The European Union in the Arctic ‘Game’
-The Concert of Arctic Actors and the EU’s Newcomer Role-

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<td>A5</td>
<td>Arctic 5 (Arctic littoral states: US, Canada, Russia, Denmark, Norway)</td>
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<td>A8</td>
<td>Arctic 8 (members of the Arctic Council: US, Canada, Russia, Norway, Denmark, Finland, Sweden, Iceland)</td>
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<td>BEAC</td>
<td>Barents Euro-Arctic Council</td>
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<td>BMEWS</td>
<td>US Ballistic Missile Early Warning System</td>
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<td>CCG</td>
<td>Canadian Coast Guard</td>
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<td>CCS</td>
<td>Carbon Capture and Storage</td>
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<td>CFP</td>
<td>Common Fisheries Policy</td>
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<tr>
<td>CLCS</td>
<td>Commission on the Limits of the Continental Shelf</td>
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<td>COP</td>
<td>Conference of the Parties</td>
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<td>DG</td>
<td>Directorate General</td>
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<td>EEA</td>
<td>European Economic Area</td>
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<td>EEZ</td>
<td>Exclusive Economic Zone</td>
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<td>EFTA</td>
<td>European Free Trade Association</td>
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<td>EP</td>
<td>European Parliament</td>
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<td>EU</td>
<td>European Union</td>
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<td>GDP</td>
<td>Gross domestic product</td>
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<td>ICJ</td>
<td>International Court of Justice</td>
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<td>IMO</td>
<td>International Maritime Organisation</td>
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<td>ITRs</td>
<td>Individually Tradable Rights</td>
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<td>NATO</td>
<td>North Atlantic Treaty Organisation</td>
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<td>NEAFC</td>
<td>North East Atlantic Fisheries Commission</td>
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<tr>
<td>NGO</td>
<td>Non-governmental organisation</td>
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<tr>
<td>nm</td>
<td>nautical miles (1 nm = 1852 m)</td>
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<tr>
<td>OCT</td>
<td>Overseas Countries Territory</td>
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<tr>
<td>OSCE</td>
<td>Organisation for Security and Cooperation in Europe</td>
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<tr>
<td>UNFCCC</td>
<td>United Nations Framework Convention on Climate Change</td>
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<td>US</td>
<td>United States of America</td>
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Map of the Arctic

Source: University of Texas Libraries,
1. Introduction

1.1 Setting the Stage: The Arctic

The Arctic region\(^1\) was long perceived as a sparsely populated and remote periphery of little relevance to mainstream issues where human activities were regarded as *sui generis* (Young 1992, ix). But more recently the region has come to the attention of politicians and scholars alike as it is assumed to bear considerable economic and political potential in the decades to come, including great possibilities and numerous challenges. It has been referred to as getting “huge international attention” (Gupta 2009, 174), as experiencing a “state change” (Young 2009a, 179), as “one of the big, strategic challenges of the 21st century” and political actors pointed out that “the future of the Arctic and that of our planet as a whole are inextricably linked” (Borg, 2009a).

This is no surprise as the High North bears considerable economic and political potential in the decades to come, including great possibilities and numerous challenges. Most striking is the growing importance of energy in the Arctic region as the area becomes more accessible for the exploitation of Arctic hydrocarbon resources.\(^2\) Technical advances and high energy prices corresponding with increasing demand for energy worldwide make such an endeavour profitable. The development of new sea navigation routes through climate change will help to secure access to energy for Arctic petroleum extraction and will considerably shorten the distance between Europe and North America to Asia. This also opens new opportunities for fishing, also as in response to the rising ocean temperatures a number of fish species are expected to appear in Arctic waters as fish stocks are moving northwards (Petersen 2009, 41).

Besides the increasing possibilities for energy exploitation, transport and fishing the environmental dangers connected to the increased human activity and economic interests in the area have also to be taken into account, not least the effects of climate change threatening the traditional livelihoods of the indigenous populations.

The supply of more natural resources through the reduction of Arctic sea ice could also lead to heightened rivalry between various actors, for example concerning sovereignty issues between the five Arctic states (US, Canada, Russia, Denmark (Greenland) and Norway). Furthermore, in connection with Russia’s renewed self-assertiveness European states are

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\(^1\) The Arctic region is commonly referred to the area north of the Arctic Circle, which is located 66°33’ north latitude. This line marks the point at which the sun is above the horizon for 24 hours during the longest days of the year and below it for 24 hours during the shortest days (Young 1992, 1).

\(^2\) According to the U.S. Geological Survey 83 billion barrels of oil and 44 trillion cubic meters of natural gas are located north of the Arctic Circle. This amounts to approximately 30% of the world’s undiscovered gas and 13% of the world’s undiscovered oil, which would meet the global demand for oil for three years, the one for gas even for fourteen years (Byers 2009, 10; Gautier et al. 2009; Bird et al. 2008).
increasingly concerned about threats to the stability and security of existing supplies of
energy and are therefore looking for alternative measures for securing their energy demands.
The High North might offer alternative and safer supplies.³

The growing interest in the High North is not limited to the countries possessing territory in
the area. Rather numerous actors on the international scene including states and private actors
show increasingly keen interests in the High North. Alone for this reason, many argue that
the European Union (EU) has to increase its policy efforts in the region, preferably through a
common approach of its member states in order to exert the most influence possible in a
multilateral approach in cooperation with other important actors. The EU’s role in relation to
the Arctic does not fall from heaven. Rather, it is heavily influenced by a complex
intermingling of other actors’ interest and policy formation as well as the regional
institutional set-up that the EU enters when becoming an Arctic actor.

