

The Faroe Islands: Options for Independence

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Abstract

The Faroe Islands are currently at a crossroads in their constitutional status. Discussions concerning changes in the current constitutional status are ongoing and several analyses about possible trajectories of future development are being proposed. Argued in a context of Faroese nationalism, this article tries to assess these trajectories in the future jurisdictional and political development of the Faroe Islands in terms of three possible scenarios: independence or full sovereignty (as is Iceland); a freely associated statehood (as are Niue and the Cook Islands in relation to New Zealand); or a confederation, probably involving changes at both the central level of the Danish state and the European Union level. This article argues that the most likely future development is that of a state in free association with Denmark. Meanwhile, island politics can change very quickly and the traditional cleavages in Faroese politics are liable to changing degrees of public support.

Key Words: Nationalism, Sovereignty, Free Association, Confederation, Faroe Islands

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Introduction

While the Faroese are a very old European nation, they nevertheless remain essentially unknown to the outside world. This paper, while critically reviewing the current political and economic development options of this island people, hopes to make their situation better known, while hopefully also encouraging more scholarly work in this area of comparative island politics.

The Faroe Islands became an integral part of the Danish Realm from their very first constitution in 1849. This meant that the island people were represented in the Danish Parliament and that the civic rights of the Constitution were directly applicable in the islands, while all major decisions concerning the Faroe Islands were taken in Copenhagen (Jensen, 2003: 171).

The Faroes are currently at a crossroads in their political and economical development as negotiations continue with Copenhagen on their future status. In the sections below, three different scenarios for the future of the Faroe Islands will be examined. The first scenario

would be independence or full sovereignty, with Iceland as the key model. The second scenario investigates the conditions for a state in free association and compares the Faroe Islands with such island territories as Niue and the Cook Islands. The third and last scenario to be explored would be the option for confederation, with the Faroes being a constituent member, along with Greenland and Denmark. The three options are theoretical assumptions and represent by and large the full spectrum of current jurisdictional and constitutional possibilities for the Faroe Islands' future. Before considering these scenarios however, an overview of Faroese nationalism and its development is relevant and provides a better understanding of the case at hand.

Faroese Nationalism: Background and Recent Development

'Nationalism' is often an indication of a state of mind, a consciousness manifested by members of a group that they belong to a particular nation, an awareness of sharing a common culture or identity, a sense of fellow-feeling towards those recognized as co-nationals. Some scholars associate nationalism with a universal human need to 'belong' or 'identify'; others with negative psychological attitudes towards outsiders (Jay, 1994: 153-154).

The Faroese consider themselves a Scandinavian people; but their language, history and economy are quite different from those of mainland Denmark. Faroese nationalism was institutionalized in the 1880s through the Faroese National Movement. In common with similar movements around Europe at this time, the movement was romantic in its outlook and tended to emphasize the importance of Faroese history, culture and language. It has been argued that this movement was a reaction against the dramatic changes taking place in Faroese society at this time. The traditional agrarian society was disintegrating, while a class of full-time specialist fishers was emerging (Goodlad, 1987: 2). The Faroese National Movement represents the beginnings of the struggle for Faroese political autonomy. The Danish reaction to this movement was initially rather hostile since Denmark was facing increasing demands for independence from Iceland; while, nearer home, the duchies of Schleswig-Holstein had been lost to Germany in 1864 (Goodlad, 1987: 2).

During the 1890s, the Faroese National Movement split into a conservative group and a more radical group. The conservative group sought support from the Danish Government and officials, while the radical group was seen as the champion of Faroese autonomy, and formed links with several other similar radical opposition groups in Denmark. In 1901, the radical leader Joannes Patursson (1866-1946) was elected as one of the two Faroese representatives to the Danish Parliament, from which position he worked to promote Faroese self-rule policy within the Danish Parliament. (As a young man in 1888, Patursson had attended and composed a poem for the so-called "Christmas meeting" whose mandate was to proactively defend Faroese language and culture from the threat of Danish incorporation and which kick-started the movement for Faroese Nationalism.) His efforts quickly bore fruit: by 1903, the Danish Government had accepted a programme for the

economic development of the Faroe Islands based on the devolution of considerable fiscal powers, including passing the responsibility for the administration of the taxation system to the Faroese Løgting (Goodlad, 1987: 3).

