



# The Arctic

## Russian Geopolitical and Economic Interests

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Russia's North is one of the country's richest areas. Its value for the country's economy derives from the vast quantities of valuable raw materials to be found there, including oil, gas, gold, diamonds, nickel, copper, platinum, iron and timber. The total value of mineral resources in Russia's North exceeds 22.4 trillion US-Dollar, according to Western estimates (by comparison, the total value of US mineral resources is eight trillion US-Dollar).

The Northern region of Russia is home to less than 10 percent of the population, while its contribution to the national revenue is up to 20 percent or one-fifth of Russia's GDP. Up to 60 percent of raw materials exports come from the north of the country.

According to 2009 data from the Science journal research group, about 83 billion barrels of oil – the equivalent of 10 billion tons and 13 percent of the world's unexplored reserves – lie under the Arctic ice.

Almost all the Arctic natural gas resources (about 1,550 trillion cubic metres) are off the Russian coast, with most fields at a depth of under 500 meters. More than 200 potential fields have been discovered in the Barents, Pechora and Kara Seas.

The Arctic zone accounts for 91 percent of natural gas and 80 percent of proven Russian reserves of industrial gas.

The mainland part of the Arctic boasts unique reserves of copper and nickel ores, tin, platinum metals, agro-chemical ores, rare metals and rare earth elements, major reserves of gold, diamonds, tungsten, mercury, ferrous metals, optical raw materials and gem stones.

The Arctic regions – the Kola Peninsula, Taimyr, Chukotka, Yakutia, Norilsk – contain reserves of apatite concentra-

te (more than 90 percent), nickel (85 percent), copper (about 60 percent), tungsten (more than 50 percent), rare earth elements (more than 95 percent), platinumoids (more than 98 percent), tin (more than 75 percent of known resources in the Severo-Yanskoye field), mercury (the main known reserves are in the Yano-Chukotka province, with major reserves on Taimyr Peninsula), gold, silver (about 90 percent) and diamonds (more than 99 percent of which are on the territory of Yakutia, in the Arkhangelsk Region and the Taimyr Autonomous Area).

The Arctic zone accounts for the major part of Russian reserves of gold (40 percent), chrome and manganese (90 percent), platinum metals (47 percent), indigenous diamonds (100 percent), vermiculites (100 percent), coal, nickel, stibium, cobalt, tin, tungsten, mercury, apatite (50 percent) and phlogopite (60-90 percent).

The overall forecast for coal deposits is at least 780 billion tons. The area accounts for the production of 100 percent of diamonds, stibium, apatite, phlogopite, vermiculite, rare and rare earth metals, 98 percent of platinum metals, 95 percent of gas, 90 percent of nickel and cobalt and 60 percent of copper and oil.<sup>1</sup>

Russia's national interests in the Arctic are economic, geopolitical, scientific and environmental. The Russian Arctic is also a place where the geopolitical interests of both Arctic and non-Arctic states intersect owing to their geographical position.

The economic interests focus on the major mineral reserves (hydrocarbons, non-ferrous and precious metals

1. Рудные ресурсы российской Арктики, <http://www.arctictoday.ru/region/resources/670.html>

and so on). Practically 100 percent of known non-ferrous and precious metal reserves in Russia are in the northern region.

The importance of the scientific development of the Arctic stems from the fact that the natural processes taking place there are closely linked to global natural processes. Research and scientific support are necessary for the implementation of practical economic and defence tasks. Preserving and increasing the potential of Russian science in the Arctic is a priority today.

It is important to note that the bulk of Russia's energy resources are concentrated in the Arctic region. For example, the main reserves of hydrocarbons are concentrated in the north of Western Siberia. The mineral and raw materials potential of many fields has not yet been fully studied and is not being fully tapped, which may have implications for future economic development.

Environmentally, the Arctic territories play an important role in maintaining the biological balance on Earth.

The problem of developing the Arctic region is closely connected to global ecological problems. Russia's adoption of the concept of sustained development would create the necessary social, environmental and economic conditions in the region.

