

PEACE AND SECURITY

THE EU ARCTIC POLICY AND PERSPECTIVES OF RELATIONS WITH RUSSIA

Nurlan Aliyev
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The EU still has difficulties, particularly with Russia, but also with some of other Arctic states in the region. Nevertheless, there are also possibilities for cooperation, despite fact that after 2014 the relations have deteriorated between the EU and Russia.



Increasing of Russia's power projection in the Arctic and also tensions between Moscow and Brussels in other international issues challenged cooperation between them in the region. In this respect, this research examines cooperation possibilities, challenges and compares the EU and Russia's Arctic policies.

CONTENT

The EU Arctic policy and perspectives of relations with Russia	3
The EU's Arctic policy	3
From Russia's perspectives	5
Perspectives of relations	7

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During the Russian expedition to the North Pole in August 2007 Russian tricolor was planted at the bottom of the Arctic Ocean. “The results of the Russian polar expedition to the North Pole should form the basis of Russia’s position when deciding whether this part of the Arctic shelf belongs to us”, stated Russian President Vladimir Putin at that time.¹ The Russian flag-planting symbolically could be marked as a turning point in international attention to the Arctic.

Since then EU also has systematically prepared, issued and reviewed not only its Arctic policy, but also its relations with Russia. Since 2007, the EU’s Arctic policy has developed from addressing the security implications of climate change to focusing on how the EU could gain legitimacy and influence by becoming a more responsible player to a more recent approach of highlighting the EU’s rights and responsibilities in the region. To be accepted as a legitimate and natural partner in Arctic affairs has become a significant goal for the EU.² The EU still has difficulties, particularly with Russia, but also with some of other Arctic states. Nevertheless, there are also possibilities for cooperation, despite fact that after 2014 the relations have deteriorated between the EU and Russia.

Main facets of EU Arctic policy are environment protection, cooperation in economic and rescue projects, and also Brussels accept legitimate rights of Arctic states. Moreover, EU has essential financial, technological and expert resources which are vitally important for development of Russia’s Arctic projects. All of these factors unquestionably provided some impetus to the development of relations. However, increasing of Russia’s power projection in the Arctic and also ten-

sions between Moscow and Brussels in other issues challenged cooperation. In this respect, this research examines cooperation possibilities, challenges and compares the EU and Russia’s Arctic policies.

THE EU’S ARCTIC POLICY

Since 2007 Brussels has issued communications, conclusions and statements regarding its Arctic policy. Integrated European Union Policy for the Arctic released by the Commission in April 2016. The latest communication of 2016 stated that it is based on previous initiatives, the latest EU Joint Communication sets out the case for an EU policy that focuses on advancing international cooperation in responding to the impacts of climate change on the Arctic’s fragile environment, and on promoting and contributing to sustainable development, particularly in the European part of the Arctic.

It states that in 2014, the Council and European Parliament asked the Commission and the High Representative for Foreign Affairs and Security Policy to develop an integrated policy on Arctic matters, and to develop a more coherent framework for EU action and funding programmes, and in response, an integrated the EU Arctic policy is therefore proposed in three priority areas:

1. **Climate Change and Safeguarding the Arctic Environment;**
2. **Sustainable Development in and around the Arctic;**
3. **International Cooperation on Arctic Issues.**³

The communication also emphasis that the EU should attach particular importance to research, science and innovation which will play a key role across

1 RIA. 2007. „Itogi „Arktiki-2007“ dolzhny lech' v osnovu resheniya po shel'fu - Putin“, 07.08.2007, <https://ria.ru/20070807/70526260.html>. See also: TASS. 2017. „Uchastniki „Arktiki-2007“ spustya 10 let rasskazali o lezhashchem na dne okeana flage Peterburga“, <https://tass.ru/obschestvo/4457654>.

2 Kristine Offerdal. 2011. “The EU in the Arctic: In Pursuit of Legitimacy and Influence”. *International Journal: Canada's Journal of Global Policy Analysis*. Volume: 66 issue: 4, page(s): 861-877. doi.org/10.1177/002070201106600414. P. 862

3 The Joint Communication: A new integrated EU policy for the Arctic adopted, 27 April 2016, Brussels, https://ec.europa.eu/commission/presscorner/detail/en/IP_16_1539.

all three priority areas. Action in the priority areas should contribute to the implementation of Agenda 2030 and be in line with the 17 Sustainable Development Goals adopted by the United Nations in September 2015. A preparation of a new Joint Communication on the Arctic has been recently included to the Commission work programme for to release in quarter 4, 2021.⁴