1.2 Focus and Contribution of this Paper

Given this highly fascinating empirical background, the idea of this paper is to give a
thorough analysis of the position of the major actors concerning the Arctic region and the
challenges and possibilities as outlined above. Special attention will be paid to the European
Union as an Arctic actor. More specifically, it will be analysed how the EU’s role as a
newcomer to the Arctic ‘game’ looks like, how it positions itself within the existing actor and
governance framework and which role it aims or strives for in relation to the policy issues
touched upon above. Concretely, in a first step the paper will outline the EU’s position
towards the Arctic by analysing the overall relationship between the EU and the Arctic as
well as official EU documents on Arctic policies. Secondly, a short outline of the Arctic
governance system will be given which is followed by an extensive analysis of the position of
the major Arctic players in order to try in a third step to locate the EU’s current and future
position within the Arctic ‘game’ taking into account other countries’ foreign policies as well
as the overall Arctic governance system. This necessarily includes normative statements about
the ‘oughtness’ of the EU’s role in relation to the Arctic, which shall be understood as thought
exercises against the outlined empirical background.

³ However, most of any new oil and gas found in the Arctic will definitely come from Russia, and thus
especially Eastern European hopes for more independence from Russian deliveries will probably remain an
illusion, despite maybe the detection of new and huge Norwegian sources. However, many Europeans would
still much rather exploit and rely on new sources of energy supply from the High North than deepen their
reliance on the even more unstable Arab world (Bailes 2010).
2. The European Union and the Arctic

Some politicians and scholars have pointed to the “discernible trend for states and political entities like the EU to strengthen their Arctic policies” (Koivurova 2010, 150). While the interest of the Arctic littoral states, US, Canada, Russia, Norway, Denmark, and the other members of the Arctic Council, Finland, Sweden, Iceland, is self-explanatory, it is not that obvious for a confederation of multiple and very different states like the EU. However, there are multiple toeholds that point to a justified EU interest in the region. First of all, three of the EU’s member states, maybe four in the not too far future if Iceland enters the Union⁴, (Denmark, Finland and Sweden) are full members of the Arctic Council. And Denmark, though its Greenland territory, is even one of the littoral Arctic states. However, the Danish voice in the EU has not been that prominent, explainable through its treaty opt-outs which the country got granted by the Edinburgh Agreement in order to make the Danes accept the Maastricht Treaty in 1992, as well as because of the Danish government’s strong alignment with the US and the growing autonomy of Greenland (Bailes, 2009), which is not even a member of the EU since it left the Union in 1985 after a national referendum⁵. Thus, direct geographical grounds in the sense of possessing Arctic territory are not decisive when it is about defining the EU’s interest and role in the Arctic, as the whole Scandinavian Arctic Sea coast is Norwegian and, as said, because Greenland is not a member of the EU. As the Commission formulates in its Communication on the Arctic (see below), connecting points are rather history, (indirect) geography by having Arctic countries as members, economy as well as science and research. Secondly, the EU is closely aligned with two other Arctic countries, Iceland and Norway, by them being members of the European Economic Area (EEA), which ensures cooperation between those countries and the EU in fields such as environment, research, tourism and civil protection, which are all of great importance in relation to the Arctic. Furthermore, Russia, Norway and Island are partners of the EU within the framework of the ‘Northern Dimension Policy’, a project established in 2005/2006 to strengthen cooperation in the European High North to promote stability, prosperity and

⁴ On 17 June 2010 the European Council in Brussels approved the start of official accession negotiations with Iceland, which are expected to be relatively short given Iceland’s already close ties with the EU through the European Free Trade Association (EFTA) and the European Economic Area (EEA). It has been said that Iceland could enter the Union as early as 2011 (Phillips, 2010a). The Dutch-British-Icelandic Icesave struggle as well as the approval of the Icelandic people in a national referendum are hurdles to be taken for an Icelandic EU membership (Phillips, 2010b). Tricky issues are most probably fishing rights and Icelandic traditional whale hunting (Mahony, 2010). An eventual EU entry of Iceland would extend the EU policy grip over a sea area which is central to the projected growth of Arctic traffic as well as which is highly valuable in terms of fisheries as a large proportion of shipping traffic from and to the European High North passes close to Iceland’s coast (Bailes 2009a; Bailes 2010).

