themselves as having semi-active presence in international affairs in relation to *perceptual size and preference size*, but Denmark's membership in the EU has undoubtedly resulted in the Faroes gaining additional power-centric competences in the international community since the Faroese have decided to remain outside the influence of the EU. Thus, the Faroes home rule government do have a minimal presence in international affairs where Faroes foreign policy primarily consists of trade and fishery policy.

5.3 Part Conclusion

The primary objective of this section of the analysis was to determine the state-centric and power-centric competences between the Faroe Islands and Denmark in relation to the theoretical framework. The Faroese relationship with Denmark has changed during the past 70 years with the introduction of the Home Rule Act in 1948, allowing the Faroe Islands to steadily acquire additional power-centric responsibilities to govern themselves while elsewhere the state-centric abilities in foreign policy remain exclusively within the control of the Danish state.

The limited definitional characteristics in the academic literature on small states and microstates makes it more challenging to define the Faroe Islands as a microstate, but by applying the principle of statehood mentioned in the Montevideo Convention and Baldur Thorhallson's multifunctional framework makes it possible to define the Faroe Islands special statehood. While the Faroe Islands have acquired internal sovereignty in multiple policy areas as a member of the Danish Kingdom, there are still policy areas which the Faroe Islands cannot take over from the Danish state.

Furthermore, as Denmark becomes more integrated into the EU, the Faroe Islands have chosen to remain outside the EU which has undoubtedly contributed to the factor of gaining additional competences in foreign policy. However, increased sovereignty does not present itself without some challenges because both countries are pursuing their self-interest in the international community which sometimes conflict. In this context, the most appropriate description of Faroese statehood is a *semi-sovereign microstate* since there are policy areas where the Faroe Islands have required from the Danish state while elsewhere sovereignty remains limited.

5.4 Conflict of interest in the Danish Kingdom

"...All conflict can be resolved in two ways: by helping each other or by creating conflict. Thus we need to help each other in the Danish Kingdom" (Juhl, 16.11.2018)

In the introduction to the thesis, it was noted that there are conflicting interests between the Faroes and Denmark especially in the case of Russia. Hence it was necessary for the first section of the analysis to define *size and smallness* due to the limited definitional characteristics in the theoretical framework and to the unique position of the Faroe Islands in the Danish Kingdom. The Faroe Islands were defined as a *semi-sovereign microstate* which implies that while the Faroese are still members of the Danish Kingdom, there are some limitations to Faroese sovereignty. However, as the less dominant partner of the two, the Faroe Islands ability to exercise power and responsibilities in the international community has widened (Spiermann, 2008): 12). Simultaneously the unity of the Danish Kingdom has changed since Denmark is a member state of the EU and the Faroe Islands have remained outside (ibid). Thus, the conflict between the EU and the Faroe Islands in 2013 is a clear example that there are issues within the unity of the Danish Kingdom which lead to closer cooperation between the Faroe Islands and Russia. By incorporating the principle in the hermeneutical framework

and different data sources such the interviews and public states made by the Faroese and Danish politicians the researcher can get a more in-depth understanding of the unity in the Danish Kingdom also, how the conflict between the EU and Faroe Islands in 2013, has resulted in closer cooperation between the Faroe Islands and Russia.

5.4.1 Is the Danish Kingdom a unitary state?

In recent years the unity of the Danish Kingdom has become more divided because different parts of the Kingdom pursue their self-interest in world politics. Hence, it is vital to consider if the unity of the Danish Kingdom is in jeopardy since Denmark and the Faroe Islands pursue their self-interest in world politics in international which sometimes conflict. Arguably the fisheries conflict which transpired between the Faroe Islands and EU in 2013, has affected the unity of the Danish Kingdom which has led the Faroe Islands into closer cooperation with Russia. According to the theoretical framework, most microstates in Europe have solved these issues by some combination of dependence on neighbours and joining collective institutions such as the European Union (Archer et al., 2014: 15). However, the Faroe Islands is an example of a semi-sovereign microstate which has deliberately chosen not to join the EU along with Denmark because of conflicting interest between the EU and the Faroes.

In 1973 Denmark decided to join the EC while the Faroe Islands remained outside due to a concern regarding the ECs fishery policy. As semi-sovereign microstate, the Faroe Islands only 25 years earlier in 1948 achieved semi-sovereignty by the introduction of the Home Rule Act (Uttanríkisráðið, 2010: 23). The idea of voluntarily transferring power to the EC over the primary source of revenue (fisheries) was not acceptable to the Faroese home rule government. In the aftermath, the Faroe Islands have been classified as a third country outside the EU (ibid: 9). The situation in 1973 is the first clear example that after the introduction of the Home Rule Act there are conflicting interests within the Danish Kingdom. Thus it is vital to confirm how the conflict between the EU and the Faroe Islands in 2013 has affected the unity of the Kingdom and closer cooperation between the Faroe Islands and Russia.

As a semi-sovereign microstate, the Faroe Islands is an independent member of the NEAFC and can negotiate and conclude international agreements under international law with foreign states (Foreign Policy Act of the Faroe Islands, 2005). In this context, it is vital to acknowledge that according to UNCLOS Article 56.1a coastal states such the Faroe Islands have the *“sovereign rights for the purpose of exploring and exploiting, conserving and managing the natural resources, whether living or non-living, of the waters superjacent to the seabed and of the seabed and its subsoil, and with regard to other activities for the economic exploitation and exploration of the zone, such as the production of energy from the water, currents and winds;”*(refworld.org, 1982). UNCLOS further

states in article 57, the EEZ shall not go beyond 200 nautical miles which implies that the all fish resources within the 200 nautical mile area belong to the coastal states (ibid). In so doing, each coastal state may regulate their fisheries within the EEZ (ibid; Dankel et al., 2015: 27). However, UNCLOS Article 56 is complemented by UNFSA, and according to Article 8.1 of this agreement, coastal states are required to cooperate “*in relation to straddling fish stocks and highly migratory fish stocks*” (United Nations, 1995). Thus the NEAFC members cooperate on the TAC of straddling and migratory fish stocks such Atlanto-Scandian herring and mackerel, but this does not mean that the coastal state members agree on the TAC which sometimes leads to conflict as in 2013.