The UN Environment Programme (UNEP), adopted in the 1980s, heralded a worldwide turn to «non-destructive development».<sup>2</sup> The Programme initiated the elaboration of a concept of sustained development in the world nature conservation strategy. According to the World Commission on Environment and Development (WCED) sustained development is possible only if meeting present-day needs does not undermine the potential of future generations to meet their own needs.<sup>3</sup>

Russia is the only country engaged in large-scale economic activities north of the Arctic Circle where nature is highly vulnerable. That lends a special character to the transition to sustained development of the northern territories, in particular the Arctic zone. For many years the resources in the Arctic zone have been exploited with no

regard for the consequences, leading to high ecological tensions in the region.

Environmentalists are particularly concerned about the alarming ecological situation caused by the development of colossal reserves of hydrocarbons. The new model of the development of Arctic territories must reverse the inertia of Soviet-style economic activity while meeting the requirements of the present-day federal structure of the country, as well as those of national security.

Such a development model must also take into account the changes in national and international conditions.

The Basic Principles of the State Policy of the Russian Federation in the Arctic until 2020 and Beyond<sup>4</sup> identifies the following Russian priorities in the Arctic zone:

- expanding the resource base of the Arctic zone of the RF to meet the needs of the population;
- maintaining a military presence in the region;
- elimination of environmental threats in the context of growing economic activities;
- creating a common information space;
- applying modern scientific principles in managing the Arctic territories, taking due account of defence objectives;
- mutually beneficial bilateral and multilateral cooperation of the Russian Federation with the Arctic states.

Other strategic priorities of the Russian Federation, as before, include delimitation of the sea with Arctic states on the basis of international law; the formation of a common regional search and rescue system; and the fostering within the Arctic Council and the Barents/Euro-Arctic Council of good neighbourly relations between Russia and the Arctic states.

The problem of strengthening Russia's position in the Arctic Region takes on added urgency today given the sparse population, as well as the many challenges involved in transition to sustained development.

The Arctic is very important strategically, while the possibility of an international military conflict is a perceived threat, as witnessed by the build-up of military presence

2. UN in RF, <http://www.unrussia.ru/institution/unep.html>

3. Media resource ECORUSSIA, <http://ecorussia.info/ru/ecopedia/sustainable-development-views-and-approaches>

4. RF Security Council, <http://www.scrf.gov.ru/documents/98.html>

in the Arctic by all the countries adjacent to that sector. Such an outcome is not very likely, but if Russia's position in the Arctic weakens it may lose a significant part of the Arctic zone and its control over the Northern Sea Route. That would weaken the border territories and pose a threat to the country's economic stability.

Russia adheres to the sectoral principle in determining jurisdictions of countries in the Arctic latitudes. Every Arctic country would be allocated a sector limited by the meridians passing through the extreme eastern and western points of its Arctic territory. However, Norway and the US proceed from the UN Law of the Seas Convention, insisting on the use of the median line principle.

Canada has its own vision of jurisdiction over the Arctic territories. According to Prime Minister Stephen Harper, »the issue of Arctic sovereignty is not an issue ... This is our sea. The Arctic is Canadian.« The country's authorities intend to deploy in the Arctic the first Canadian port for deep-water vessels. They are planning to create a training base for Canadian servicemen. Canada holds military exercises in the Arctic every year.

To ensure sustained development of the Arctic region today a broad international approach to Arctic problems is more relevant than ever. The responsibility for environmental stability in the region rests with Russia, Canada, Denmark, Iceland, Norway, the USA, Finland and Sweden. According to international principles these states have prior rights in solving Arctic problems.

The main priorities of multilateral cooperation are, on the one hand, implementation of the Arctic Environmental Protection Strategy adopted at a ministerial meeting in Rovaniemi in 1991, which includes monitoring of the environment, protection of the marine environment, conservation of the Arctic flora and fauna, prevention of and response to environmental emergencies and, on the other hand, sustained development of the region in accordance with the goals set at the intergovernmental forum of the Arctic Council in 1996.

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Today, most experts in Russia, Canada and the Scandinavian countries agree that it is necessary to develop a common coordinated circumpolar concept of sustained development of the region on the basis of national concepts of sustained Arctic development.

A transition to sustained development of the Arctic zone would help to extricate the Russian economy from its protracted crisis and would be a factor in accelerating the country's development as a whole.

#### About the author

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