Moreover, several EU member states have also issued national Arctic policy frameworks in recent years. The Kingdom of Denmark, Finland, Germany, Italy, Poland, Sweden, the Netherlands, France and Spain are issuing Arctic or Polar policy papers in 2016. Recently Sweden has prepared its updated Arctic strategy, Denmark's new Arctic strategy is planned to be issued in 2021.⁵ In 2019 Germany launched the new interministerial Arctic policy guidelines which assuming responsibility, creating trust, shaping the future in the region.⁶ It should be noted that member states main Arctic priorities meet the EU Arctic policy goals. However, in some cases Arctic EU member states are reluctant to transfer decision-making power on Arctic to the EU.

Increasing of possibilities to use rich Arctic resources in the result of the melting hugely influence the EU involvement in the region. Moreover, perspectives of the navigation possibilities in Arctic waters encourages the EU to defend the principle of freedom of navigation in the Arctic passages and avoid practices of Arctic coastal states, such as Russia and Canada, towards other countries.⁷

To put it briefly, the EU interests in the Arctic mainly cover environment security, natural resources (energy and bio), navigation-free passages, a permanent observer status in the Arctic Council. The EU's goals "span from environmental protection and support for multilateral governance to fostering regional devel-

opment and securing shipping interests".⁸ Moreover, facing the new challenges in the Arctic, "the EU is willing to contribute with experience in fighting climate change, promoting sustainable development and multilateralism. In addition to all of this, the extraordinary work in the field of science and investigation where the Union is funding a large number of international projects should be highlighted".⁹ It should be noted that in all aforementioned issues the EU should deal with Russia as well.

The EU is intending to maintain a stable relationship with the eight Arctic states. EU members- Denmark, Finland, and Sweden are who mainly influence the European approach towards the region. It signed the European Economic Area (EEA) Agreement with Norway and Iceland in 1994, and these states are members of the European Free Trade Association. The EU considers US and Canada as strategic partners as well. Moreover, the Arctic is one of many relevant topics for further cooperation with Russia. Although the EU recognizes the Arctic states legitimate interests, it considers the region from global dimension. The Council Conclusion on the EU Arctic policy issued in 9 December 2019 states that:

"The Council recognises the primary responsibility of the Arctic States for the development of the Arctic but also considers that many of the issues affecting the region are of a global nature and are more effectively addressed through regional or multilateral cooperation in particular the Arctic Council and including via the UN system. The Council notes that the European Union should continue to make a significant contribution, both at regional and multilateral fora which deal with Arctic matters, in particular the Arctic Council, the Barents Euro-Arctic Council, the Northern Dimension and the cross-border cooperation programmes in the region and welcomes the initiatives and actions of the EU – such as the Arctic Forum held in Umeå, Sweden on 3-4 October 2019 – as well as of its Member States in the area."¹⁰ Three issues are especially decisive for the EU Arctic policy and its role in the region: international events, partic-

4 2021 Commission work programme – from strategy to delivery, Press release, 19 October 2020, Brussels, https://ec.europa.eu/commission/presscorner/detail/en/jp_20_1940.

5 Hilde-Gunn Bye.2020. "Sweden Launches New Arctic Strategy", October 2, <https://www.highnorthnews.com/en/sweden-launches-new-arctic-strategy>; The Ministry of Foreign Affairs of Denmark, "The Arctic" <https://um.dk/en/foreign-policy/the-arctic/>.

6 Federal Foreign Office.2019. "German Arctic policy guidelines: Assuming responsibility, creating trust, shaping the future" August 21, Press release, <https://www.auswaertiges-amt.de/en/newsroom/news/maas-arctic-policy-guidelines/2240022>.

7 Andreas Raspotnik and Bettina Rudloff.2012. "The EU as a shipping actor in the Arctic Characteristics, interests and perspectives". Working Paper FG 2, 2012/Nr. 04, December 2012, <https://www.swp-berlin.org/en/publication/the-eu-as-a-shipping-actor-in-the-arctic/>; Andreas Raspotnik and Bettina Rudloff . 2013."The EU as a Shipping Actor in the Arctic – Characteristics, Interests and Perspectives". January 17, <https://www.thearcticinstitute.org/eu-shipping-actor-arctic/>.