A policy over Faroese self-rule was the main issue of the 1906 election. The movement led by Patursson was now called *Sjálvstýrisflokkurin* (the Autonomist Party), while the conservatives set up *Sambandsflokkurin* (the Unionist Party). The Autonomists argued for Faroese devolution within the Danish State; while the Unionists argued that the status quo should be retained. The outcome of the election was a defeat for the Autonomists (Goodlad, 1987: 3; Mørkøre, 1991: 58-59). Already a century ago, the basic split in Faroese politics was taking shape: the nationalist and unionist constituencies, whose relevance would ebb and flow in different epochs to follow; as would that of the more conventional, left and right wing ideological positions.

The Faroese fishing industry experienced major problems with the collapse of the traditional Spanish and Italian salt fish markets in the 1930s. The resulting economic crisis reduced wages and led to much hardship, all of which contributed to a dramatic growth of support for the Social Democratic Party (*Javnaðarflokkurin*). During the 1930s, the Social Democrats were not in favour of Faroese autonomy: instead they supported the status quo. In 1940, a new party was established as a reaction to the growth of the Social Democrats. This party was called *Vinnuflokkurin* and was a splinter from the Autonomists: it developed a conservative social and economic programme and was mainly representing private business and the fishing industry (Goodlad, 1987: 4-5; Mørkøre, 1991: 62). It changed its name to *Fólkaflokkurin* (the People's Party) in 1940 (Goodlad, 1987: 6).

The People's Party adopted a policy programme based on the need for the Faroese economy to fully exploit local resources in order to reduce financial dependence on Denmark. *Sjóvinnubankin* had been formed in 1932 as an independent Faroese bank in competition to the established *Føroya Banki*, which was wholly owned by one of the main Danish banks. It was argued that only a Faroese bank would ensure that Faroese savings were retained in the Islands for investment in the local economy. *Sjóvinnubankin* became a success and the People's Party demonstrated what could be achieved independently of Denmark (Goodlad, 1987: 7).

With the German occupation of Denmark on 9th April 1940, and the British occupation of the Faroe Islands three days later, all connections between Denmark and the Faroes were severed. Faced with this situation, the Faroese Løgting adopted a new constitution on May 10th empowering it to act as the Faroese Government for as long as the war lasted. As a result, the executive powers were transferred from the Danish Government to the Danish Governor of the Faroes, and a form of legislative power was transferred to the Løgting. The Danish Governor retained the right to veto (Goodlad, 1987: 9; Mørkøre, 1991: 62; Jensen, 2003: 171).

During the war years, the Faroese economy boomed due to the very high fish prices obtained in the British ports. The war years had effectively forced the Faroes to control their own affairs; by the end of the war, it was unthinkable that there could be a return to the pre-war constitutional status. Discussions took place at different levels, but no agreement on a new political setting could be reached. Eventually, a referendum was adopted as a way out of the impasse (Goodlad, 1987: 9; Mørkøre, 1991: 62). For a time, it appeared that the Faroes would be joining Iceland (which had become a fully independent state in 1944), both island territories having exploited the political vacuum created by the war years.