In 2013, the negotiations between NEAFC members reached a breaking point. The mackerel dispute had been a source of conflict since 2010 after the Faroe Islands had claimed 15% of the TAC, arguing that the Faroes were entitled to larger share of the TAC because climate change had altered migration patterns which had led to augmentation of mackerel in Faroes EEZ (Samró, 2015: 97; Smith, 2013). The negotiations between coastal states intensified in 2013 when the Faroe home rule government pulled out of an international agreement on TAC of Atlanto-Scandian herring. The Faroe Islands were offered 31,490 tonnes but rejected the proposal and instead awarded itself 105.000 tonnes which was a 145% increase from 2012. Similar to the herring case the Faroes Home rule government upped its quota of mackerel from 148.000 tonnes to 159.000 tonnes for 2013 (Smith, 2013).

In late August 2013 the EU imposed economic trade sanctions on the Faroe Islands by prohibiting Faroese fishing vessels to unload their catch in EU harbours and prohibiting Faroese herring and mackerel products to EU market (Rigsombudsmanden på Færøerne, 2017: 40-41). According to the theoretical framework, Thorhallsson and Steinsson claim that small states are often heavily reliant on an open economy and international trade since they have a small market (Thorhallsson and Steinsson 2016: 7). Small states also face challenges because they are often dependent on a single commodity of export (Ingebritsen et al., 2006: 11). As it was noted earlier, the Faroese economic sector is heavily dependent on their fisheries which accounts for 90% to 95% of the total export (The Economist, 2017). The episode in 2013 is an apparent example of conflict of interest in the Danish Kingdom. Due to Denmark's membership in EU and Faroe Islands choice to remain outside the EU, Denmark was unable to allow Faroese fishing vessels to unload their catch in Danish harbours and to open their market for Faroese exports of herring and mackerel.

Throughout my interviews, there are frequent references to the unity of the Danish Kingdom and Denmark's participation in the sanctions in 2013, which has affected the cooperation between the Faroe Islands and Russia. Simultaneously, the episode between the EU and the Faroe Islands has undoubtedly affected the political landscape in the Faroe Islands and Denmark today. Thus the hermeneutical circle provides an overall position of the chosen case by understanding the interactions between the parts and the entirety. So, it is possible for the researcher to develop an even broader

understanding of the phenomenon which is being investigated since the researcher gains more knowledge and can move further down the hermeneutical circle (Hviid Jacobsen, Lippert-Rasmussen, & Nedergard 2010: 90-91; Kvale & Brinkmann 2015: 275). And by comparing the different perspectives from the interviews and public statements made by Danish and Faroese politicians, the researcher can get a deeper understanding of the overall position of the chosen case. In this regard the Faroese elected representative to the Danish parliament, Sjørður Skaale says accordingly:

“(...) A good example of how broken up the Danish unitary state is, happened in 2013 - [when] the Faroe Islands took a large part of the Mackerel quota, and the Faroe Islands was accused of breaching international law. Now, the Faroe Islands is not a state, and international law regulates states. The European Union accused the Faroe Islands of breaking international law, and Denmark is part of the EU. Denmark accused the Faroe Islands of breaking international law. This is a very clear example of how broken up things are that under international law we [Faroe Islands] are considered an entity that is not Denmark. (Skaale, 16.11.2018).

In the above citation, Sjørður Skaale argues that the relationship between the Faroe Islands and Denmark is “broken” because EU (thereby Denmark) accused the Faroe Islands of breaching international law. As a semi-sovereign microstate, the Faroes have the competences to sign and conclude international agreements independent of Denmark under international law with foreign states such as bilateral fisheries agreements by representing the Danish Kingdom in these matters (Foreign Policy Act of the Faroe Islands, 2005). However, Denmark's interest in this matter is intertwined with the EU, since the EU is chief negotiator in the fisheries-related decision. It follows that the Faroe Islands and Denmark are on opposing teams when negotiating in fisheries related questions because both the Faroese and EU have self-interests to get the best agreements, but it places the unity of the Danish Kingdom into a peculiar situation in which they effectively oppose one another. However, the statement from Skaale is interesting because of Faroes sovereignty issues within the Danish Kingdom. On the one hand, Skaale argues that international law regulates states which the Faroes are not, but on the other hand the Faroes have achieved the international recognising by cooperating in RFMOs in fishery-related issues.

Similarly to Skaale's statement the former first minister of the Faroe Islands Kaj Leo Holm Jóhannesen, backs up Skaale's argument when he says:

“(...) in the Mackerel fight the Danish state was the EU state and it is a big state of 28 countries who are imposing some measures against another state which is the Danish state who is the Faroe Islands. I think they [Denmark] challenged the [unitary state] themselves when splitting us out from their own state” (Johannessen, 29.11.2018).

Similar to Skaale's argument Johannesen agrees that the unity of the Kingdom has changed in the aftermath of the events in 2013. It is also quite clear that the political landscape in the Faroe Islands has changed as a result. Johannesen is a member of the Unionist party (*Sambandsflokkurin*) while Skaale is a member of the Social Democratic Party (*Javnarflokkurin*). While the two parties have different opinions related to internal political issues in the Faroese, both parties have similar perspectives related to the Kingdom and argue for further cooperation and unity of the Danish Kingdom. However, results from the interviews show a different perception where both politicians agree that there are conflicting interests in the Danish Kingdom. Thus, it is vital to determine if Danish politicians have a similar perception of the Danish Kingdom as the Faroese and if there are conflicting self-interests between both countries.

The Danish parliamentarian Søren Espersen from the Danish Peoples Party (*Dansk Folkeparti*) supports, a similar assumption in a public statement on radio broadcast show (24syv.dk) on 8 of June 2018, when he argues:

"(...) the Faroe Islands has experienced how Denmark failed [the Faroe Islands] in regards to fisheries and the EU when Denmark rudely blocked Faroese fishermen's access to the Danish ports in western Jutland. Denmark has no way been friendly to the Faroe Islands in this game and on top of that, Denmark has each time chosen the EU side rather than the Danish Kingdom (24syv.dk, 2018).

The public statement from Espersen supports the previous statements from the Faroese politicians that there are some fundamental problems within the Danish Kingdom. Simultaneously, Espersen challenges the legitimacy of the EU in making demands of Denmark to impose sanctions against the Faroe Islands, by not allowing Faroese fishing vessels access into Danish harbours in western Jutland. It is not clear whether the public statement from Espersen reflects his overall opinion towards the EU, but it supports the position that there are some fundamental problems since Denmark is an EU member while the Faroes are outside.