8 Andreas Maurer, Stefan Steinicke, Arno Engel, Stefanie Mnich, Lisa Oberländer.2012. "The EU as an Arctic Actor? Interests and Governance Challenges", Report on the 3rd Annual Geopolitics in the High North – GeoNor – Conference and joint GeoNor workshops, Berlin, 22-24 May, p.16, https://www.swp-berlin.org/fileadmin/contents/products/projekt_papiere/Mrr_GeoNor_Conference_Report_1212.pdf.

9 Elena Conde Perez and Zhaklin Valeriyeva Yaneva.2016."The European Arctic policy in progress". Polar Science. Volume 10, Issue 3, September 2016, pp.441-449, p.444.

10 General Secretariat of the Council, "Council Conclusion on the EU Arctic policy", 9 December 2019, <https://www.consilium.europa.eu/en/press/press-releases/2019/12/09/eu-arctic-policy-council-adopts-conclusions/>.

ularly interested actors inside and outside the EU, and EU policy in other issue areas with Arctic implications through EU institutional mechanisms.¹¹

The EU considers the Arctic Council permanent observer status as legitimizing its Arctic involvement and to use it as the important intergovernmental platform for discussion of Arctic related problems. The EU obtained “observer-in-principle” status (meaning that, although there is no the final decision, the EU has rights in practice as any other observer), at the Kiruna Ministerial Meeting. For EU the desire to become a formal observer is “gaining importance and urgency as it is believed that such status will provide it with the desired legitimacy as an Arctic actor with a voice clear enough to be heard and influence the discussions over the future of the region”.¹² The states who challenged confirmation of EU observer status were Russia and Canada in recent years. Although Canada and the EU had resolved their tensions regarding an import ban on Canadian seal products and Canada formally lifted its veto at the ministerial meeting in Iqaluit in April 2015, but Russia’s geostrategic interests led Moscow to block the process.¹³ It was Russia response to the EU sanctions after Russia’s intervention in Ukraine. Russia-EU relations have deteriorated more steadily since September 2015 when Brussels targeted sanctions on Russia that could impede its Arctic activity.¹⁴ However Russia’s blocked was not related only to tension with the West after 2014. Even before 2015 Russia was reluctant the EU observer membership at the Arctic Council. According to Kristine Offerdal, it was Russia rather than Canada that is perhaps the most uncomfortable letting the EU closer to the Arctic in 2008-2011. “Russia has been instrumental in the Arctic Council decision to develop criteria for permanent observers and hence to postpone the decision with regard to the status of the EU.”¹⁵

FROM RUSSIA’S PERSPECTIVES

Aforementioned aspects of the EU’s Arctic policy raise a question on the relations with Russia. How all of these, the EU mostly cooperative agenda, could be applicable for development of relations with Russia amidst increasing of tensions between Russia and the West after 2014?

Nowadays Russia is more vulnerable than the other Arctic states to financial resources for its economic projects in the Arctic. Moreover, Russia’s oil companies need the technology and know-how to extract resources from the more challenging deposits in the Arctic. This is especially acute when it comes to off-shore extraction, since much of Russian expertise in oil and gas extraction has so far been primarily focused on extracting resources from the Russian tundra in Siberia.¹⁶

Russia has essential interests in keeping the Arctic stable due to its need for foreign investments and demanded technology for off-shore oil and gas extraction in tough Arctic conditions. But Russia’s behavior in the relations with Ukraine, Syria, power projection in the Arctic and increasing tensions with the West generally challenge its intentions to keep the economic and political issues separate as it desires. In this respect, Russia’s economic projects in the Arctic also affected by Western sanctions, including from the EU. Although Russia has possibilities to diversify its energy partners, for instance, China and other Asian regional powers might be able to provide alternative financial sources and technology to the some extent, however, Western investment, technology and developed expertise could not be easily replaced. Moreover, despite increasing of cooperation between Russia and China and other Asian states in several areas, including in the Arctic, it is logical to claim that Moscow also needs to diversify China as well and in this respect, it may try to maintain normal relations with the EU. However, there are challenges and they depend on Russia’s Arctic policy itself.

After 2008 changes in Russia’s foreign and external security policies, the increasingly difficult economic situation exerted influences on its official documents. If we compare Russia’s recent security documents with previous, it would be possible to find strengthening of the tendency of the “fortress under siege” thinking in them. The increasing of tensions in relations with the West are reflected in the Russian official security doc-

11 Kristine Offerdal. 2011. “The EU in the Arctic: In Pursuit of Legitimacy and Influence”. *International Journal: Canada’s Journal of Global Policy Analysis*. Volume: 66 issue: 4, page(s): 861-877. doi.org/10.1177/002070201106600414., p. 876

12 Elena Conde Perez and Zhaklin Valerieva Yaneva. 2016. “The European Arctic policy in progress”. *Polar Science*. Volume 10, Issue 3, September 2016, pp.441-449, p.445.

