

A stylized world map composed of a grid of grey dots, with several dots highlighted in red to represent specific regions or countries.

The Arctic

A Diverse and Evolving Region

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- The Arctic is **not one homogenous** area **but many different** regions. Natural environments and historical developments as well as political, economic and social circumstances vary across the Arctic and as a consequence the Arctic plays very different roles in domestic and foreign policies of respective Arctic states.
- While the Arctic is impacted by **global developments** such as low commodity prices and climate change, it persists at the same time as a **unique political space** which remains relatively unaffected by current geopolitical antagonisms outside the region. The dual global-regional nature of the Arctic complicates discussions of who the legitimate actors are, ranging from insiders to outsiders of the region as well as state and non-state actors, all of whom claim political authority.
- There has been **no race** or **scramble for resources and territory** in the Arctic. Since 2007, when a Russian flag was planted on the seabed at the North Pole drawing worldwide media attention to the region, a number of agreements have been reached that contribute to **increased security and cooperation**. One of the most important institutions remains the intergovernmental, circumpolar **Arctic Council** which is transforming from a soft law, functionalist organization to one with stronger competencies and permanent administrative structures.



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Introduction

The Arctic reemerged as a geopolitical space in the early 2000s. The combined effects of climate change and the search for fossil fuels at a time when many thought the West would run out of oil led to a heightened interest in the region. Reports about the increasing accessibility of the Arctic Ocean due to the melting of ice became even more important when the U.S. Geological Survey published its Circum-Arctic Resource Appraisal in 2008 estimating that 13 per cent of the world's undiscovered oil and up to 30 per cent of the world's undiscovered natural gas may be found in the Arctic. While the shale revolution in the United States and low oil prices may have dampened the thirst for Arctic oil for now, oil companies view the Arctic as a promising future oil and gas play. And as the effects of climate change manifest themselves even more visibly in the Arctic the region is destined to remain in the news. Its geopolitical saliency will not go away any time soon. But just like changes have led the world to look towards the Arctic the politics and economics in the region have equally undergone change since the early 2000s and thus have redefined potential challenges in the Arctic.

1. Not one Arctic but many

The Arctic may have gained significance as a geopolitical space and the current U.S. chairmanship of the Arctic Council might follow the theme of »One Arctic,« but it is not helpful to conceive of this space as a coherent one. Rather than speaking of *the* Arctic we need to acknowledge that there are several Arctics or many different Arctic regions. Natural environments and historical developments as well as political, economic and social circumstances vary across the Arctic and as a consequence the Arctic plays very different roles in domestic and foreign policies of the eight Arctic states (Canada, Denmark/Greenland, Iceland, Finland, Norway, Russia, Sweden, U.S.).

First of all, accessibility varies considerably amongst the Arctic states. Climate and geology have made the European Nordic Arctic (excluding Greenland) easier to reach than the North American Arctic, Greenland and Eastern Russia. The latter lack infrastructure such as roads, rails and pipelines rendering communities in these areas much more remote. As a consequence economic

development is slower to pick up here than in more accessible regions in Northern Norway, Finland, Iceland, Sweden or Western Russia. In addition, demographics differ considerably. In some countries people living in the Arctic account for only a fraction of the overall population. According to the Arctic Human Development Report, in 2004 only 0.4 percent of Canadians and 0.2 of Americans lived in Arctic Canada and Alaska respectively. In Norway, that number is ten per cent and for Iceland it is 100 per cent. Apart from these quantitative dissimilarities the composition of the Arctic population in the eight Arctic states differs considerably. While around 88 per cent of Greenlanders and approximately 50 per cent of Canadians in the Arctic are members of indigenous groups, the numbers are much lower for the other regions, for example 15 per cent for Alaska, while Iceland has no indigenous population. This may explain why the Canadian government placed more emphasis on indigenous issues during their second chairmanship of the Arctic Council from 2013 to 2015.