Unlike the previous candidates the Danish parliamentarian Christian Juhl who is a member of the Red-Green Alliance (*Enhedslisten*) has a different opinion when Juhl argues:

"There are a couple of issues, in relation to Denmark [and Faroe Islands] concerning the fishery crisis a couple of years ago. Denmark is obligated to follow the EU and came into conflict with the Faroe Islands or parts of the Danish Kingdom. This means that conflicts can occur. For example, if the Faroe Islands do not agree with the EU conditions on quotas on fish - in that situation, Denmark is obligated to block Faroese fishing vessels access into Danish ports. That is an issue. Hence I understand why the Faroe Islands act the way they do and try to find alternative markets." (Juhl, 15.11.2018)

The above Danish quotations emphasise that there are conflicting interest within the Danish Kingdom. However, contrary to Espersen's direct expression by challenging the legitimacy of the EU and Denmark's role in the events of 2013, Juhl is more diplomatic recognising that conflicts may occur in the Danish Kingdom, but Denmark is an EU member state and must follow the verdict in the EU. The argument from Juhl also contributes to Ole Spiermann's assumption that the EU increasingly acts on behalf of its member countries which has affected the unity of the Danish kingdom as a result (Spiermann, 2008: 12).

However, the political situation places the Danish Kingdom in a peculiar position and thereby the whole Danish self-image as a unitary state in the international community. In this context economic diplomacy provides some significant assumptions since economic diplomacy uses economic resources, generally in the format of granting privileges or by imposing sanctions, in the pursuit of specific foreign objectives. (Ewa Szatlach, 2015: 211-212). Denmark's specific policy objectives are entwined with the EU since the EU is the primary negotiator in fisheries and trade policy (Skaale, 16.11.2018). Hence there are conflicting interests between the Faroe Islands and Denmark where different members in the Danish Kingdom pursue their self-interest and specific policy objectives in the format of fisheries and trade. Arguably, it is doubtful whether the sanctions imposed by the EU on the Faroese could be avoided, but it places the concept of Danish Kingdom as a unitary state into question.

5.6 Part Conclusion

As a semi-sovereign microstate, the Faroe Islands over the past 70 years have gained extensive competences and responsibilities as a self-governing nation to act on their own behalf within the Danish Kingdom. From the interviews and public statements, it is clear that there are problems within the Danish Kingdom. Simultaneously, it is crucial to acknowledge that Denmark's self-interest is divided between its responsibility as an EU member state and as the primary actor in the Danish Kingdom. Arguably, the Danish incentive to impose economic trade-related sanctions against their own citizens is an inconvenient specification that it is impossible for Denmark to defend Faroese interests and comply with the obligations from the EU in the events of 2013. As a semi-sovereign microstate and third country outside the EU, a reasonable assumption is that the situation places the concept and unity of the Danish Kingdom into question. Denmark as an EU member state has *de facto* imposed economic trade-related sanctions against their own citizens.

5.7 Cooperation between the Faroe Islands and Russia

Former First minister Kaj Leo Holm Jóhannesen argued in an interview “... *Russia is our friends, and there is nothing that has changed that*” (Johannesen, 2018)

In this section of the analysis, the cooperation between the Faroe Islands and Russia will be analysed in relation to the research question. As semi-sovereign microstate, the Faroe Islands have been categorised as a third country outside the EU while Denmark has been a member state since 1973 (Uttanríkisráðið, 2010: 9). The substantive scope of the conflict between the EU and the Faroe Islands in 2013 indicates that it is difficult for Denmark to defend Faroese interests and comply with the obligations of the EU. Consequently, the cooperation between the Faroe Islands and Russia changed in the events of the Ukraine crisis and the EU sanctions on the Faroes. While Russia has sanctioned the EU and several western countries, the Faroe Islands have managed to avoid the sanctions and thereby benefit economically from the conflict, but some parliamentarians have expressed their concerns regarding Faroese cooperation with Russia. By incorporating the principle in the hermeneutical framework and the concept of triangulation by adding different data sources such as the interviews, public statements and statistics the researcher can get an in-depth understanding of how Russia appears to be an attractive trading partner of the Faroe Islands and what future consequences the cooperation can have on the Faroe Islands.

5.7.1 Selected by Russia

In September 2014 the Faroese First Minister Kaj Leo Holm Johannesen travelled on a diplomatic mission to Russia to ensure Faroese non-involvement and neutrality in the Ukraine crisis and the Russian annexation of Crimea and Sevastopol (Joensen, 2018). In Moscow the Faroese First Minister criticised EU sanctions policies towards Russia which went into effect in July 2014 (Fyens.dk, 2014; European Parliament, 2017). The diplomatic visit proved to be an economic success because the Faroes avoided retaliatory counter-sanctions on food-products from Russia even though the Faroe Islands are not a sovereign state but a member of the Danish Kingdom.

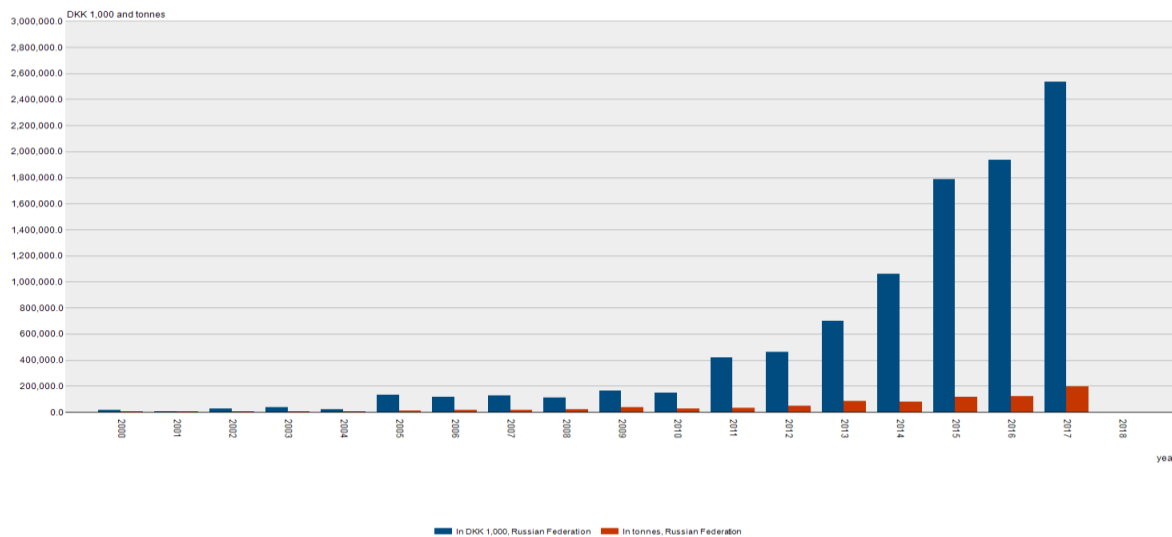
Simultaneously the Faroese were selected by Russia with the guarantee of full access for Faroese exported goods such as mackerel, Atlanto-Scandian herring and salmon to the Russian market (Joensen, 2018). As a semi-sovereign microstate, the Faroe Islands are clearly in a disadvantaged position compared to Russia, both from a political and economic perspective, but through diplomatic negotiations, the Faroe Islands were able to influence the Russian government and thereby avoided the retaliatory counter sanctions (Thorhallsson & Steinsson 2016: 2). The primary objective of diplomacy is the promotion of national interest by peaceful measures (Morgenthau 1948: 419). Arguably the diplomatic visit is in a grey-zone if the Faroese First Minister directly challenges Danish foreign policy criticizing the EU in the promotion of their self-interest with Russia (Joensen, 2014).