⁵ After the referendum Greenland was granted the status of an Overseas Countries Territory (OCT) of the EU and also linked to the EU by several partnership agreements.
sustainable development. The Barents Euro-Arctic Council (BEAC) offers another intergovernmental forum for the EU, Russia and Norway (cf. www.beac.st). The link between the US/Canada and the EU is given through the transatlantic partnership and the North Atlantic Treaty Organisation (NATO) (cf. Braune 2009, 40) as well as the two countries’ observer status in the EU’s Northern Dimension Programme. Thirdly, concrete interests of all EU countries in the Arctic are multiple. Alyson Bailes sums these up:

EU citizens eat most of the fish caught in polar seas; EU companies have experience of oil and gas extraction that could be relevant and commercially competitive⁶; EU shipping companies and shipbuilders look with even greater interest to Arctic openings because of their current lack of demand on other fronts; and the EU already spends hundreds of millions of Euros on Arctic-relevant research. Returning to the big questions of Arctic governance, the whole Union as a rich but vulnerable community with limited self-defence capacity has an interest in not letting the rush for the Arctic turn over-competitive and violent (Bailes 2009a).

Additionally, the Arctic has become an important region to be considered in the global fight against climate change, which is a policy area that the EU aims to lead. Additionally, there are good arguments for the Arctic states to ‘let the EU in’ the Arctic game. Again Alyson Bailes writes:

[The EU] is a strategic counterpart of growing importance for Russia, through its role in energy and other economic relations and in the intervening ‘neighbourhood’ area, while the recently reinvigorated Northern Dimension already covers one sector of the Russia-West Arctic interface. [The EU is also] the most obvious potential partner in President Obama's new course on climate change. It is a major customer for any new oil and gas brought out of the Arctic, regardless of who owns and extracts it. It has a direct grip on norm-setting in several relevant areas of governance through the EEA membership of all Nordic states (Bailes 2009a).

Also, in contrast to NATO the EU enjoys a certain freedom of action because of its rather soft and non-threatening image. Thus, the EU could also function as a cushion or moderator between great power interests. Finally, the EU possesses established competence in just about every part of the emerging Arctic agenda, especially valuable in form of the EU being a single trade personality, and also large central funds and direct legislative powers are available (ibid.; Bailes 2010).

⁶ For example, the French energy company Total is part of a Russian-Norwegian consortium to develop the Russian Shtokman gas field in the Barents Sea off the Kola Peninsula and there are rumours about Total further increasing its presence in the Barents Sea, especially after the boundary dispute between Norway and Russia in the Barents Sea has been solved in April 2010 (BarentsObserver 2010a; BarentsObserver 2010b).
Consequently, also in recent scholarly work the EU is now mentioned as one of the “influential political entities” in the Arctic (Koivurova 2010, 152), meaning it is now increasingly viewed as an equal Arctic actor among the traditional Arctic states. With its official documents (see below), the EU is said to have lifted Arctic policy beyond the inner circle of the littoral states to the international arena (cf. Braune 2009, 39). However, one has to keep in mind that in legal terms the EU acts as an external actor in relation to most of the Arctic states as EU law only applies to three of the eight Arctic states and in the case of Denmark this application does not even cover Greenland (Neumann 2010, 12). Consequently, as Anje Neumann (2010, 12) concludes, this fact “distinguishes [the EU’s] Arctic policy decisively from that to other sea-related regions, like the Mediterranean or Baltic Sea Region, and has consequences for the determination of its policy actions towards the Arctic region”. This might be part of the explanation why, when looking at the EU’s position and actions towards the Arctic until recently, one ascertains rather inaction or ignorance. However, this could also be seen as much of a surprise, as one would have probably expected an earlier and also more active role of the EU. This makes sense against the background that the environmental realm in general and the climate change one in particular is the policy area the EU claims to perform a leading role in and it is also perceived by others as a ‘climate change pioneer’ (cf. Kilian 2009). So given the EU’s own defined leading role in climate change policies and the quite dramatic and rapid developments going on in the Arctic one would think that the Arctic is a foreign policy field where the EU would show an early interest. Also the recent upgrade of the Directorate General (DG) Energy in the Commission and the energy dependency of many EU countries would indicate an earlier and stronger interest towards the Arctic region as Arctic resources could contribute to enhancing the EU’s security of supply concerning energy and raw materials. However, these arguments would be mainly based on the thought that demand and reality concerning the EU’s policy goal formulations and the actual implementation of those do not match. But if one thinks this through, one has to acknowledge that this is a quite normal feature of the European Union and not only in the environmental area. One only has to point to the targets the EU set itself in form of the Lisbon Agenda to become the most competitive and knowledge-based economy in the world by 20107 or also its objectives concerning the push of education and research investments, where the actual implementation on the ground lacks far behind the ambitions formulated in the respective documents. Nevertheless, although the late or yet non-existent implementation of

EU actions towards the Arctic is not that surprising, the fact that the mere *statement* of an EU Arctic interest came so late, is bewildering.