13 Fernando Garcés De Los Fayos. 2015. “The outcome of the ninth Arctic Council ministerial meeting”, [https://www.europarl.europa.eu/RegData/etudes/ATAG/2015/549036/EXPO_ATA\(2015\)549036_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/ATAG/2015/549036/EXPO_ATA(2015)549036_EN.pdf).

14 Lily Haines. 2015. “EU bid to become Arctic Council observer deferred again”, May 04, <https://barentsobserver.com/en/arctic/2015/05/eu-bid-become-arctic-council-observer-deferred-again-04-05>.

15 Kristine Offerdal. 2011. “The EU in the Arctic: In Pursuit of Legitimacy and Influence”. *International Journal: Canada’s Journal of Global Policy Analysis*. Volume: 66 issue: 4, page(s): 861-877. doi.org/10.1177/002070201106600414., p.870.

16 Olesen, M.R. 2015. “Common and competing interests”, *ISSUE Report 24 Arctic Security Matters*. EU Institute for Security Studies, pp. 43-51, p.44, <https://www.iss.europa.eu/sites/default/files/EUISSFiles/Report%2024.pdf>.

uments too.¹⁷ Increasing of tensions with the United States and simultaneously developments in relations with China, economic challenges, strengthening of securitization in the Arctic and new opportunities for exploration natural resources in the result of the climate change - all of these happen to be considered in Russia's Arctic policies in recent years.

The Arctic, known for its large amount of hydrocarbons and biological resources, as well as the existence of the Northern Sea Route which are extremely important for Russia. Recent years possibilities such as the successfully realization of economic projects on natural resources and the development of the NSR transportation have increased in as effects of the climate changes in the Arctic. Understanding these economic benefits push Russia to strengthen its military presence in the Arctic.¹⁸ However, needs for investments for the strategic economic projects, shortcomings in the infrastructure, huge problems with social and wellbeing of the population of the Russian Arctic region are Achilles heels for Moscow. Having just more than 1.5% of the country's population, the Arctic zone provides almost 10% of Russia's GDP through oil and gas production, 10% of all investments, demonstrates high growth rates of labor productivity and wages. Moreover, according to the Russian minister of the Development of the Russian Far East, all key indicators characterizing the quality of life of the population (poverty, unemployment, etc.) are worse than the average Russian level. As a result, people flee from the North - over the past 15 years, the population has fallen by 0.3 million people.¹⁹ Russia's new state program for the development of the Arctic for 2021-2024 emphasis a role of private investments, up to 490 billion roubles, and international cooperation. Special investment contracts and modernization of infrastructure are promised to lure private investors.²⁰ Russia's needs for investments, technology and expertise could be met through the EU involvement.

All of these problems are considered in the recently approved official document. Although the "Basic Principles of Russian Federation State Policy in the

Arctic to 2035" uses main facets of on the State basic principles to 2020, there are also changes which correspond to changes in foreign and external security policies and also meet contemporary economic and social needs of the country.²¹ One of the main novelties in the recent document are the chapter "Assessment of the state of national security in the Arctic" and articles 7 and 8, "The main threats to national security in the Arctic" and "The main challenges in ensuring national security in the Arctic. Although there are noted activities of "some countries" (they are not clarified exactly which but they imply the United States and its NATO allies) as challenges for Russia's national security, all of the listed threats are internal based and about economic and social problems.²² In Russian officialdom parlance, a challenge is a concern, while a threat is acute danger for security and could spark conflicts or huge social and economic disasters. As the main threats, the document point to social, economic, infrastructure problems and environmental problems.²³ However, new security related chapter and articles in the Basic Principles to 2035 also show Russia's will to defend its interests in the Arctic. This aspect is the main facet which is distinguished the new document from the Basic Principles to 2020. However, as the main problems and goals for solution of them offered by the document are related to economic and social issues.