The options in the referendum were that of either the status quo of 1940 or outright independence. Held on 14th September in 1946, the result was a narrow majority in favour of the independence option: with 11,640 valid votes cast, 48.7% voted in favour of secession and 47.2% voted to maintain the status quo. The remaining 4% were spoilt ballots. This came as a surprise to the Danish Government, which was totally unprepared for such an eventuality. There had been no agreement as to whether the referendum should be considered as binding or simply consultative. The Danish Government (via the Danish Crown) panicked, dissolved the Løgting and demanded a new election (Goodlad, 1987: 10; Mørkøre, 1991: 62; Olafsson, 2000: 124-125). Held in November 1946, this time the election produced a clear majority *against* secession. The new coalition continued negotiations on the question of Faroese autonomy with the Danish Government. These negotiations eventually resulted in the implementation of the Home Rule Act of 1948, which established the constitutional arrangements under which the Faroe Islands continue to be governed today (with an amendment since 1991) (Goodlad, 1987: 12; Mørkøre, 1991: 62).

The 1948 Home Rule Act recognized the Faroe Islands as a “self-governing community within the Kingdom of Denmark”. Specific fields of responsibility may accordingly be devolved to the Faroese Løgting while other matters remain entrenched within the Danish Parliament. The 1948 Act listed those areas for which the Faroese Løgting would, upon request, assume entire legislative, fiscal and administrative responsibility. These include agriculture, fisheries, education, culture, all taxation, health and social services, all planning matters and internal administration. In addition, a number of other areas were recognized as matters for which the Faroese Løgting could assume responsibility after further negotiations with the Danish Government. These include the state (Lutheran) church, the police, trade controls, state radio, aviation and mineral rights (Goodlad, 1987: 12; Mørkøre, 1991: 62). Since 1991, several of these areas have been transferred (Hannum, 1999). The 1948 Act also listed those areas for which the Danish Government would continue to have sole responsibility. These include foreign policy, defence, the courts, civil rights, civil and criminal law and general fiscal policy. However, on all these matters, it was agreed that any legislation proposed by the Danish Parliament should be submitted to the Faroese Løgting for comment before entering into force for the Faroe Islands (Goodlad, 1987: 13).

From 1948 and for the following 40 years, a rather stable political period ensued in the Faroe Islands. The Republican Party formed in 1948 was based on the dissatisfaction among separatist Social Democrats and Conservatives. The Party succeeded in taking over these socialist voters, who had supported the Autonomists before the war. The Republican Party took the guise of a populist party, but was more radical in questions concerning the relationship with Denmark (Goodlad, 1987: 14-15). Its objective was total independence and the setting up of a Faroese republic (Mørkøre, 1991: 58).

In 1989, with the collapse of the Communist regimes in Eastern Europe, the Faroe Islands lost their strategic importance and became a forlorn outpost again. This coincided with the collapse of the fisheries in 1992, at which point the Faroes requested assistance from Copenhagen. The Banking scandal in 1993 exacerbated the situation, since most of the fishery industry was connected to the banks and there had been a loose policy with loan allocations. This time, however, Denmark was unwilling to simply oblige. The Danes demanded sweeping changes to the Faroese political system. Denmark enforced a clearer division between the legislative and the administrative branches. The Government itself was divided into ministries with each minister to be held responsible for his/her own department. The civil service was strengthened. Economic legislation was modernized and laws concerning fishing rights were also changed (Justinussen, 1999: 20).

The relationship with Denmark was up for debate again. Left versus right issues reappeared along with independence versus unionism as the key modalities of Faroese politics (Justinussen, 1999: 20). Public opinion is also liable to fairly radical changes of opinion, indicative of fluidity and uncertainty: so, in a survey carried out in 1998, 43% expressed themselves in favour of extended autonomy within the union and 27% were in favour of total secession. 15% supported the existing home rule system and 10% wanted closer relations with Denmark. In a similar survey in the following year (1999), a staggering 50% were in favour of secession and 25% favoured an extension of autonomy within the union. Only 3% wanted closer relations with Denmark and 13% were in favour of the existing system (Thomas & Jákubsstovu, 2000).

