

**Address by Mrs. Thorgerdur Katrin Gunnarsdottir
Minister for Education, Culture and Science of Iceland
to the Indian Council for World Affairs
at Sapru House
on Tuesday 28 February 2006**

Your Excellencies, Ladies and Gentlemen

It is a great honour to be invited to address the Indian Council for World Affairs and I hope that this may contribute to an intensifying Indo-Icelandic dialogue on the development of the wider bilateral relations and on issues of common concern.

Looking to past centuries there was very limited contact between Iceland and India, although an Icelandic awareness of India was raised relatively early. This was, for example, a result of the widely-read memoirs of Jón Ólafsson, an Icelandic seaman who travelled to Eastern-India in the years 1622-1624. But by and large for Icelanders, until well into the 20th century, India was a distant and exotic country and direct encounters were few and far between. Of course, the dynamic Indian diaspora reached the shores of Iceland and we have been lucky enough to become home to a number of individuals from India, who have contributed expertise as doctors and in the engineering and software sectors.

I am delighted to observe that despite the difference in size of population and territory, and the geographical distance separating us, the foundation of a close and mutually beneficial bilateral relationship is now being laid. High-level visits

to both countries and the conclusion of various agreements between the two governments have created a rising trajectory in the relationship. Also important have been business ventures between Icelandic and Indian companies.

I would, in particular, like to refer to the State Visit of His Excellency President Dr. Abdul Kalam to Iceland last May, which has already engendered contacts and cooperation in specific areas. During the past few months agreements have been signed on scientific and cultural cooperation and air services. Agreements on the avoidance of double taxation, the promotion and protection of investments and the development of fisheries technology are currently being negotiated. Last but not least, an Icelandic Embassy has this week been opened in New Delhi. The Embassy is a manifestation of the commitment of Iceland to an enduring bilateral relationship. We have been very pleased to hear statements by Indian leaders that this will be reciprocated and look forward to the early establishment of an Indian Embassy in Reykjavík.

It is only natural that people on both sides should wonder why Iceland and India meet in such a way at this point in time. There is no single reason, but rather coinciding developments in the two countries which have created the right conditions for deepening consultations and cooperation. Both Iceland and India are democracies with a strong sense of history and cultural heritage. Both nations regained their independence in the 1940's. Iceland has experienced a rapid transition from being the poorest country in Europe to having one of the the highest per capita incomes in the world, while India is firmly set on a course for increasing prosperity and international influence. In recent years the governments of both countries have put into action ambitious programmes of economic reform and liberalisation. Both countries realise the importance of bringing down trade barriers. Iceland and India have relatively young populations which are open to educational impulses from abroad and are

economically active. Iceland bases its foreign policy largely on constructive participation in the work of regional and international fora and, similarly, India has a long and respected tradition of responsible participation in multilateral diplomacy. All of these factors have created the commonality necessary to the current enhancement of bilateral relations.

There are also economic factors, potential and actual. Iceland looks to India as a large future market for our goods, services and investment, as well as possible outsourcing. There are already Icelandic manufacturing companies in the pharmaceutical and fisheries-equipment sectors operating in India, and more companies want to explore to a greater degree the availability of Indian goods and services. So the prospect of a growing mutual commercial benefit is very real. All of this could be greatly facilitated by exploring the possibility of free trade. The European Free Trade Association (EFTA), which includes Iceland, Norway, Switzerland and Liechtenstein, has already concluded free-trade agreements with a number of countries and further negotiations are ongoing. Lately, the focus of EFTA has been on Asia. Iceland has also made such agreements bilaterally and, for example, negotiations with China will start in the near future. It is important to bear in mind that although the EFTA countries account for only 0,2% of the world population they manage about 2,0% of world trade. Icelandic entrepreneurs have been successful in making the most of investment opportunities abroad and have made major investments in the United Kingdom and in the other Nordic countries. This is partly a result of the Agreement on the European Economic Area (EEA), which came into force more than ten years ago and makes Iceland a participant in the European Union's Single Market. In this context, I might add that we have adopted a very flexible position in the ongoing Doha Round of the WTO, particularly as regards trade in agricultural products.

Intra-governmental relations based on affinity and respect, do not revolve only around the economic balance-sheet. Specific experience and expertise which can be applied by either party for the benefit of the other should be readily forthcoming. In the case of Iceland, for example, the embryonic cooperation with India in earthquake prediction research has great promise. Additionally, it is important to consider whether Icelandic know-how in coastal and high-seas fisheries, fish-processing and marketing can be applied to India. Conversely, India possesses experience and technical expertise which could, undoubtedly, be useful for Iceland.

The five Nordic countries are a good example of countries punching above their weight in the international arena. I think that it is generally accepted that these countries, with a combined population of about 22 million people, have a combined economic and diplomatic influence far beyond what this number implies. Iceland has for decades had close and cordial political and commercial relations with all of the permanent members of the United Nations Security Council on the basis of sovereign equality. All of them and all but one of the G-8 have diplomatic representation in Reykjavík.

Clearly for smaller states, effective regional or international cooperation is essential to safeguarding their security. The maintenance of strong multilateral institutions, the rule of law and resolution of conflict through peaceful means are of fundamental importance to such states. After all, instability and conflict usually have a disproportionately adverse effect on them. In addition, active engagement on the part of smaller states also reflects a perceived moral obligation on their part to make a significant political and economic contribution towards the maintenance of peace and to supporting development in a wider area. There are numerous examples of such states having responsibly committed human and financial resources for this purpose and, thus, made a positive

impact. While being free of any delusions of grandeur, Iceland aspires to playing such a role.