Secondly, due to the above climatic and geological circumstances, the Arctic has assumed different meanings in domestic and national identity politics. Historically, for Canada and Russia the Arctic has become a defining national narrative. Despite the low percentage of Canadians (0.4 per cent) and Russians (1.4 per cent) living in the Arctic, Arctic issues are more politicized than elsewhere and foreign policies in both countries have been defined by discussions of defending Arctic sovereignty. In contrast, states like the U.S. and Sweden do not have a strong Arctic identity. These differences can be extended to other domestic policy areas. Arctic oil and gas exploration does not play the same role all over the Arctic ranging from Norway and Russia whose Arctic production is quite considerable to Canada where Arctic offshore production is non-existent for the time being and the remaining onshore production only a fraction of non-Arctic production in the country. Assertions such as »the Arctic is an energy-rich region« need to be qualified. A closer look at the 2008 USGS estimates reveals that the potential oil and gas reserves are not equally spread all over the Arctic but are expected to be located in the Beaufort and Chukchi seas as well as in the Barents and Kara seas. Non-coastal Arctic states such as Iceland focus on other opportunities for development such as becoming an important Arctic shipping hub.

Thirdly, the Arctic includes both maritime and mainland regions. Under the United Nations Convention on the Law of the Sea (UNCLOS) sovereign Arctic states have the exclusive right to exploit resources within their Exclusive Economic Zone (EEZ) which extends 200 nautical miles out to the sea. Because the Arctic is made up of coastal states around the Arctic Ocean this leaves only a donut-hole-shaped international space which is considered high seas. As will be outlined below Arctic states currently apply for extending this exclusive right beyond the 220-mile EEZ diminishing the size of the donut hole. The distinction between national jurisdiction and international waters is also important in understanding the different ways that Arctic and non-Arctic actors view the Arctic as a geopolitical space. Not surprisingly, Arctic states look up to the North Pole, starting with their sovereign mainland territory first, followed by their EEZ and only in a last step their eyes rest on high seas. In contrast, a number of non-Arctic actors focus on the North Pole and the international waters first before eventually recognizing sovereign states that border international waters. These different perspectives have led to disagreements over who the legitimate actors in Arctic politics are, only those geographically located in the Arctic or everyone who has a stake in the region, which is partly international waters. More generally, the dissimilarities between Arctic regions may also make future decision-making in the Arctic Council difficult as this intergovernmental, circumpolar organization is based on consensus and unanimous voting.

2. Arctic exceptionalism?

While the Arctic is impacted by global developments such as low commodity prices, it persists at the same time as a unique political space which remains relatively unaffected by geopolitical antagonisms outside the region. External factors such as climate change and rise in oil prices from 2004 until 2008 which led to increasingly alarmist discussions of peak oil coupled with increasing demands in both China and India brought the Arctic back to the world stage. However, the Arctic is not simply a mirror of global events. It follows its own political laws. This can be seen in the way that Russia is still a cooperative member of the Arctic Council and agrees to follow international rules in asserting its sovereignty in the Arctic despite recent events in the Ukraine and sanctions against Moscow which adversely affect existing agreements

between Russian and Western oil companies. This Arctic exceptionalism can further be seen in the tensions between Canada and the EU which run counter to their generally amicable transatlantic relations. In response to the EU ban on seal products Canada blocked the EU application to become an observer on the Arctic Council.

It is this understanding of the Arctic as a unique region which leads Arctic states to claim exclusive political legitimacy. However, climate change is also a transnational and global phenomenon. Also, even though the international area in the Arctic is small it does exist and is subject to international regimes such as UNCLOS and the International Maritime Organization (IMO), which recently adopted the so-called Polar Code (international code of safety for ships operating in polar waters), which will come into effect in 2017. Furthermore, many of the economic actors, especially in shipping and resource extraction, are based outside the Arctic. At the same time global environmental NGOs, foremost amongst them Greenpeace, focus their work on the Arctic demanding that oil and gas remain untapped. Other outside Arctic stakeholders include self-declared »near Arctic states« such as the UK and China and non-Arctic states with a long Arctic research tradition such as Germany and France. While these states have a pronounced interest in the Arctic it is often an integral part of a more comprehensive polar strategy including both the Arctic and Antarctic. Such an approach undermines the uniqueness of the Arctic.