What appeared to be a decisive step in the political process towards independence was taken by the Faroese people on 30th April 1998, when voters elected a new Parliament where the three parties which had called for a change in the political status quo with Denmark received a majority of the votes. The coalition consisted of *Fólkaflokkurin* (the People's Party), *Sjálvstýrisflokkurin* (the Autonomists), and *Tjóðveldisflokkurin* (the Republican Party) (Føroyskt Fullveldi, 11th June 2003). The Faroese government declared the objective of sovereign status for the Islands (with Iceland as the obvious model). A government-appointed committee drafted the 'White Book', a report about the Faroe Islands in an international context, which was delivered in 1999 (Thomas & Jákubsstovu, 2000). A referendum was meant to be held on May 26th 2001, but was cancelled due to disagreements between the parties and the Danish government.

A key chapter in the 'White Book' looked to the future overseas representation of an independent Faroese state, embodied in 6 embassies and 1 permanent mission:

Reykjavik: Embassy.

Oslo: Embassy, accredited to Moscow.

Copenhagen: Embassy, accredited to Stockholm, consular office in Helsinki.

London: Embassy, accredited to Dublin.

Washington: Embassy, accredited to Canada, Mexico and Central & South American states.

Brussels: Embassy, accredited to all European states, except Norway, Russia, Great Britain and Ireland; accredited to the European Union, OECD, WTO, NATO, OSCE.

New York: Permanent Mission to the UN, accredited to Asian and African states

(Government of Faroes, 1999: 75-77; *also* Bartmann, 2006).

The democratic process towards independence was decided to encompass four stages: (1) an agreement upon overall political objectives; (2) preparation of relevant reports and discussion papers; (3) negotiations with the Danish authorities; and (4) a parliamentary ratification and people's referendum. The first two steps have been completed. Negotiations between Faroese authorities and Danish authorities are ongoing. The independence process outlined in the proposal establishes a timetable for the Faroe Islands to assume responsibility for all areas still administered by Denmark under the Home Rule Act, with the exception of those few areas deemed to be strictly connected to sovereignty. This process should be completed according to a predetermined schedule by 1st January 2012 at the latest, after which sovereignty will be decided upon via a referendum (Føroyskt Fullveldi, 11th June 2003).

Danish authorities are generally inclined to accept Faroese independence; but, at the same time, they have made it clear to the Faroese government that independence would mean that the economic support for the islands would disappear within a short period of time (4 years). The Faroese government, on the other hand, wants economic grants from Copenhagen to be phased out over a 15-year period. An agreement on this issue has yet to be reached (Jensen, 2003: 176-178).

In the latest elections of 2004, a coalition government between the Unionist Party, the People's Party and the Social Democratic Party was formed. Its aims are to form a broad collaborative front in order to definitely settle the relationship between the Islands and Denmark. Their goal is not independence, but a development towards more autonomy for the Islands within a relationship with Denmark, maturing into either a freely associated state or a federal form of government (Løgmannsskrivstovan, 19th January 2005).

Three Scenarios

The current situation will be further analyzed below through what current international relations practices (and particularly those concerning metropolitan states and sub-national island jurisdictions) suggest are the most likely three possible scenarios for the medium-term future of the Faroes: independence, free association, or confederation (Baldacchino & Milne, 2006). Each of these three scenarios will be first outlined through a theoretical perspective; the specific case of the Faroes is then analyzed accordingly.

Independence or Full Sovereignty

The case of Iceland figures prominently in considering this option, since it has developed into a fully sovereign state. The country shares the same history as the Faroese, since Iceland has been a dependency belonging to Denmark.

In 1871, Iceland gained a special constitutional assembly, known as the National Convention, where the Danish Government set out proposals for Iceland's constitutional status. The National Convention was dissolved without concluding its task to solve the legal status of Iceland (Government of Faroes, 1999: 39, 49-50). Iceland did not acquire a constitution until 1874. This gave *Althingi* (the Icelandic Parliament) legislative powers together with the Danish crown: a special Ministry of Icelandic Affairs was established in Denmark, with the Danish Minister of Justice taking up this role (*ibid.*: 52).