In the aftermath of the Ukraine crisis, the cooperation between the Faroe Islands and Russia changed as the Faroes became an important trading partner (Joensen, 2018). To get a complete scope of the cooperation and how Russia appears to be an attractive trading partner for the Faroe Islands, the

Faroese statistical databank (Hagstova.fo) and the Russian statistical databank (Ru-stat.com) provide a general indication of the cooperation between the Faroe Islands and the Russian. According to the Faroese statistical databank, Faroese exports of food-products (fish) have increased in the aftermath of conflict between EU and Faroe Islands in 2013 and the Ukraine Crisis in 2014. In this context, *figure 1*, shows Faroese exports to the Russian market between 2000 – 2017. In 2010 the total exports from the Faroe Islands to Russia only amounted to 150.8 million DKK which was 3.2%³ of the total Faroese trade balance, while in 2017, Faroese exports have augmented to 2.5 billion DKK which is 29.3%⁴ of the total Faroese trade balance (Hagstova.fo, 2018).

(Figure 1. Hagstova.fo, 2018)

UH01070 Export of goods by fish species and other groups, country of final destination and months (1993-2018)



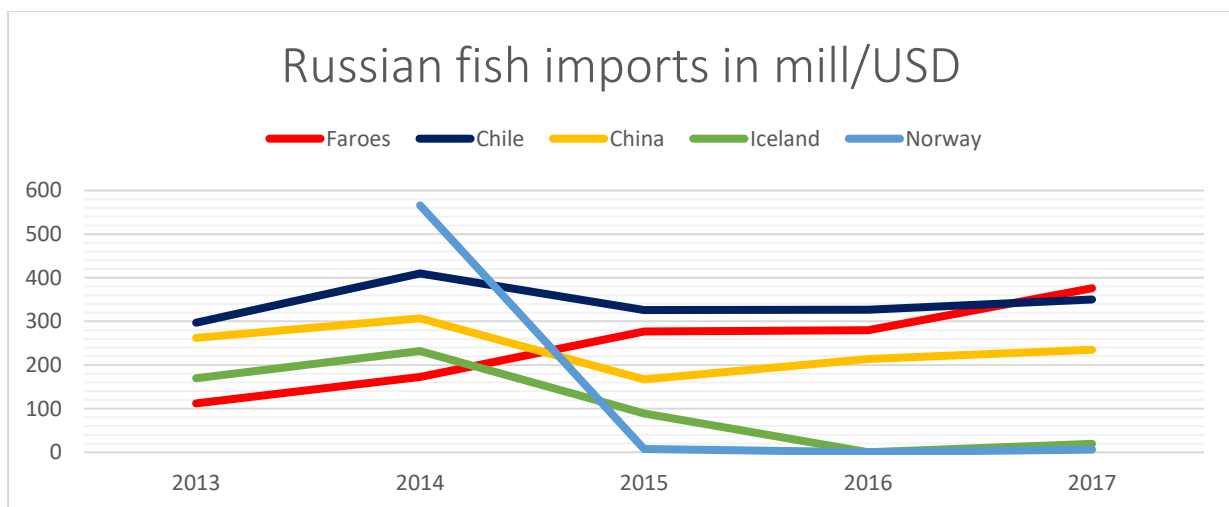
The Russian statistical databank (Ru-stat.com) shows some interesting measurements in Russian imports of fish products in the period between 2013 and 2017. From the quantifiable measurements in the Russian statistics, there seems to be an apparent correlation between the retaliatory sanctions on fish products imposed on The West by Russia in the aftermath of the Ukraine crisis. Before the Ukraine crisis large coastal and fishery states such as Norway and Iceland had a considerable presence

³ $(150.803,6 \times 100) / 4.696.743,7 = 3,11\%$ - see Figure 1 in bibliography / and Faroes Trade Balance at: Hagstova.fo. (2018) *handilsjavnin (Uttanlandshandil við vörum) (1988 – 2017) | Hagstova.fo fo* [online] Available at: https://statbank.hagstova.fo/pxweb/fo/H2/H2_UH_UH01/uh_javni.px/table/tableViewLayout1/?rxid=8a3bc813-3770-400c-ba60-7704d28e3bdd [Accessed 4 Oct. 2018].

⁴ $(2.534.412,4 \times 100) / 8.649.922,6 = 29,29\%$ - See Figure 1 in bibliography / Faroes Trade Balance at: Hagstova.fo. (2018) *handilsjavnin (Uttanlandshandil við vörum) (1988 – 2017) | Hagstova.fo fo* [online] Available at: https://statbank.hagstova.fo/pxweb/fo/H2/H2_UH_UH01/uh_javni.px/table/tableViewLayout1/?rxid=8a3bc813-3770-400c-ba60-7704d28e3bdd [Accessed 4 Oct. 2018].

on the Russian market while the Faroe Islands only had a minimal presence according to the Russian information. In 2013, Russian imported goods (fish) from the Faroes only amounted to 112 million USD⁵ (731.78 million DKK), but in 2017, Russian imported goods (fish) from the Faroes have augmented to 376 million USD (2.4 billion DKK)⁶. In the aftermath of the Ukraine Crisis between 2014 to 2017, the Faroe Islands has become the largest distributor of fish products to Russian while the presence of Norway and Iceland has almost dispersed.

(Figure 2. Rus-stat, 2018)



In the interview with Sjúrdur Skaale he says the following regarding how Russia appears to be an attractive trading partner for the Faroe Islands:

“It is obvious – it is a substantial part of our [Faroes] economy. It pays so well because the market is locked for fish from Norway [and Iceland], so prices go up” (Skaale, 16.11.2018).