The dual global-regional nature of the Arctic complicates discussions of who the legitimate actors are, ranging from insiders to outsiders of the region as well as state and non-state actors, all of whom claim political authority. Most recently, Arctic states have been looking anxiously towards China and its Arctic aspirations. China is mainly interested in the region's resources and transit ways and Chinese companies have already established relations with Iceland and Greenland. However, Arctic policy is not a foreign policy priority for China and embedded in a more comprehensive polar strategy. In addition, China respects sovereignty and has become less assertive in recent years with respect to the Arctic. The Arctic Council has acknowledged this and granted China along with India, Italy, Japan, Korea and Singapore observer status in 2013.

Even within Arctic states we see this insider/outsider discussion. A good illustration is the case of Alaska which is demanding a greater role and more influence from the federal government in Washington DC, especially during the current U.S. chairmanship of the Arctic Council. Alaska also reprimanded Washington State for criticizing the issuance of recent federal drilling rights in the Arctic. The argument of Alaskan politicians is simple: only people who live in the Arctic know best what is good for them and have the political legitimacy to do so. Regional devolution of power will remain an important aspect of Arctic politics in Canada, the U.S. and Denmark/Greenland. Being confronted with contestations of its authority from inside and outside, Arctic states may decide to become more assertive when it comes to Arctic governance. This could be to the detriment of outside actors but also to indigenous groups and Northerners.

3. Whither the Arctic Race?

When a Russian flag was planted on the seabed at the North Pole in 2007 commentators were forecasting a race to resources and territory. However, this scramble did not materialize, nor did conflict characterize the relations of Arctic states. Instead, they vowed to observe existing international and circumpolar regimes such as UNCLOS and the Arctic Council and reached a number of agreements that contributed to increased security and governance. Two of these agreements were concluded at the bi-annual Arctic Council ministerial meetings. In 2011 the eight member countries adopted a search and rescue (SAR) agreement and in 2013 they signed an oil spill agreement. These are the first two legally binding agreements adopted by the Arctic Council, which remains one of the most important institutions providing governance in the Arctic. Together with the creation of a permanent secretariat in Tromsø, Norway, these steps indicated the transformation of the Arctic Council from a soft law, functionalist organization to one with stronger competencies and permanent administrative structures. Especially the SAR agreement was seen as pivotal, not only because it was the first binding agreement but also because it covered a security-related issue. When the Arctic Council was founded in 1996, the U.S. insisted that security matters be excluded from its remit.

However, this development may also mark the beginning of more contentious times in the Arctic Council. Arguably,

the transformation has also led to a politicization of the organization away from functionalist approaches dealing with scientific research into environmental and social conditions in the Arctic. We have seen a first glimpse of this politicization in April 2014 when Canada boycotted an Arctic Council working group meeting on black carbon in Moscow. However, to date this remains the only time that tensions outside the Arctic have affected the work of the Arctic Council. Some commentators point out that Russian foreign minister Sergey Lavrov did not attend the 2015 ministerial meeting in Iqaluit, Canada, but it is important to note that Russia did not boycott the meeting and sent the environment minister instead. This practice is not new. In the past Canada and other countries have sent other delegates than their foreign minister to these meetings. In the meantime, day-to-day business in the working groups progresses unimpeded and cooperation in SAR matters continues smoothly.