Executive power was subsequently transferred to Iceland by the Home Rule Act in 1904. This provided the Minister of Icelandic Affairs with the responsibility for internal governance and gave *Althingi* power to prosecute him for his/her actions in office (*ibid.*: 40-41). With the change of government in 1909, the principle of parliamentarianism was established. According to this principle, no government can hold power without the active or tacit support of a majority in the *Althingi* (Kristinsson, 2000: 143).

Iceland gained home rule under a bilateral treaty with Denmark in 1918. The treaty stated that Denmark accepted Iceland as a sovereign state within its realm. The treaty had the status of an interstate agreement and was therefore interpreted as an international treaty (Larsen, 2002). However, even if Denmark had accepted Iceland as a sovereign country, it still maintained responsibility over foreign policy (Larsen, 2002). 1930 was the millennium celebration of the *Althingi*'s establishment: in that year, Iceland signed an international

agreement (with other Nordic countries) as an independent country for the first time (Government of Faroes, 1999: 115). The special status that Iceland had during this period could also be discerned in trade agreements, which Iceland set up with such countries as Italy in 1936 (Larsen, 2002).

The development towards full sovereignty in Iceland was a step-by-step, incremental affair. The major developments in a chronological order included: a consultative assembly, legislative and budgetary powers, a domestic executive, sovereignty within a joint kingdom and an Icelandic High Court (Kristinsson, 2000: 142-143). Under the Danish-Icelandic Treaty of 1918, Iceland received the right to formulate its own foreign policy, but the administration of foreign affairs remained in the hands of the Danish state. Iceland also received the right to establish a high court, which was established in 1920 (Kristinsson, 2000: 146). The emergence of Iceland as a sovereign state in 1944 was also facilitated by the circumstances of the Second World War. The British had occupied Iceland (as they did the Faroes) and Denmark was under German occupation, so the links between the states were interrupted. The timing for the declaration of full Icelandic independence was thus fortuitous. Since Iceland already was accepted as a sovereign part of the Danish Kingdom, it had all the characteristics of an independent state.

Free Association

The question of free association could be seen as a second option for the Faroe Islands. The concept of “free association” was set forth in 1960 by the UN General Assembly. There are two key elements of free association. The first is the right to determine one’s constitution without outside interference; the second is the right by the associated territory to modify its status, that is, to unilaterally opt out of a current situation in favour of independence (Hannum, 1999).

A state in free association can be dissolved ‘freely’: meaning by either of the units acting alone on prearranged terms established in the constituting document or treaty (Hannum & Lillich, 1980: 888). In essence, associated states have all the powers and prerogatives of sovereign independent states, except for those powers they unilaterally choose to delegate to the principal government. The latter powers are typically just two: foreign affairs and defence. A relationship of association in contemporary international law is characterized by recognition of the significant subordination of, and delegation of competence by, one of the parties (the associate) to the other (the principal), but with the maintenance of the continuing international status of statehood of each component (Reisman & Keitner, 2001).

The most common indicators of integration into associated statehood refer to common citizenship or nationality, common trade agreements or common currency agreements, delegation of foreign affairs competence and subordination to the highest judicial instance of the principal state (Reisman & Keitner, 2001). Associated states take part in the international community. They might have concluded treaties and are associate members

of special agencies in the United Nations or other inter-governmental bodies. Free association can provide a framework for a range of state relationships on the spectrum between full independence and integration (Watts, 1999: 8; Elazar, 1987).