The primary of the objective of economic diplomacy is to manage a positive and constructive relationship between states by granting privileges or imposing sanctions (Ewa Szatlach, 2015: 210-212). The diplomatic visit by the First Minister in 2014 is an apparent example of economic diplomacy whereby the Faroes managed to construct positive cooperation between the Faroe Islands and Russia even though the Faroe Islands are members of the Danish Kingdom, but outside the EU. It is interesting from the Russian statistics that Russia has become increasingly dependent on Faroes fish product since Iceland and Norway are locked out of the Russian market. However, there are members of the Danish parliament who have expressed concerns regarding the cooperation and Faroes unwillingness to show solidarity with The West in this matter but rather profiting from the conflict.

⁵ 112 million USD (731.78 million DKK) – see Figure 2, in bibliography or available online at: <http://en.ru-stat.com>

⁶ 376 million USD (2.4 billion DKK) – see figure 2 in bibliography or online at: <http://en.ru-stat.com>

5.7.2 Solidarity or self-interest?

Throughout the investigation of the cooperation between the Faroe Islands and Russia, there are several Danish and Faroese remarks in the interviews and public statements which argue that the Faroe Islands is not showing solidarity with Denmark and western countries by exploiting the economic benefits from the conflict in Ukraine. Thus it is vital to confirm how the cooperation has affected the Faroe Islands and Denmark as EU member state. By comparing the different perspectives from the interviews and public statements made by Danish and Faroese politicians the researcher can get a deeper understanding of the overall position of the chosen case and move further down the hermeneutical circle (Hviid Jacobsen, Lippert-Rasmussen, & Nedergard 2010: 90-91; Kvale & Brinkmann 2015: 275). In this regard during the annual people's meeting (*Folkemøde*) in Bornholm, the journalist Martin Breum expressed his concerns regarding the cooperation between the Faroe Islands and Russia, when he said:

“Tell me, Sjørður Skaale: How can you, with a good conscience, break the sanctions, sell lots of fish to Russia, build your welfare on this - and still look into the mirror every morning?”(Skaale, 2018).

It is not clear from Breum's public statement if he refers to Faroese non-participation in the EU sanctions towards Russia or if he refers to Faroese non-involvement and neutrality in the Ukraine crisis after the Russian annexation of Crimea, but the statement indicates an overall critical perspective of the cooperation. Arguably, from a legal perspective, it is vital to acknowledge that the Faroe Islands has territorial jurisdiction in these matters, meaning that the Faroese home rule government has legislative and executive powers in external trade-related questions (Harhoff, 1993: 242; Landsstýrið, 2018; Home Rule Act of the Faroe Islands, 1948). While, Denmark's policy objectives are intertwined with the EU, which does not include the Faroe Islands (Spiermann, 2008: 12). Thus, the argument that the Faroe Islands has broken the sanctions by trading with Russia is not compatible since the Faroese have never participated in these sanctions.

Unlike the above statement the former Foreign Minister, Martin Lidegaard argued in 2014:

“It is my impression that the Faroe Islands are fully aware of the EU's expectation to third countries that they do not exploit the situation because of the Russian boycott of the EU. We all have a responsibility to ensure that there is no profit on others' market losses due to sanctions, and I trust that the Faroe Islands find the right balance in the matter” (Politiken, 2014).

The public statement from Lidegaard supports the previous argument that the Faroese home rule government controls external trade-related-questions. In the case of Russia, it is not the Danish Constitution, but rather a Danish parliament which has limited validity because of the Home Rule Act and the nature of the relationship between Denmark and the Faroe Islands (Harhoff, 1993: 274). But the Faroese home rule government ought to be aware of the signal they are projecting to the rest of Europe by deliberately profiting economically from the conflict.

Similarly to Lidegaard's first statement in 2014, he expressed his concerns regarding the cooperation between the Faroe Islands and Russia at the annual People's Meeting in Bornholm in 2018, when he said:

"Of course the Faroe Islands have the right to trade. However, if I were a Faroese politician, I would have considered the situation beforehand because the Faroe Islands needs good agreements with the EU, and right now many EU countries are angry with you [Faroe Islands]. They [EU member states] do not express their opinions publicly" (Skaale, 2018).

The two above citations from Lidegaard emphasize that the Faroe Islands need good relations with the EU. It is not clear from the quotations, which EU countries are angry with the Faroe Islands for profiting from the conflict, but it proves that the EU is aware of the cooperation between the Faroe Islands and Russia. However, the EU has appealed to third countries not to pursue economic gains from the situation by exploiting the political crisis between The West and Russia (Gardel, 2014). In this context, Fox argues that it is only during the conflict that one can experience the active and intensive aspects of a relationship between small and more extensive powers (Baker Fox, 1959: 4). As a third country outside the EU, the Faroe Islands have undoubtedly benefitted economically from the geopolitical conflict in Ukraine. The Faroe Islands unwillingness to show solidarity with western countries in this matter, arguably, demonstrates that the Faroese value the relationship with Russia higher than showing solidarity towards the EU and western countries in the case of the Ukraine crisis.

Unlike the above statement the Faroese Minister of Foreign Affairs and Trade, Poul Michelsen says:

"There is an argument from the EU that we [Faroe Islands] should act in solidarity manner together with the rest. The solidarity argument is very confusing because the countries which have decided to implement sanctions against Russia are decisions made by the EU and other countries (...). The response from Russia is to implement their sanctions on food products from those countries which have sanctioned Russia. We [Faroe Islands] are not part of these sanctions, and the difference is that Russia has not imposed sanctions against us [Faroe Islands]. It is Russia which has imposed sanctions on Iceland, Norway and the EU and not us [Faroese] because we do not participate" (Michelsen, 21.11.2018).

In the above citation, Michelsen emphasises the Faroes are not part of the sanctions since the Faroe Islands have chosen to remain neutral. In this context, Ottmar Höll, argues that small states can take risks in matters of foreign policy with no fear of sanctions since small states have almost no influence in world affairs, neither economic or political (Höll, 1983: 66-67). While western countries collaborate in a effort to show solidarity towards the Ukraine and holt Russian aggression in Eastern Europe. The argument could be made that the Faroes position in this matter creates a hole in the western wall in their attempt to stop Russian aggression in Europe. As a semi-sovereign microstate, the Faroes home rule government has little or no influence in world affairs, but the willingness to take risks by cooperating with Russia and profiting from the Ukraine crisis signals that the Faroes home rule government values the cooperation with Russia above solidarity with The West.