A further problem might be increasing inconsistency in policy priorities due to the rotating two-year Arctic Council chairmanship. We currently see this with the changeover from Canada to the U.S. While Canada focused on development for Northerners and pushed for the creation of the Arctic Economic Council, the U.S. agenda is predominantly dedicated to addressing climate change as it complements Obama's overall political agenda. This subordination of Arctic policy under more general foreign policy aims fits with the overall characterization of the U.S. as a reluctant Arctic power.

Another common fear that emerged in the wake of the 2007 planting of the Russian flag was that Arctic states would compete over exclusive rights to exploit resources beyond their 200-mile EEZs. The media particularly focused on who would own the North Pole. Under UNCLOS regulations coastal states can extend their EEZ if they can scientifically show that the continental shelf extends beyond 200 nautical miles. They have to submit this evidence to the International Seabed Authority (ISA). Norway settled its claim in 2009. Russia resubmitted a claim in August 2015 that includes the North Pole after its first submission in 2001 was sent back because of lack of scientific evidence. Denmark's claim, which also covers the North Pole, was submitted in December 2014. Canada was expected to do so by December 2013 but the government only filed preliminary information and asked their scientists to do further studies and include the North Pole in the claim. While there are overlapping

claims all states followed the legal procedures. It will take many years before the ISA will reach a decision but once it does it will be interesting to see how and whether Arctic states will negotiate their maritime boundaries.

Not only do Arctic states follow international norms and regulations when it comes to continental shelf extension but they also manage to reach agreements that protect the remaining international waters in the central Arctic. In July 2015 the five Arctic coastal states Canada, U.S., Denmark/Greenland, Russia and Norway (the so-called Arctic 5) agreed on a fishing moratorium in the region. While the declaration was welcomed by environmentalists, it has been criticized by Iceland, an important fishing nation and member of the Arctic Council. The criticism echoed earlier assessments that saw the five Arctic coastal states excluding the three non-coastal members of the Arctic Council (Iceland, Finland, and Sweden) as well as non-state actors such as the permanent participants, many of whom are representing indigenous groups. The first time the Arctic 5 were seen as problematic was in May 2008 when the five coastal states adopted the Declaration of Ilulissat which assured the international community that the Arctic coastal states were adhering to existing international (UNCLOS) and circumpolar (Arctic Council) regimes. Since March 2010, when US Secretary of State Hillary Clinton openly criticized Canada for not including indigenous groups and other members of the Arctic Council when the Arctic 5 met in Chelsea, Québec, meetings included all eight Arctic Council member states (the Arctic 8). However, the fishing moratorium could signal a return to the Arctic 5. More importantly, it is an assertion of political authority of the Arctic insiders in an international space, the high seas in the central Arctic Ocean.

4. A new security landscape and future challenges

Acknowledging the diversity of conditions and environments scholarly discussions on the Arctic security landscape have broadened the security agenda to include human, environmental and economic security. Rather than focusing on the militarization of the Arctic one should emphasize the attempts to build up SAR capabilities and interoperability. Instead of assuming that global energy security can be achieved through oil and gas exploration in the Arctic one should address local energy insecurities. Many remote Arctic regions exclusively rely on diesel oil, which has to be transported to the Arctic. Food security, infrastructure needs, including housing, and economic development remain a priority for political action but not in all Arctic regions. Instead of bringing governance to the Arctic one should take note of existing local and regional governance models such as resource co-management structures in Canada's Northwest Territories and examples elsewhere. One of the main challenges will be to balance local needs, national politics and global conditions. While it is understandable that Arctic states contest the legitimacy of non-Arctic states in the region, they have to realize that a number of developments which deeply impact the region are driven by actors outside the Arctic. This includes climate change as well as resource exploitation. The Arctic is both unique and an integral part of global economic and political spaces. This duality is further highlighted by the so-called Arctic paradox. The burning of fossil fuels has contributed to climate change which leads to the melting of ice in the Arctic. The subsequent increased accessibility of the Arctic enhances the very production and burning of fossil fuels which caused the ice to melt in the first place. Arctic politics are complex indeed.



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