

At a Crossroads: Iceland's Security and Defence Policy

Summary of a Roundtable Discussion – November 26, 2025

Varða, in collaboration with MP Þórdís Kolbrún R. Gylfadóttir, hosted a roundtable discussion on Iceland's security and defence policy. The event was held in connection with the visit of Charlie Edwards from the British think tank IISS, who had conducted an independent analysis of the policy at Varða's request. Attendees included leaders from politics, business, academia, and the NGO's. Discussions were held under the Chatham House Rule, and this summary reflects common themes and conclusions, without attributing views to specific individuals or institutions.

Lacking a Common, Public Risk Assessment

One of the clearest calls from the discussion was the need for a regular, coordinated, and public risk assessment. Without such a common foundation, policy development inevitably becomes fragmented and uncoordinated. Participants noted that ministries, institutions, and companies are diligent within their own domains, but a comprehensive overview that could support investment and clear division of responsibility is missing.

A risk assessment was not only discussed as a technical tool but as a societal instrument to foster shared understanding. There was a desire for such an assessment to be, at least partially, public, and used to enhance democratic debate and trust. At the same time, it was pointed out that the administration lacks the processes and legal framework to translate analysis into clear decisions and implementation, particularly in the grey areas where hybrid threats manifest.

Businesses on the Front Line of Hybrid Threats

The discussions clearly highlighted that businesses play a key role in the nation's security. Energy, transport, utility, and telecommunications infrastructures are largely in the hands of companies, and they are the first to be affected by disruptions, harassment, and hybrid threats. Although the operations are privately run, the consequences are societal when systems are disrupted.

Participants emphasized that this situation calls for better information flow and more formalized cooperation between the public sector and businesses. Companies require guidance, predictability, and political recognition that their preparedness is an integral part of the nation's resilience.

Changed Reality Calls for a New Culture and Identity

The Icelandic debate on security was described as having long been shaped by experience with natural hazards, where reaction and flexibility have been key elements. This tradition is a strength, but it does not fully encompass the security reality Iceland faces today, where human-made threats such as infrastructure disruptions, cyber-attacks, and information disorder are becoming challenges. The conversation suggested that culture and identity can, however, change rapidly.

In this context, specific reference was made to Sweden and Finland, which swiftly turned away from centuries-old traditions of neutrality with their rapid accession to NATO. It was also pointed out that the general public in Iceland has been minimally involved in the conversation about the new security reality, and that a common vision requires the nation to understand the threats that exist and why they need to be addressed.

Iceland's International Role: Responsibility and Opportunities in Technology and Infrastructure

Discussions on the international context reflected Iceland's changing position, where allies are increasingly demanding a tangible contribution to collective security. Participants noted that Iceland's opportunities lie less in military capability and more in digital infrastructure, cyber security, innovation, host nation support, and its unique position in the North Atlantic.

There was a desire to shift from being a recipient in security cooperation to becoming a more active and policy-shaping participant. By taking the initiative in areas such as cyber security, leveraging digital infrastructure, innovation, and technology, Iceland can contribute genuine capability that strengthens the Alliance as a whole.

Concluding Remarks

The roundtable discussions show that Iceland stands at a crossroads. The risk lies in continuing without clear risk assessments and without engaging the private sector and the public as genuine partners. Conversely, clear opportunities exist: short lines of communication, a flexible administrative system, robust infrastructure, and social trust.

With a focused approach and clear prioritization, Iceland can strengthen its societal resilience and become a reliable and active partner in a changed security environment.