The classic examples of such an arrangement are the relationship between the Cook Islands and Niue in relation to New Zealand. Both island jurisdictions are self-governing in all internal affairs except for the overall defence and external matters, where New Zealand today maintains an increasingly diminished responsibility. The residents of the islands enjoy New Zealand citizenship (Watts, 1999: 8). The Cooks and Niue are *not* members of the United Nations, though they are members of its agencies and other inter-governmental bodies. They *do* sign treaties with other states on their own and they have independent powers of legation as they send (or accredit) and receive representatives *on their own* with sovereign states and other players with international legal personality like the EU. Since 1992, all legislative and executive powers, whether in the fields of defence, external affairs or any other, are vested exclusively in the Government of the Cook Islands (Aldrich & Connell, 1998: 54-55). The Cooks became a self-governing territory in 1965; they have a constitutional right to independence (Watts, 1999; Aldrich & Connell, 1998: 54-55). Niue, which is run under a similar system, was granted self-government in 1974.

Confederation

A confederation occurs where several pre-existing polities join together to form a common government for certain limited purposes (such as foreign affairs, defence or economic cooperation). The common government is dependent upon the constituent governments, being composed of delegates from constituent governments, and therefore having only an indirect electoral and fiscal base. Examples of confederations are the European Union, the Benelux Countries, the Caribbean Community (CARICOM) and the Commonwealth of Independent States (Watts, 1999: 8, 13).

The Netherlands Antilles (NA) is one example of a confederal system that could prove a model to the eventual relationship between the Faroes and Denmark (with or without Greenland involved). The NA (until now) consists of Curaçao, Bonaire, Saba, St. Maarten and St. Eustatius as equal partners in relation to the Netherlands by the constitutional Charter of 1954 (Premdas, 2006: 175). Both Suriname and Aruba opted out from the confederation: the first secured independence in 1975; the second – formerly part of the NA - gaining *status aparte* in 1986 (Oostindie & Klinkers, 2003).

The NA were a creature of the *Statuut* or Charter of the Kingdom of the Netherlands, proclaimed in 1954. The *Statuut* defined the Kingdom as a voluntary relationship between three equal and internally autonomous countries: the Netherlands, Suriname and the six Caribbean islands forming the Netherlands Antilles. Oostindie (2006, *passim*) describes the set-up as follows:

“As stated in the preamble of the *Statuut*, the three countries would ‘take care of their own interests autonomously, manage communal affairs on an equal footing, and accord each other assistance’. The Charter defined foreign policy, defence, citizenship, and the safeguarding of proper governmental administration as matters of common interest to be governed by the Kingdom of the Netherlands. This Kingdom government was simply delineated as the ruling Dutch cabinet, expanded to include one plenipotentiary minister for each of the two Caribbean territories ... The Statute rests on notions of ‘equality’ and ‘reciprocal assistance’ which, because of the asymmetrical balance of power, are totally fictitious ... As the Charter itself posits, no change whatsoever can be implemented unless all partners agree.”

Following various referenda in recent years, all the NA islands have rejected independence (*ibid.*: 220-21); but the NA is now likely to be dismantled and each constituent island will secure, like Aruba in 1986, a direct relationship (*status aparte*) with Amsterdam, leading to the break-up of the NA. The Dutch government is likely to remain responsible only for the defence and foreign affairs of each of its ‘dependencies’; otherwise, each island will manage and be responsible for its own internal affairs (Oostindie, 2006).

The Case of the Faroe Islands

What are the prospects for a change in the status of the Faroe Islands in relation to either of these three routes?

Independence or Full Sovereignty

The Faroe Islands could exercise a formal right to independence. According to the Danish constitution, it is possible for the Danish government to conclude treaties diminishing the territory of the realm, and such treaties only require the acceptance of the National Parliament to be ratified (Hannum, 1999). The Home Rule Acts can be changed only with the consent of, and after negotiations with, the home rule authorities. At the same time, one could say that the powers of the home rule authorities are delegated by the Danish legislature, and they could therefore be replaced by the same authority that delegated them (Lyck, 1996a: 124). According to a legal standpoint, it is possible for the Faroe Islands to achieve independence, if Denmark is willing to acquiesce.