2.1 EU Official Documents on the Arctic

However, the European Union eventually expressed its interest towards the Arctic region. Firstly, the Union applied for permanent observer status in the Arctic Council, which was however for the time being turned down by the Arctic Council ministerial meeting in Tromsø in April 2009 and again in 2011. The rejection is said to be due to a disagreement between the EU and Canada on a ban on seal products (Phillips, 2009); however, a general preference for an exclusive governance approach, i.e. special responsibility of the Arctic states, among some of the Arctic Council members is rather the reason for the exclusion of non-Arctic actors. The status of permanent observer would give the EU a clearer foothold in discussions concerning Arctic management with all Arctic countries in contrast to the current situation where the EU’s present institutional frameworks, BEAC and the Northern Dimension, only provide for direct cooperation with Russia and non-EU Nordics (Bailes, 2010). Secondly, the EU institutions issued a number of official documents on the EU’s relation to the Arctic. Mirroring the awakening European interest throughout the year 2008 the Nordic Council of Ministers published two extensive reports in 2008 on, firstly, “The European Union and the Arctic – Policies and actions” (Airoldi, 2008) covering issues of the political framework of the EU’s relation to the Arctic, cohesion, Common Agricultural Policy, climate change, energy, research, environment, maritime policy, indigenous peoples, animal welfare and trade, Greenland as well as the relationship between the European Parliament (EP) and the Arctic; and secondly, a report called “Nordic strategy for the Arctic climate and environmental pollutants” (Nordic Council of Ministers, 2008). This was followed by a report written by Javier Solana, then High Representative for the Common Foreign and Security Policy, and Benita Ferrero-Waldner, then EU Commissioner for External Relations, which was presented before the European Council in March 2008. The report, called “Climate Change and International Security” (The High Representative & European Commission, 2008), emphasises the security aspects of Arctic developments, which could have “potential consequences for international stability and European security interests”. The causes and signs of this development are the changing geo-strategic dynamics of the region for example due to increased accessibility of enormous hydrocarbon resources but also the Russian flag-planting in 2007. Concretely, the report mentions the intensification of the “scramble for resources” in general and “potential conflicts over resources in Polar regions” in particular.
This may lead to a challenge to “Europe’s ability to effectively secure its trade and resource interests in the region and may put pressure on its relations with key partners”, thus painting a rather threatening picture of the future political developments in the Arctic.

A number of even higher-ranking EU documents followed throughout 2008. There was firstly the European Parliament’s resolution on Arctic governance from October 2008 (The European Parliament, 2008), followed by the European Commission’s first Communication on “The European Union and the Arctic Region” in November 2008 (European Commission, 2008). Finally, the Council of Ministers adopted policy guidelines on Arctic issues in December 2009 (Council of the European Union, 2009).

The Commission’s Communication, which is commonly seen as the most important EU document issued so far, starts off with the statement that “[t]he European Union is inextricably linked to the Arctic region”, thus justifying the EU’s interest in the region on grounds of history, geography, economy and scientific achievements. The document further outlines the geographical links between the EU and the region as well as cooperation projects such as the EU’s Northern Dimension policy. A further link to the Arctic is seen in the consideration of Arctic issues in the EU’s Integrated Maritime Policy and on the concrete policy level referring to EU policies in areas such as the environment, climate change, energy, research, transport, fisheries and also security. This leads to the overall conclusion that “Arctic challenges and opportunities will have significant repercussions on the life of European citizens for generations to come”, which the EU has to respond to in a “coordinated and systemic manner”.

The overall aim of the Communication is then to “lead to a structured and coordinated approach to Arctic matters, as the first layer of an Arctic policy for the European Union”. The concrete policy objectives are hereby the protection of the Arctic environment and its population, the promotion of sustainable exploitation of resources and the improvement of Arctic multilateral governance. Those three objectives are further specified into the areas of firstly environment and climate change; support to indigenous peoples and local population; research, monitoring and assessments, and secondly hydrocarbons, fisheries, transport and tourism. For each part ‘policy objectives’ and ‘proposals for action’ are formulated. The overall tenor of the Communication is hereby a strong emphasis on international cooperation.

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8 Mainly due to the fact that the Commission has competence to act in its own right in some of the areas that the Communication covers. Also, the Parliament can only play an advisory role in the EU policy-forming process on the Arctic and thus it was the Commission’s Communication that provided the basis for the Council’s Conclusions. In general, the Communication is understood as the first step to a systematic EU Arctic policy (e.g. Braune 2009, 39).
between state and non-state actors and on sustainable development as being the prime guideline of action in order to meet the challenges ahead and to be able to sustainably use the resources of the Arctic region. An important aspect in the fisheries section is that the Union speaks in favour of defending “the principle of freedom of navigation and the right of innocent passage in the newly opened routes and areas”. With this statement the EU supports the position of the US in its disagreement with Canada over the legal status of the Northwest Passage (see below), although the EU explicitly emphasises the need to promote stricter safety and environmental standards. But the Canadians are sceptical of this intention fearing the relaxation of Canadian Standards (Braune 2009, 45). The EU’s position can also be understood as a gauntlet thrown to Russia in connection to the Northeast Passage.\(^9\)

Concerning governance issues, the EU throughout speaks out in favour of implementing and if necessary reforming existing institutional arrangements before creating new ones. This refers to special issue areas like fishing, referring to the North East Atlantic Fisheries Commission (NEAFC) and stating that “[i]n principle, extending the mandate of existing management organisations […] is preferable to creating new ones”, and transport, referring to the International Maritime Organisation (IMO), but also to the more general framework surrounding the Arctic in form of the Arctic Council and the United Nations Convention on the Law of the Sea (UNCLOS).