Unlike the previous statements, Christian Juhl has an alternative opinion about the cooperation between the Faroe Islands and Russia when he says:

“In this concrete, example that the Faroe Islands are trading with Russia – in this matter it is the Danish government which is self-responsible through its behaviour in the EU and has asked for this reaction. The Faroe Islands have to survive economically, and Denmark's limited solidarity towards the Faroe Islands in the EU negotiations is a consequence for the Faroe Islands to trade with Russia. This places the Danish Kingdom in a special situation, but in this matter the Danish government has to take responsibility” (Juhl, 15.11.2018).

While the previous public statements emphasise that the Faroe Islands is not showing solidarity with The West, Juhl is more realistic and argues that the conflict between the Faroe Islands and EU in 2013, is a consequence for the cooperation between the Faroe Islands and Russia today. It is interesting that unlike the previous statements, Juhl argues that the Faroe Islands have to survive economically. As a semi-sovereign microstate, the Faroe Islands is heavily reliant on an open economy and international trade since the Faroese market is small and dependent single commodity of export (fish) (Thorallsson and Steinsson 2016: 7; Ingebritsen et al., 2006: 11). However, it is critical to determine if the cooperation between the Faroes and Russia could become problematic for Danish foreign policy.

In this regard the Danish parliamentarian Søren Espersen from the Danish Peoples Party (*Dansk Folkeparti*) supports a similar assumption in a public statement on radio broadcast show (24syv.dk) on 8 of June 2018, when he argues:

(...) “The parliament decides on the Faroe Islands foreign and security policy, but this is trade with a non-EU country, and they [Faroe Islands] can do what they want. Unless the cooperation is going to be problematic for foreign and security policy, then it is no longer possible” (24syv.dk, 2018).

Similarly to Juhl's statement, Espersen has no objection towards the fact that the Faroe Islands are profiting by trading with Russia. However, it is unclear from Espersen's public statement how the cooperation between the Faroe Islands and Russia can become problematic for Danish security and defence policy since it is the Danish state which unilaterally controls foreign, security and defence for the whole Kingdom.

Juhl indicates how the cooperation between the Faroe Islands and Russia can become problematic for Danish foreign policy when he says:

Standard trade policy can just be trade policy, but in several bilateral trade deals there are political requirements and conditions, and this can make the normal trade deals complicated - you can also use them [the trade deals] in a progressive manner by demanding social chapters, conditions such as human rights and worker rights into a trade deal. However, this makes it [the trade deals] very complicated and even more so when great powers on this planet which are dominating and if a small country crosses the power concentrations of these powers such as USA, EU, Russia and China. Then it looks like a challenge in foreign policy in a way - you had not thought about. (Juhl, 15.11.2018)

"An example is when the EU has imposed sanctions on some parts of Russian trade, and the Faroe Islands starts to trade with them [Russia]. Then Denmark claims that the Faroe Islands are not showing solidarity since we want Russia to change their attitude. The reaction from the Faroe Islands is that we are just trading with them [Russia] - both views are right. If the Faroe Islands has to take responsibility for the foreign policy of the Danish Kingdom, then the Danish Kingdom has show solidarity towards the Faroe Islands in trade policy otherwise it will not be connected" (ibid).

According to the above citation, the cooperation between the Faroe Islands and Russia could become problematic for Danish foreign policy if Russia were to demand conditions which affected Danish security and defence policy. It is not clear what these conditions could be from the interviews. The assumption that the Faroe Islands have to take responsibility for foreign policy implies that the Faroe Islands as one part of Kingdom have taken responsibility for their external trade relationship with Russia, while Denmark as another part of the same Kingdom has chosen an alternative path together with the EU. The conflicting interests between the Faroe Islands and Denmark support Ole Spielmann's and Harhoff's argument that the nature of the relationship within the Danish Kingdom has changed over the past decades as Denmark has become more integrated with EU, while other members of the Kingdom remain outside.

On the 8 of June 2018 The Danish Minister of Foreign Affairs Anders Samuelsen gives a response to Nick Hækkerup about Faroese cooperation with Russia and if the cooperation affects Danish foreign Policy when says:

“It is apparent from the Act on the conclusion of international law by the Faroe Islands government that the Faroe Islands have the power to negotiate and conclude international agreements relating to the Faroe Islands, on behalf of the Kingdom of Denmark. The law thus allows the Faroe Islands to enter into, for example, trade agreements. It follows from the Constitution that the [Danish] government is leading the Kingdom's foreign policy, and the above does, of course, not change the Danish foreign policy, including sanctions policy against Russia.” (Appendix 4).

The above citation emphasises that the Danish government supports the Faroese position to make international agreements with foreign states such as Russia in regard to external trade-related questions since trade policy has been transferred to the Faroe home rule government (government.fo, 2018). The Danish Ministry of Foreign Affairs does not challenge Faroes political position to not participate in the sanctions but rather confirms that the Faroes home rule government has the right to trade with Russia. Simultaneously, the above information confirms that the Faroe Islands position in these matters does not affect Danish foreign policy. However, it is interesting that in the case of Russia the Danish Kingdom has taken two different foreign policy decision. While one part of the Danish Kingdom supports the EU sanctions against Russia, they are also affected by the retaliatory sanctions from Russia on food-products while another part of the Danish Kingdom has chosen to ignore the EU sanctions and continued to trade with Russia.

5.7.3 Consequences of Faroese cooperation with Russia

This section aims to get a better understanding of the consequences of the cooperation can have for the Faroe Islands both long and short-term by comparing statements from the interviews. It is apparent, from my investigation that while the Danish government supports the overall cooperation between the Faroe Islands and Russia, there are different opinions regarding what effect the cooperation could have for the Faroe Islands in future both politically and economically. The primary aim of the section is to determine those factors and to get a deep understanding of the consequences. In this regard, Sjúrdur Skaale says:

Short-term there's no doubt its money (...) it is the short-term consequences that this is good business. (Skaale, 16.11.2018).

In the long term, there are two possibilities. It can also mean good business because now Faroese logistics have changed from Europe largely to Russia, so once the conflict ends and Russia gets another leader who is not a megalomaniac as Mr Putin we [Faroe Islands] can hope that we can continue the export relation that we [Faroe Islands] now have built up during these times. It would

make it possible for the Faroe Islands to keep a large part of the Russian market, of course, the prices will go down when Norwegians also come in [but] it is possible that we could keep a large share of the market even though the prices will not be as favourable as they are now” (ibid).

The other possibility is that we [Faroe Islands] will be punished or castigated by Europe and NATO countries. If it is true what Martin Lidegaard says, that it annoys them around Europe seeing what we do or if the General Secretary of NATO or some high official in EU lifts his finger in public and points at the Faroe Islands. We [Faroe Islands] could potentially come under pressure. If the conflict escalates, it is perfectly possible that we [Faroe Islands] could come under pressure. (Ibid).