Moreover, recently Russian President approved a Strategy for the Development of the Arctic Zone of the Russian Federation and Ensuring National Security for the period until 2035. Although security dimension of the Russian Arctic Zone is stressed, role of Arctic natural resources, especially gas and oil, development of the NSR, a need to make Russia's Arctic economy and infrastructure adaptable to challenges of climate changes are emphasized too. As main threats, social, environmental and military are noted. However, importance of developing multi-vector relations in aim of "to maintain the Arctic as a territory of peace, stability and mutually beneficial cooperation" is also stated in the main Russian Arctic document. There are also several positive calls for the regional cooperation and efforts for successfulness of Russia's coming Arctic Council chairman-

17 Aliyev, Nurlan.2019."Determinants of Russia's Political Elite Security Thought: Similarities and Differences between the Soviet Union and Contemporary Russia", *Problems of Post-Communism*, Version of Record of an article published by Taylor & Francis Group in *Problems of Post-Communism* on 17/12/2019: <https://doi.org/10.1080/10758216.2019.1689827>.

18 Sliwa, Zdzislaw and Aliyev, Nurlan.2020. "Strategic Competition or Possibilities for Cooperation between the United States and Russia in the Arctic", *The Journal of Slavic Military Studies*, 33:2, 214-236, <https://doi.org/10.1080/13518046.2020.1763132>.

19 Kozlov, Aleksandr.2019."Strategiya idet na Sever", *Rossiyskaya gazeta - Federal'nyy vypusk* № 266(8024), 25.11.2019, <https://rg.ru/2019/11/25/rossiia-opredelila-nacionalnye-interesy-v-arktike.html>.

20 "Minvostokrazvitiya podgotovilo projekt novoy gosprogrammy po razvitiyu Arktiki na 2021-2024 gody", September 24, 2020, <https://minvr.gov.ru/press-center/news/28091/>.

21 Aliyev, Nurlan.2020. "Development in Difficult Times: Russia's Arctic Policy Through 2035", *Russian Analytical Digest (RAD)*, No. 255. September, <https://css.ethz.ch/en/publications/rad.html>.

22 Kremlin.ru.2020. Ob osnovakh gosudarstvennoy politiki Rossiyskoy Federatsii v Arktike na period do 2035 goda», pp.3-4., <http://kremlin.ru/acts/news/62947>.

23 Aliyev, Nurlan.2020. "Development in Difficult Times: Russia's Arctic Policy Through 2035", *Russian Analytical Digest (RAD)*, No. 256. September 5, pp. 2-6, <https://css.ethz.ch/content/dam/ethz/special-interest/gess/cis/center-for-securities-studies/pdfs/RAD256.pdf>.

ship, social-cultural projects targeted indigenous people, what should be done for economic and social development in the regional level are noted too.²⁴ For realization of stated goals international cooperation and involvement foreign investments are vital. In this respect, development of EU-Russian relations in the Arctic in the interests of Moscow.

PERSPECTIVES OF RELATIONS

To some extent, the cooperative agenda of the EU might soften tensions between Russia and the West in the Arctic. According to Mikkel Runge Olesen, as a soft power, without direct territorial interests except through its member states, involving the EU in the Arctic might not seem as threatening to Russia as compared to involving other states or a more militarily focused organization like NATO.²⁵

Despite difficulties in relations, EU companies are engaged in the LNG and oil projects in the Russian Arctic.²⁶ Despite the continuation of Western sanctions targeted Russia's oil and gas industry, French company Total acquired a 10 percent stake in the Yamal LNG project, Germany's Siemens and Italy's Saipen were awarded multi-billion contracts to help engineer and construct Arctic LNG 2.²⁷ It should be noted that a key part of the natural gas produced in Yamal and Gydan are aimed at the EU market. Novatek is exporting a big part of its Yamal LNG to EU countries and Gazprom has built new powerful pipelines, among them the Bovanenkovo-Ukhta and the Nord Stream, are linked with Europe.²⁸

One of the areas where EU plays an important role is the international scientific cooperation through transnational access to research infrastructure and open data. The European Commission is developing a multi-resolution map of the entire seabed and overlying

water column. The European Marine Observation and Data Network (EMODnet) is working with over 100 organizations, including from Iceland, Norway and Russia, to make their marine data more accessible, interoperable and useful to end-users and to be available all data through a single web portal.²⁹ The project is in its final development stage (phase III, ending in 2021) working towards a seamless multi-resolution digital map of the entire seabed of European waters.³⁰

Moreover, Russia is going to hold its second chairmanship of the Arctic Council in 2021-2023. This also may give an impetus for development relations between the EU and Russia. However, it is difficult to say whether Russia's chairmanship may soften its position regarding the acceptance of the EU permanent observer status or not. It is possible that in this issue Moscow may try to bargain with Brussels to softening the sanctions against Russia in return to its positive position on the EU's observer membership.