The three overall aims of the EU in the Arctic, protecting the Arctic environment, promoting sustainable exploitation of Arctic resources and improving Arctic multilateral governance, together with the emphasis on the importance of dialogue with indigenous peoples and restraints on sealing and whaling are obviously meant to highlight the EU’s constructive and high-principled intentions in the Arctic. However, the EU also shows a healthy amount of self-assertion when valuable interests are at stake, like the emphasis on the importance of freedom of navigation and the right of innocent passage for European transport business. More generally, behind many statements in the Communication stands the demand for equal access to Arctic opportunities for EU companies from various industries, for example building infrastructure for land and air transport in the European Arctic, promoting research in offshore technology by building on experience accumulated in European industry in offshore oil and gas exploitation and avoiding discriminatory practices by any of the Arctic coastal states towards third countries’ merchant ships (Bailes, 2009). Also, by stating that the EU should “not support arrangements which exclude any of the Arctic EU Member States or

\(^9\) Russia has in the past been accused of obstructing free passage through the Northeast Passage by ad hoc decisions while it accepts the principles of freedom of navigation and innocent passage and transit passage in principle (Bailes, 2010).
Arctic EEA EFTA countries”, the EU echoes Swedish, Finnish and Icelandic complaints and criticises the exclusive meetings of the Arctic littoral states in Ilulissat 2008 and Chelsea 2010.

The Commission has by and large taken on the ideas developed by the European Parliament in its resolution on Arctic governance from October 2008, highlighting issues of climate change, the indigenous populations, energy, security, cooperation with other Arctic actors and governance structures to ensure environmental protection and sustainable development of the region. All in all though the Parliament document is much shorter and much less structured than the Communication and uses a more confrontational language. One example is that the Parliament stresses more explicitly the geopolitical and strategic importance of the Arctic by referring to the Russian flag-planting endeavour in August 2007 and by expressing its concerns over the “ongoing race for natural resources in the Arctic, which may lead to security threats for the EU and overall international instability”. More strikingly, however, the two institutions disagree on questions concerning the development of the Arctic institutional framework. The Parliament namely argues in favour of an inclusive Arctic governance approach in form of an Arctic Treaty in resemblance of the Antarctic Treaty. Its argument is that UNCLOS does not provide enough a basis for Arctic governance because the US Senate has still not ratified the Convention and because UNCLOS was not formulated specifically for the Arctic and the region’s concerns. Further, the reason why the Arctic has so far not been governed by “specifically formulated multilateral norms and regulations” is due to the fact that the region was never expected to become a navigable waterway or an area of commercial exploitation. As this has changed now, also the institutional set up has to be adapted. This position was emphasised when in March 2009 six groups of Parliamentarians tabled a motion for a resolution on an international treaty for the protection of the Arctic, arguing that “the geopolitical neutralisation of the region would allow an increase in cooperation between the circumpolar nations”, which could be done with an Arctic Treaty (European Parliament, 2009). This plea for an inclusive governance approach makes sense against the background that such an approach potentially suits the interests of the EU better than the current law of the sea approach preferred by the five littoral states as well as the Arctic Council, which is built on the difference between Arctic and non-Arctic states. As the EU as an actor has no Arctic coastline it would find it easier to get its potentially significant navigational and fisheries interests in the region through when being able to refer to a coherent overarching institution like an Arctic Treaty, which is potentially open to all states and even international
organisations, instead of having to go via the national level of its Arctic states (cf. Koivurova 2010, 152). However, in a “Report on a sustainable EU policy for the High North” from December 2010 the EP has departed from its support for an Arctic Treaty by stating that an Arctic Treaty “is not only not promoted by the peoples and states in the Arctic, but also wouldn’t be an appropriate way to deal with the challenges in the Arctic” (The European Parliament, 2010).

The Council of the European Union’s conclusions on Arctic issues by and large match the issues raised by the Commission’s Communication, despite in a shorter, less clearly structured and also more low-key way. This is most apparent when recalling that the Council sees its document merely as a basis for the “gradual development of a policy on Arctic issues” instead of a fully-fledged strategy (cf. Bailes 2010). This mirrors a very precautionary approach to the Arctic region where one of the main aims of the EU is to maintain peace and stability. Also, the Council Conclusions do not emphasise the positive promotion of EU trading interests in oil, gas and shipping and overall the document seems to have been fine-tuned to minimise frictions with other national positions, for example by not mentioning issues of whaling and sealing (Bailes, 2010). In line with the Commission, however, the Council emphasises the importance of UNCLOS including freedom of navigation, the right of innocent passage and transit passage, by that sending an implicit warning to Russia and Canada on this issue. Finally, the Council explicitly recognises UNCLOS and the Arctic Council as the relevant Arctic institutional bodies and thus implicitly speaks out against fundamental institutional changes, for example in form of an Arctic Treaty, also by not even mentioning such an option.