The above citation from Skaale emphasises that short term consequences from the cooperation are the positive economic benefits from the partnership which correlates with the statistical data sources from Hagstova.fo and Ru-stat.com. The long term consequences from the cooperation could affect the Faroes Islands economically if the conflict between The West and Russia were resolved. It is not clear from the interview how extensively or what impact the lifting of the sanctions between The West and Russia would have on the Faroese economy, but currently 29.3% of the Faroes trade balance goes to the Russian market. The impact would undoubtedly, have some adverse effects on the Faroese society since the Faroese economy dependent on the privileges of access to the Russian market.

It is interesting that Skaale acknowledges Martin Lidegaard’s statements regarding the EU’s unfavourable perspective towards the cooperation between the Faroes and Russia. However, as a semi-sovereign microstate, the Faroe Islands can take more risks since in foreign policy (Höll, 1983: 66-67). Simultaneously, it is interesting that the Skaale is aware that the Faroe Islands could come under pressure from NATO or EU countries. While it is not clear from the interview with Skaale how the Faroe Islands could be punished if the conflict between The West and Russia would escalate, it would most likely happen though Danish incentives if the Danish government deemed the cooperation to be in direct conflict with Danish Kingdoms foreign policy. Currently, there is no not evidence that suggest that the cooperation is conflicting with Danish foreign policy, but as the EU increasingly acts on behalf of its member state its not unlikely that the Faroes would come under pressure. The lessons from the conflict between the Faroe Islands and EU in 2013 is an example that the EU along with Denmark could if deemed necessary react unfavourably towards the Faroe Islands.

Similarly to Skaale’s statement, Christian Juhl also expresses concerns regarding the conflict between the EU and Russia in the interview when he says:

“My opinion in this matter is related to the current EU sanctions against Russia, and I do not believe these sanctions have worked effectively. The purpose of the sanctions was meant to hit Mr Putin and

the wealthiest in society. However they have the means to push the problem to the weakest members of the society. Thus I don't believe that the sanctions have been effective, but rather directly damaging. We have to find other solutions to deal with this situations” (Juhl, 15.11.2018).

“For example, if we have trade relations with [Russia] then we are dependent on that [market] Danish agriculture has lost a much capital because of the sanctions and maybe the [sanctions] has inflicted more damage in relation to change the attitude of Russia. [Thus] it might be the Faroe Islands which has thought about the situation in relation to a possible trade cooperation between the Faroe Islands and Russia, and we will take advantage of this situation. Russia is dependent on the current trade relations with the Faroe Islands, and the Faroe Islands could possibly affect Russia to some degree” (ibid).

In the above citation, Juhl expresses doubts regarding the overall effectiveness of the EU sanctions to restrict Russian aggression in Europe. In this regard, Morgenthau, argues that diplomacy is an instrument of a state’s national power where preservation of international peace is a general function of diplomacy and in the situation where diplomacy ends in war, diplomacy has failed (Morgenthau 1948: 419). As a semi-sovereign microstate, it is unclear how the Faroe Islands could affect Russia diplomatically, but it is interesting that Juhl acknowledges that currently both Russia and the Faroe Islands are dependent on one another. As the largest distributor of fish products to Russia the Faroes have filled a gap in Russia since large fishery nations such as Norway and Iceland are sanctioned by Russia. It is not clear from the interview, in what way the Faroe Islands could affect Russia, but the overall dependence and demand of Faroese fish products have undoubtedly affected the cooperation between the Faroe Islands and Russia in the aftermath of the Ukraine crisis.

5.9 Part Conclusion

The primary aim of this section of the analysis was to conceptualise the cooperation between the Faroe Islands and Russia and determine how Russia appears to be an attractive trading partner for the Faroe Islands. The results from the interviews, public statements and statistics show a different perception of the cooperation. While the Danish government supports the Faroes trade cooperation with Russia, there are some who believe, that the Faroe Islands are not showing solidarity with The West in the aftermath of the Ukraine crisis. As a semi-sovereign microstate, the Faroe Islands’ position in this matter is that the Faroese home rule government currently values the cooperation with Russia higher than solidarity with The West. It is not clear what consequence may result from the cooperation between the Faroe Islands and Russia in the future, but from a political and economic perspective, the current cooperation is beneficial for the Faroes and Russia.

6.0 Discussion

During my investigation of the cooperation between the Faroe Islands and Russia, there were some unexpected complications and challenges which have affected the outcome of the thesis. Thus, it is vital that the researcher can contemplate what went wrong during the writing process and how the problems could be avoided.

Mainly, the challenge in this thesis was obtaining primary data sources in format Danish interviews. The primary purpose of the interviews was to obtain different perspectives from Faroese and Danish politicians to answer the research question. However, obtaining these interviews was more challenging than I had anticipated. While Faroese politicians were willing to participate in my investigation, I was only able to obtain one interview from a Danish politician even though I pressed different Danish politicians and government offices for an interview such as the Danish ministry of foreign affairs, the prime minister's office, former Danish politicians and the Danish representative in the Faroe Islands, none of these candidates wished to participate in my investigation. Hence, it was necessary for the researcher to obtain alternative data sources from Danish politicians and journalists who had expressed their views of this phenomenon in public statements from articles and government documents since I was working within a limited timeframe. While this factor remains unclear why Danish politicians and government bodies did not wish to participate in my investigation, and any concrete fact on this subject, can only be arbitrary. It is interesting to ask why most of the Danish candidates rejected my proposal for an interview. According to the interviews, there are indications that the conflict between the Faroe Islands and the EU in 2013, and Denmark's involvement by imposing sanctions against the Faroese have contributed to a closer cooperation between the Faroe Islands and Russia. Thus, the subject of the cooperation between the Faroe Islands and Russia is a delicate and sensitive area because it demonstrates that Denmark is unable to defend Faroese interests and comply with the responsibility of the EU at the same time.

7.0 Conclusion

The primary aim of this study was to examine the cooperation between the Faroe Islands and Russia and what motivations have led to the current cooperation today. The Faroe Islands is not a sovereign state but a self-governing country within the Danish Kingdom, but outside the EU while Denmark is a member state. The apparent complexity of Faroese statehood in the Danish Kingdom and the conflict between the EU and Russia made this topic relevant for research. All of these factors lead me to formulate the following research question:

How does Russia appear to be an attractive trading partner for the Faroe Islands and can this cooperation have consequences for the Faroe Islands in the future since the Faroese are members of the Danish Kingdom, but outside the EU?