Despite the Russian government efforts to attract more investments, both local and foreign, implementations of several economic projects in the region still have a huge challenge. Ironically, it depends on the other Arctic important facet for Russia; it is a strategic significance of this region. On the one hand the Russian government needs investments for realization of energy and infrastructure projects, but on the other hand there are several strategic military bases in the Russian Arctic zone and its strategic geographic position. And this pushes the government for high scrutiny regarding especially foreign companies. As the investments like openness but security close regimes in many cases, this creates dilemma for Moscow.³¹ Existing of this dilemma affects the economic projects of the Russian Arctic zone and also perspectives of its international economic relations, including with the EU. Nevertheless, development of relations between EU and Russia is becoming an essential condition to advance international cooperation in the Arctic, though Russia currently is the challenging partner for the EU in the region. However, despite problems, there are also possibilities of development of relations between the EU and Russia in the Arctic. This, however, can only come into fruition on the condition that there are no unexpected moves

24 Ukaz Prezidenta Rossiyskoy Federatsii ot 26.10.2020 № 645 „O Strategii razvitiya Arkticheskoy zony Rossiyskoy Federatsii i obespecheniya natsional'noy bezopasnosti na period do 2035 goda“, <http://publication.pravo.gov.ru/Document/View/0001202010260033>.

25 Olesen, M.R. 2015 "Common and competing interests", ISSUE Report 24 Arctic Security Matters. EU Institute for Security Studies", pp. 43-51, p.49, <https://www.iss.europa.eu/sites/default/files/EUISSFiles/Report%2024.pdf>.

26 Tsentral'noe Dispetcherskoe Upravlenie Toplivno-Energeticheskogo Kompleksa. 2019. "Bogatstva Arktiki", December 16, http://www.cdu.ru/tek_russia/articles/1/668/.

27 Humpert, Malte. 2020. "Novatek Arctic LNG 2 Project Remains on Schedule Despite Impact Of Covid-19", June 30, <https://www.highnorthnews.com/en/novatek-arctic-lng-2-project-remains-schedule-despite-impact-covid-19>.

28 Staalesen, Atle. 2020. "Novatek adds several trillion cubic meters to its Arctic reserves", January 8, <https://thebarentsobserver.com/en/industry-and-energy/2020/01/novatek-adds-several-trillion-cubic-meters-its-arctic-reserves>.

29 Commission release Integrated European Union Policy for the Arctic, April, 2016, <http://eurogoos.eu/2016/04/27/commission-release-integrated-european-union-policy-for-the-arctic/>.

30 EMODnet, <http://eurogoos.eu/emodnet/>.

31 Aliyev, Nurlan. 2020. "Development in Difficult Times: Russia's Arctic Policy Through 2035", Russian Analytical Digest (RAD), No. 256. September 5, pp. 2-6, <https://css.ethz.ch/content/dam/ethz/special-interest/gess/cis/center-for-securities-studies/pdfs/RAD256.pdf>.

on Russia's part that would challenge the EU's interests in the region in the years to come. Most probably, interactions among Russia's dilemma between security and economic benefits of international cooperation, and also the EU's dichotomy between its values, interests of member states, allies and its benefits of cooperation with Russia in economic projects will determine relations among two powers in the Arctic in coming years.

ABOUT THE AUTHOR

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SUMMARY



The Russian government efforts to attract more investments, both local and foreign, implementations of several economic projects in the region still have a huge challenge. On the one hand the Russian government needs investments for realization of energy and infrastructure projects, but on the other hand there are several strategic military bases in the Russian Arctic zone and its strategic geographic position. As the investments like openness but security close regimes in many cases, this creates dilemma for Moscow. Existing of this dilemma affects the economic projects of the Russian Arctic zone and also perspectives of its international economic relations, including with the EU.



Russia's next chairmanship at the Arctic Council in 2021-2023 also may give an impetus for development relations between the EU and Russia. However, it is difficult to predict whether Russia's chairmanship may soften its position regarding the acceptance of the EU permanent observer status or not. It is possible that in this issue Moscow may try to bargain with Brussels to softening the sanctions against Russia in return to its positive position on the EU's observer membership.



Despite problems, there are also possibilities of development of relations between the EU and Russia in the Arctic. This, however, can only come into fruition on the condition that there are no unexpected moves on Russia's part that would challenge the EU's interests in the region in the years to come. Most probably, interactions among Russia's dilemma between security and economic benefits of international cooperation, and also the EU's dichotomy between its values, interests of member states, allies and its benefits of cooperation with Russia in economic projects will determine relations among two powers in the Arctic in coming years.