All in all, the broad thematic similarity between all three EU documents is eye-catching. They all emphasise the central importance of climate change, environmental and maritime safety, sustainable exploitation of Arctic resources, the human and natural populations of the High North as well as the need to preserve the Arctic as a low-tension region by means of law, international cooperation and multilateral governance (cf. Bailes 2010). Since the December 2010 EP Report, the institutions even agree on the question of the desirability of an overarching international Treaty for the Arctic.
3. The Arctic Governance System

The Arctic institutional framework is characterised by a web of different ‘hard’ or formal institutions on different actor levels. As a first category one can start with the regional body, which has been specifically designed for the Arctic, the Arctic Council. A second refers to the global frameworks of the United Nations Convention on the Law of the Sea (UNCLOS) and the International Maritime Organization (IMO), which have been acknowledged by most actors as the most practical and legitimate frameworks for norm-setting and dispute handling. The rather recent creation of the Barents Euro-Arctic Council (BEAC), which has limited geographical coverage in the European High North but has played a positive role especially as a framework for Norwegian-Russian cooperation, and the EU’s Northern Dimension, which had limited impact since its creation in 1999 but has been re-launched with obviously more genuine support from Russia in 2006, can be categorised in a third group. Finally, the EU as a whole and NATO can be described as latecomers to the Arctic governance system in a fourth group. NATO held its first major Arctic seminar in Reykjavik in January 2009 and has so far only published non-binding Chairman’s conclusions (NATO 2009).

In addition to these rather broad institutions, a whole set of regimes exists on Arctic issues. Such regimes, ranging from bilateral arrangements to regimes with many parties, have developed during the twentieth century, some addressing exclusively Arctic regional issues while others are geographically broader addressing problems prevalent in the Arctic and elsewhere (Young et al. 1993, viii). Examples for international, multilateral regimes that deal with Arctic issues are the regime for the conservation of North Pacific fur seals, the Svalbard regime and the regime for the conservation of polar bears (Young et al. 1993, ch. 2, 3 and 4).

In addition to these rather ‘hard’ institutions, a number of softer or ad hoc institutional set-ups in form of more or less regular conferences and meetings form part of the Arctic institutional framework. One example are meetings of the five littoral states, which recently took place in Ilulissat (Denmark/Greenland) in May 2008, which resulted in the adoption of the Ilulissat Declaration (Arctic Five, 2008), and in Chelsea (Canada) in March 2010, where the Canadian Minister of Foreign Affairs emphasised the “stewardship role” that the five littoral states play in the region (Cannon, 2010).

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10 Oran Young defines ‘regimes’ as “social institutions composed of agreed-upon principles, norms, rules, and decision-making procedures that govern the interactions of actors in specific issue areas” (Young et al. 1993, 1).
4. The Arctic Players

4.1 United States of America

As the last bigger policy project of the George W. Bush Government, a National/Homeland Security Directive on ‘Arctic Region Policy’ was published on 12 January 2009 including statements of intent about national and homeland security, environmental issues, natural resource management, institutional issues, indigenous peoples as well as science and research issues (The White House 2009). This document is the first official US statement on Arctic Policy since the Clinton Administration announced a US Arctic Policy in 1994 and the US Administration headed by President Obama has shown no signs that it does not accept this new Arctic strategy paper (BarentsObserver, 2010a). The principal objectives have in general remained the same with the difference that “meeting post-Cold War national security and defense needs” is no longer mentioned in the 2009 document (U.S. Department of State Dispatch, 1995). More detailed, the new document emphasises issues of missile defence and early warning, transport, energy security as well as the importance of the principle of the freedom of the sea, the latter as “a top national priority” both for the Northwest and the Northeast Passage. A concrete policy is hereby to “[p]reserve the global mobility of United States military and civilian vessels and aircraft throughout the Arctic region”. Further, it is about environmental protection and sustainable resource extraction, promoting Arctic research as well as the support and, if necessary, reform of existing or new Arctic governance arrangements. However, new international organisations in the Arctic are not foreseen, as “the Arctic Council should remain a high-level forum devoted to issues within its current mandate and not be transformed into a formal international organization” and “an “Arctic Treaty” of broad scope – along the lines of the Antarctic Treaty – is not appropriate or necessary”. It is recommended that the Senate ratifies UNCLOS as this would serve the national security interests. UNCLOS is thus supported as the appropriate legal framework for the Arctic as “[t]he most effective way to achieve international recognition and legal certainty for our extended continental shelf is through the procedure available to States Parties to the U.N. Convention on the Law of the Sea”. The issue of US sovereignty and US interests is emphasised when it is said that “[t]he United States has broad and fundamental national security interests in the Arctic region and is prepared to operate either independently or in conjunction with other states to safeguard these interests”. Further, the document refers to the importance to prevent the development of terrorism in the Arctic region. All in all, the

11 See the appendix for an overview of the Arctic strategies published so far by Arctic countries.
document recommends that the US should “assert a more active and influential national presence to protect its Arctic interests” (all quotes The White House 2009).