The examination of the research question was designed as a case study since it allowed the researcher to get a broader understanding of the investigated phenomenon. Simultaneously the concept of the triangulation made it possible to add additional data sources such as articles, interviews, public statements and statistics. In so doing, the case was operationalisation, meaning that the theoretical concepts were empirically measurable which made it easier to merge theory and empirical data into the analysis. The scientific premises of the thesis was based on the hermeneutical traditions and hermeneutical circle which provides an overall position of the chosen case by understanding the interactions between the parts and the entirety, meaning that it allowed the researcher to get an in-depth understanding of the phenomenon and to answer the research question. All of these factors were necessary since they contribute to the overall results of the chosen case.

In this thesis, I gave some examples of how Russia appears to be an attractive trading partner for the Faroe Islands and what consequences this cooperation can have for the Faroes in the future since the Faroes are members of the Danish Kingdom outside the EU. In this context, I chose to divide the analysis of the thesis into three separate sections. In the first section of the analysis, I examined how the Faroe Islands could be identified as a microstate concerning small state's theory. Secondly, I examined how the unity of the Danish Kingdom had changed in the aftermath of the conflict between the Faroe Islands and EU in 2013 and Denmark's participation in the event which has lead to closer cooperation between the Faroe Islands and Russia. Thirdly, I examined whether there are conflicting interests between the Faroe Islands and Denmark regarding Russia in the aftermath of the Ukraine crisis in 2014 and how Russia appears to be an attractive trading partner for the Faroe Islands. My investigation leads to the following conclusions:

The Faroe Islands is a self-governing nation with extensive powers and responsibilities to control their domestic affairs within the Danish Kingdom, but outside the EU. Due to the limited definitional characteristics on small states and microstates in the academic literature and the complexity of Faroe Islands statehood in the Danish Kingdom and outside the EU, it was necessary to select those angles of the theoretical framework which was relevant for the research question. In my analysis, the Faroe Islands were defined as a *semi-sovereign microstate* concerning the Montevideo Convention (1933) and Baldur Thorlsson multifunctional framework of defining smallness and size of small actors. Simultaneously, the Faroe Islands complex status as a self-governing nation within the Danish Kingdom made it necessary to define what competence the Faroes had in relation to Denmark. In my research, the Faroese have multiple power-centric competences to govern themselves internally which are mentioned in the Home Rule Act (1948), Foreign Policy Act (2005) and the Takeover Act (2005).

While elsewhere the Danish state has the state-centric competences, meaning that some policy areas in the Danish constitution (1954) remain exclusively within the control of the Danish state such as defence, security and foreign policy. However, the nature of the unity in the Danish Kingdom changed over the past decade as different members of the Danish kingdom pursue their self-interest in international affairs.

The relationship between the EU and the Faroe Islands can be characterized by sanctions and disputes over shared stocks of travelling fish species in the North Atlantic ocean. In my analysis of the conflict of interest in the Danish Kingdom, there are indications from the data which shows that there is a correlation regarding the conflict between the Faroe Islands and EU and the current cooperation between the Faroes and Russia today. Even though it might be easy to point the finger at the EU as the culprit and blaming their aggressive diplomatic approach by using trade policy as an instrument in foreign policy and imposing sanctions on the Faroe Islands. The Faroe Islands diplomatic strategy shows an unwillingness to cooperate in international organisations by pulling out off the international agreement regarding TAC of mackerel and Atlanto-Scandian herring in 2013. However, Denmark's self-interest is divided between its responsibility as an EU member state and as the primary actor in the Danish Kingdom.

In this context, it was vital to acknowledge that the international partnership between the Faroe Islands and Russia has progressively become closer in the aftermath of the conflict between the Faroe Islands and EU in 2013. The EU incentive to impose economic trade-related sanctions against Faroes shows that it has become increasingly difficult for Denmark to defend the unity of Kingdom and the interest of its members (the Faroe Islands), while at the same time to comply with the obligations of the EU. The result from the investigations shows that both Faroese and Danish politicians are of the similar opinion that the conflict in 2013 has lead to a closer cooperation between the Faroes and Russia in the aftermath of 2013.

The relationship between The West and Russia can be characterised by conflict and sanctions in the aftermath of the Russian annexation of Crimea and Sevastopol. As a third country outside the EU, the Faroe Islands have managed to stay out of the conflict claiming a position of neutrality and avoiding any measures of participation. In my analysis of the cooperation between the Faroes and Russia, there are indications in the statistics and interviews that cooperation has been beneficial for the Faroes and Russia. Even though the Faroe Islands does not have an independent foreign policy from the Danish state, the cooperation between the Faroe Islands and Russia is nevertheless, a form of foreign policy because Faroese foreign policy rooted in fishery and trade policy. As a third country outside the EU the Faroes are not subjected to EU rules and therefore able to pursue their self-interest in fishery and trade-related questions. Hence, Russia appears to be an attractive trading partner because Russia has a demand for fish products which can Faroes can provide. Even though the Danish government does not

dispute the fact that the Faroes have the legal and constitutional right to trade with Russia the situation places the Danish Kingdom in an unusual situation since parts of the Kingdom (Denmark) is experiencing retaliatory counter sanctions on agri-food products from Russia while another part (Faroe Islands) is profiting from the conflict. Simultaneously, there are voices in the Danish parliament which have expressed concerns regarding the cooperation between the Faroe Islands and Russia and argue that the Faroe Islands is not showing solidarity together with The West. However, as a semi-sovereign microstate, the Faroe Islands' position in this matter is that the Faroese home rule government currently values the cooperation with Russia higher than showing solidarity with The West.

As a semi-sovereign microstate, the Faroe Islands are highly dependent on external trade. Russia appears to be an attractive trading partner because the market is highly profitable for the Faroes economy. However, it is challenging to determine what direct consequences the cooperation can have for the Faroe Islands in the future, but it would not be unreasonable to assume that the Faroes could come under pressure from Denmark as NATO and EU member if the conflict between The West and Russia escalated. In an age of instability on the European continent, only the future can determine how the cooperation between the Faroe Islands and Russia will unravel, but from a practical perspective the Faroes are gambling with their future, raising the stakes which could backfire.

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9.0 Appendix oversight

Appendix 1. Interviews with Faroese politicians

Appendix 2. Interview with Danish politician

Appendix 3. Documentation of interviewees which did not participate in the research

Appendix 4. Government document

Appendix 5. Interview guide