Home Rule already provides broad competences in internal affairs and it is also possible for the Home Rule Government to take part in international negotiations with other states. The Faroe Islands are a permanent member of the Nordic Council and have free trade agreements with the European Union; they also take part in the International Maritime Organization as an associate member; and they are members of the Nordic Investment Bank (Lyck, 1996b: 138). This situation could be compared with Iceland in 1918-1944,

where Iceland took part in international relations as a sovereign entity, even before it secured full political independence.

Recent developments show more international involvement since the Faroes have signed an agreement with Iceland 31st August 2005 on a common market between the areas. Another agreement has been struck between the Faroes and Russia concerning customs duty on goods. Negotiations for membership in EFTA (European Free Trade Association) are also underway (Løgmansskrivstovan, 8th June 2006). These developments show that the Faroe Islands are already acting like a fully-fledged state.

Free Association

There are three key areas in which expanded powers might be sought to establish free association with Denmark from a Faroese perspective.

First, the ability to adopt Home Rule Acts or laws independently would be a development towards more independent power of legislation without interference from Copenhagen. This would require a more formal recognition of the legal validity of Home Rule Acts/laws, as well as judicial means of determining whether or not Home Rule Acts/laws are within Faroese legislative competence (Hannum, 1999).

Another factor is to establish an own, self-contained administration of justice. At the moment, all cases in the Faroe Islands may be heard in the first instance with a 'Board of Complaint' instead of a fully-fledged court (À Rógvi, 2002: 24-25). However, decisions currently reached by the Faroese High Court in appeal cases may be brought before the Danish Supreme Court. Meanwhile, discussions with a view to the establishment of Faroese courts are ongoing (Justitsministeriet, Lovafdelningen, 31st March 2005). Under free association, this right of appeal may be withdrawn and the Faroese would then be subjected solely to Faroese law. The future lower courts' competence would extend to any matters that fall within Faroese legislative competence and might be subjected solely to Faroese law (Hannum, 1999). This could be compared to Iceland, which gained a High Court as early as 1920.

A third area of possible expansion of Faroese authority is foreign affairs. Membership in many international organizations is limited to independent states, and even with a broad autonomy, the Faroes would not qualify to join, say, the United Nations. However, the Faroes do enjoy a basic framework of overseas representation, including an office in London which is officially part of the Danish Embassy (www.faroeislands.org.uk/). Such an arrangement is in keeping with the Danish practice of providing means and channels for Faroese representatives to speak directly to third parties on issues of importance to the Faroes (Olafsson, 2000: 127-29). There are also costs associated with maintaining foreign missions. Here, a mutually agreed relationship with Denmark may be sought (Hannum, 1999). Greater control over currency and the banking system should also be pursued.

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Better communication between Faroese and Danish authorities, as well as closer monitoring of the economic situation, would seem to be a promising path of reform (Hannum, 1999).

The Faroe Islands are quite near a free association status or associated statehood, since the Islands have the possibility to secede from Denmark and have full responsibility over internal affairs. More and more responsibilities are distributed to the Islands. As with the case of the Netherlands Antilles and Aruba in relation to The Hague, the Faroe Islands could be seen as an example of Aruba in this sense to be able to reach a *status aparte* for a transitional phase – whether this leads to outright independence or not.

Confederation

The Faroe Islands are currently in a union with Denmark, consisting of three parties: the Faroe Islands, Greenland and Denmark. One could argue that the two peripheral island regions are in an asymmetrical relationship with Denmark, since Denmark maintains overall power, whereas the island regions have approximately the same functions in relation to each other.

The Danish Home Rule model grants specific rights and powers to the population living in a specific territory. It is not primarily based on ethnicity but is the type of model in which rights are transferred via delegation to the population in a specific territory (Lyck, 1996a; 1996b).

A Faroese is understood to mean a person who is a citizen or a national of Denmark and resident of the Faroe Islands. The right of voting and eligibility for institutions of the Faroese government may, however, be made conditional on the person concerned being a Faroese. No Faroese citizen is obliged to serve in the Danish army (Dam, 1996). This could be compared to the situation in the Åland Islands, which are totally demilitarized; Ålanders can serve in the Finnish army; but only should they volunteer to do so.