It is quite telling to look at the order of issues referred to in this document in comparison to other actors like the European Union and even NATO. While the EU and NATO both start their documents on the Arctic (the Commission’s Communication, the Council Conclusions and the NATO Chairman’s conclusions) with issues concerning the environment and climate change, the US document sets in with security issues and only mentioning the environment at the very end. Further, the EU and NATO continue their statements with issues concerning the indigenous peoples, multinational governance, accidents, research and monitoring as well as UNCLOS and international law. In contrast, the US focuses more on demarcation issues but also international governance (cf. Bailes 2010 table 2 on "Order of Issues referred to in EU and NATO Arctic Policy Documents"). NATO’s low-key approach towards the Arctic can be explained by

the Alliance’s own recognition that the whole military dimension of Arctic development is of limited, and mainly secondary or consequential, importance compared – as the seminar conclusions put it – to ‘Non-traditional threats such as risks to the environment caused by potential pollution and large-scale accidents due to increased shipping and other economic activities, as well as the need to preserve economic and energy security’ (Bailes 2010 referring to NATO 2009).

The US has been remarkably inactive when it comes to the developments going on in the Arctic. This is mainly linked to the fact that it has so far not ratified UNCLOS and has therefore no right to file claims concerning its continental shelf and therewith the extension of its exclusive economic zone (EEZ). A group of influential Senators has so far blocked ratification as they fear the abdication of too much US sovereignty, for example by being subject to the International Tribunal for the Law of the Sea in Hamburg. In addition to the non-ratification of UNCLOS the US has failed to invest adequately in its icebreaker fleet. Despite maintaining a huge navy – as large as the next 17 in the world combined – it only commands one seaworthy oceangoing icebreaker, which is not even adequately configured for Arctic missions. In contrast, Russia possesses 18 icebreakers and even China, despite lacking own Arctic waters, owns one icebreaker. Scott Borgerson thus concludes that “[t]hrough its own neglect, the world’s sole superpower – a country that borders the Bering Strait and possesses over 1,000 miles of Arctic coastline – has been left out in the cold” (Borgerson, 2008).
However, there has been increased debate in the US about eventual Senate ratification of UNCLOS. Secretary of State Hillary Clinton and President Obama have stated their support for Senate ratification (BarentsObserver, 2010a). In addition, environmental non-governmental organisations (NGOs), the US Navy and US Coast Guard service chiefs as well as leading voices in the private sector support the convention (Borgerson, 2008). Also, American strategic interest in Greenland has been revived recently when the Bush Administration in 2004 obtained an agreement with Denmark to incorporate the Thule radar station in its Missile Defence programme. This radar station in Thule, set up in 1961 and modernised in the 1980s, is the hub of the US Ballistic Missile Early Warning System (BMEWS) that also services radars in Britain and Alaska (Petersen 2009, 37). Additionally, in November 2009 the US Navy published its first Arctic ‘road map’ to guide its policy, strategy and investments in the Arctic region (Jakobson 2010, 7, fn. 26). This is in line with American military activities in the Arctic region, for example the large scale ‘Northern Edge’ exercise in Alaska in 2008, involving about 5000 personnel, 120 aircraft and several warships (RIA Novosti, 2008). Also and very recently, American scientific interests have experienced a revival. Civilian researchers have signed an agreement with the American Navy to revive a dormant programme that uses nuclear-powered submarines to collect data about the Arctic ice cap. This programme, called ‘Science Ice Exercise’ (SCICEX 2010), began in 1993 but was halted after six years. The rapid changes in the Arctic region with new possibilities for tourism, shipping, energy, mineral exploitation and renewed security concerns have now awakened scientists and also the Navy’s interest (Morello, 2010).

One can also ascertain a more active role on the part of the US when it comes to sovereignty issues, especially in connection to Canada. This firstly concerns concrete disputes concerning demarcation lines in the Beaufort Sea between the two countries as well as the dispute about the legal status of the Northwest Passage. While Canada claims those waters as domestic, the US, and the EU, maintain that they are to be considered international waters. The US-argument is hereby that the Passage fulfils the legal criteria for an international strait by connecting two expenses of high seas, the Atlantic and the Arctic Ocean and by being used for international navigation. This means that Canada still owns the waterway but foreign vessels have the right of ‘transit passage’ (Byers 2009, 42). The Canadian standpoint, in contrast, is that the Northwest Passage is ‘internal waters’ and thus foreign vessels have to have Canada’s permission to sail through the waterway and are, furthermore, subject to the full force of Canadian domestic law (Byers 2009, 43). In order not to burden their bilateral relations, the US and Canada have so far agreed to disagree on the status of the Northwest
Passage. This agreement includes that the US officially notifies Canadian authorities every
time a US ship crosses the passage and the Canadians every time grant access. This is,
however, not a long-term solution and with shipping activities increasing in the Northwest
Passage due to decreasing sea ice, the two countries will have to find a solution to their
disagreement (Ebinger and Zambetakis 2009, 1221). But there is also US-Canadian
cooperation taking place on Arctic issues. For the first time in 2008, again in 2009 and also
very recently in 2010 the two countries started joint expeditions to the region to gather
information concerning the stretch of their continental shelves to the North. Both countries
need this information to apply for the extension of their exclusive economic zones to the
Commission on the Limits of the Continental Shelf (CLCS). While Canada plans to submit its
application by 2013, the US currently cannot make such claims as it has not ratified UNCLOS
yet (Seidler 2010a; Seidler 2008). However, these expeditions show that the US is already
preparing a claim to the UN Commission and thus apparently expects the ratification of
UNLCOS by the Senate in the not so far future.