In terms of development cooperation, Iceland has for a long time run bilateral projects in four sub-Saharan African countries and is carefully exploring possibilities for cooperation in other regions, keeping in mind the importance of added value. It helps neither us nor the recipient country to try to replicate, on a smaller scale, what others are already doing. We try to find a niche where our contribution makes a real difference. In this spirit, we have recently concluded agreements with Nicaragua on assistance in harnessing geothermal energy, and with Sri Lanka, on the post-Tsunami revitalization of fisheries. Incidentally, Iceland is lucky enough to be able to generate the vast bulk of our energy requirements for space heating and industry from geothermal and hydroelectric power.

Our efforts in the field of development cooperation are not only reflected in bilateral projects. Currently, Iceland has the role of coordinator in the Nordic-Baltic constituency of the World Bank and during this term an Icelandic Executive Director represents these eight countries in Washington DC. As regards our national priorities, we try to encourage greater attention within the World Bank on the utilization of renewable energy and fisheries in developing countries.

After the end of the Cold War and with the eruption of horrific bloodshed in the Western-Balkans, it became apparent to the Icelandic government that despite its lack of military resources it could not stand aloof from all attempts by the international community to ensure peace and stability through peacekeeping and monitoring missions in areas of tension or conflict. Iceland has, of course, contributed financially to UN peacekeeping for decades, but the prolonged

presence of Icelandic personnel in the field is a relatively recent phenomenon. I realise that I am speaking in a country which is one of the top contributors to peacekeeping in the world. For us it has been a rapid learning process of trial by error and, subsequently, adjustment. Again, we have sought to avoid duplication of larger and more effective contributions and to find a niche-capability which suits our voluntary civilian experts. At the risk of being too self-congratulatory, I would like to claim that Icelandic civilians have been quite successful in taking on tasks which entail civilian-military interaction and transition from military to civilian control of key functions in countries under stabilization and reconstruction. The Icelandic lead-country role in the operation of the international airports in Pristina-Kosovo and Kabul-Afghanistan are good examples of this. In both cases, international involvement has been followed by agreements between the Icelandic Civil Aviation Authority and the local authorities on the longer-term management and development of these airports.

At this moment, Iceland has personnel serving under the flags of the UN, NATO and the EU in the Western-Balkans, in the NATO Training Mission in Iraq, in ISAF in Afghanistan and the Sri Lanka Monitoring Mission (SLMM). Icelandic nationals also frequently participate in election monitoring organized by the Organisation for Security and Cooperation in Europe (OSCE) in the emerging democracies in Europe. Iceland was one of the founding members of NATO. The transformation of this organisation from being focused on purely territorial defence under Cold War conditions to maintaining collective defence against a greater variety of security threats and contributing to international peacebuilding, is of great interest to Iceland.

Later this year, Iceland will celebrate the 60th anniversary of its UN membership. Since 1946, constructive participation in the work of the institutions of the UN has been one of the main pillars of Icelandic foreign

policy and always supported by the whole political spectrum. Most Icelanders distinctly remember the organization as the venue for the creation of the United Nations Law of the Sea and as providing the legal basis for the control by Iceland of its 200 mile economic zone. In a broader sense, Icelanders also see the UN as the manifestation of the sovereign equality of all states and, ideally, as a promoter of international peace and security and formulator of norms in international relations.

Because of these high expectations, Iceland wants to see the UN function as an efficient, respected and relevant global forum. Therefore, we joined the other Nordic countries in submitting positions and proposals on various aspects of UN reform in the run-up to the Summit last September. I would be less than honest if I did not voice our disappointment over the lack of progress in many areas during the Summit and in the 60th General Assembly so far. I would, in particular, like to single out the continuing stalemate as regards Security Council reform, the difficult birth of a Human Rights Council of any consequence and resistance to administrative reform.

The current composition of the Security Council is an anachronism. The number of permanent and non-permanent seats needs to be increased, both to reflect geopolitical realities and the gradual increase in the number of member states. The stalemate needs to be broken and Iceland believes that the proposal of the G-4 comes closest to meeting most requirements at this point in time. Iceland has previously declared public support for an Indian permanent seat on the Security Council and this position will be maintained until the goal is achieved. At the same time we are encouraged by the positive reaction of the Indian government to the candidature of Iceland for a non-permanent seat on the Security Council during the period of 2009-2010. Iceland can make a contribution to the work of the Council. We have never before claimed a seat

and believe that it is important for the legitimacy of the UN that smaller states, the majority of the membership, have an opportunity to serve.

The UN has attempted to address the threat of terrorism, inter alia by finding a common definition, but so far without great success. We all know what the term “terrorism” means to most people. It means indiscriminate violence against defenceless civilians and their property for the purpose of intimidation. It is usually organised and perpetrated by those who lack a democratic mandate, pay lip service to democracy or reject it altogether. Terrorism is a major security threat to open democratic societies and the proliferation of weapons of mass destruction has created the prospect of possibly unprecedented loss of life and property, with disastrous consequences for the international system and the global economy. No responsible government can be neutral in the fight against the scourge of terrorism. I know that India has been the victim of terrorist attacks and this is an issue which the Indian government takes particularly seriously.

As many Indian diplomats who have served in New York are aware, Iceland and India were soon after independence brought together by the alphabetical seating order at the UN. This has in many cases prompted amicable personal contacts and been a good omen for bilateral relations. Iceland and India are not geographical neighbours, but all of the elements necessary for building neighbourly trust and friendship are in place. Now it is for us to seize the opportunity and pursue the unrealized potential.

Ladies and gentlemen, I thank you for your attention.