There are two dimensions of the Home Rule Act: one deals with the possible areas of competence to be transferred; the other being the economic principle that all areas taken over should be financed by the Faroese. List A handles the special Faroese affairs and List B deals with areas that might be transferred after negotiations (Mørkøre, 1996).

If the Faroe Islands were to mutate into the members of a confederative troika, a new self-government act would need to be drafted, and would need to remain in accordance with what one may call “the Danish Home Rule” within the European Union (Løgmansskrivstovan, 2005). A confederation would be possible if all three parties decided to have a confederation, where for example, foreign affairs, defence and economical issues were mutually agreed upon.

A Fourth Scenario?

There is actually a fourth constitutional option that may be entertained for and by the Faroe Islands in the near future: that of a federation. Such a step would, however, be far more complex in nature than any of the other three options considered in this paper. The whole Danish constitution should then go under revision. It is not a realistic option, while the union already is a loose construction. Denmark may not be interested to reform the government structure in such a radical way. Denmark has a decentralized system of government according to the Nordic model and the municipalities hold strong powers, so another level of government would be superfluous and cumbersome in Danish eyes. It would also complicate relations with the European Union.

Demands for a revision of the Danish constitution are raised intermittently within Denmark. In recent years, a widespread consensus has grown that changes in society over the past 50 years justify a constitutional revision (e.g. State of Denmark, 2003). This might include the codification of changes in parliamentary and governmental practices enacted since 1953 (the last time the Danish Constitution was amended), and the inclusion of guidelines for handling internal ethnic, religious and linguistic differences, as well as a formalised adherence to principles of human rights (*The Economist*, Country Briefings, 2005). If such a revision were on the political agenda, then one could imagine that both the Faroes and Greenland would have an interest in being involved in any revision process to meet their goals and ensure that their specific interests are safeguarded.

Conclusion

If we look at the notion of a state according to Article 1 of the 1933 Montevideo Convention, the Faroe Islands fulfil all four basic criteria: The Faroe Islands have a permanent population (currently of about 47,000); the territory is separate from Denmark and, as a distinct island archipelago, is very well defined; there is an own government with both legislative and administrative capacities; and the islands enjoy formal international relations with other states. Admittedly, the Faroe Islands lack full responsibility over international affairs, as long as Denmark is responsible for the islands' security and defence.

The Faroes are considering different options with regards to the terms of their current union with Denmark. There appear to be all necessary grounds to enable the Faroe Islands to move to becoming an independent state, should there be the political will to do so. The political will should, of course, be the outcome of a mutual agreement between the Faroes and Denmark; otherwise, the situation would not be realistic.

The support in the Løgting (the Faroese Parliament) for the different options remains divided into two main blocs; one for independence and one for confederation. In the current political line-up, 15 out of 32 members of the Løgting support independence, while

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14 members support the confederation option. The remaining 3 occupy a fuzzy middle ground, and could be said to support the free association option (Løgting, 8th June 2006). In the long run, the Faroes might secure independence; but the islands are certainly in no hurry to do so. Moreover, new elections and resulting new coalitions could usher in a different approach to Faroese politics, and developments could take different turns.

For the time being, the autonomy of the Faroe Islands continues in a state of flux, and subject to negotiation. The most likely outcome appears to be an increase over current levels of 'self-rule', but the actual format that this would take remains uncertain for the moment. The most plausible scenario remains, however, *not* that of full sovereignty (as in the case of Iceland) but that of an eventual statehood "in free association" with Denmark, just like Niue and the Cook Islands are in relation to New Zealand.

Acknowledgements

The author thanks Dag Anckar, Lauri Karvonen (Åbo Akademi University, Finland), Barry Bartmann (University of Prince Edward Island, Canada), other colleagues and anonymous reviewers for useful comments and constructive criticism on earlier drafts of this article.

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