4.2 Canada

For Canada the Arctic is mainly a case of sovereignty issues, heavily linked to the Northwest
Passage case and demarcation line disputes with the US but also with other actors such as
Russia and Denmark. However, while sovereignty issues are also important to other Arctic
countries, Canada differs in the sense that for Canadians the Arctic is also of high emotional
and symbolic value. One example is that the Canadian House of Commons in December 2004
almost unanimously, only one abstention, renamed the Northwest Passage to ‘Canadian
Northwest passage’, which is meant to symbolically bolster Canada’s sovereignty over the
shipping lanes through the country’s Arctic islands (Boswell, 2009). Another example, in
March 2010 a Canadian poll showed that half of the Canadian population would be in favour
of exercising military might to assert Canada’s sovereignty in the Arctic, 10% would even
believe that Canada should flex its military muscle, though only as a purely symbolic gesture.
This has been interpreted that way that although Canada is not known for a desire to exercise
military power in general, the High North sticks out as a special case as here Canadians are
more likely to support military force (Harris, 2010). All in all, the Arctic seems to be an
integral part of Canadian’s self-image (cf. Granholm (2009, 10), who describes the Canadian
Arctic as having a ‘national-mystic role” for Canadians (own translation)). Michael Byers
confirms this when he describes Canada as a “Nation of the North” and the relationship
between Canadians and the Arctic as an “emotional experience, because the Arctic gets into
Sovereignty issues are, as said before, the main Arctic issue for Canada. The general concern is about the precise limits of Canadian territory and the possibility that international law might constrain Canada in its rights within parts of that territory (Byers 2009, 5 f.). As said before, Canada and the US disagree over the status the Northwest Passage as either international or Canadian domestic waters and about the boundary between the two countries in the Beaufort Sea. Further, Canada and Denmark argue about the possession of Hans Island, some desolate rocks surrounded by resource-rich waters in the Nares Strait between Canada’s Ellesmere Island and Greenland (cf. Byers 2009, 6, 22 ff.), which constitutes the only disputed land territory in the circumpolar Arctic. Russia, Denmark and Canada all claim that the Lomonosov and Mendeleev Ridges are natural geological extensions of their territory (cf. Ebinger and Zambetakis, 2009 1226 ff.; Gupta 2009, 175; cf. Young 2009a, 78 for a map showing the unsettled boundaries in the Arctic.). Especially concerning the Northwest Passage issue, Canada has in various ways in the past tried to strengthen its position. Most prominently is maybe the adoption of the Arctic Waters Pollution Prevention Act in 1970, which imposed strict safety and environmental requirements on all ships within 100 nautical miles (nm) of Canada’s Arctic Coast. The boldness of the Canadian move becomes apparent when one considers that the Act was, at that time, contrary to international law, which did not recognise coastal state rights in the waters beyond 12 nm. Even more, the Canadian government openly admitted that the Act was inconsistent with international law, as shortly before the adoption of the statute the government modified its general acceptance of the jurisdiction of the International Court of Justice (ICJ) in order to prevent the issue from being litigated there. Many other states, most strongly the US, protested against the Canadian move but Ottawa refused to take the Act back or submit the issue to the ICJ. The dispute only receded after the adoption of UNCLOS in 1982 when Canadian diplomats succeeded in legalising the 1970 Act in Art. 234, which allows coastal states to enact laws against maritime

12 In strict legal terms, however, even if the Northwest Passage would be considered as an international strait in contrast to Canadian internal waters, Canada would retain ownership of the waterway; ‘only’ the ability to exercise full control over foreign ships passing through that strait would be lost (Byers 2009, 7). The argument for Canada to be able to apply its laws in an increasingly accessible Arctic is to avoid a “Wild West situation, where might makes right and the vulnerable – including the environment and the northern residents – suffer” (Byers 2009, 9). Canada fears that countries that possess no territory in the Arctic have little incentive to accept restrictions on access. Therefore, mandatory controls are more likely to come through national legislation and thus the Northwest Passage should be internal Canadian waters (Byers 2009, 15). The ambiguity surrounding the legal status of the Northwest Passage could have dangerous implications. For example, an oil tanker that does not meet Canada’s Arctic shipping standards could decide against requesting permission for passage and this means then that the ship is not provided with the latest information about ice, weather and navigation hazards. This increases the likelihood of an accident with dangerous oil spill (Byers 2009, 14).
pollution out to 200 nm. This article has since then been called the “Arctic exception”. (Byers 2009, 46 f.)

Canada’s current Arctic policy is clearly shaped by Prime Minister Stephen Harper’s Arctic sovereignty plan, which was an integral part of his election campaign in 2006. This plan envisaged an increase of Canadian military presence in the north to defend Canadian sovereignty. Concretely, underwater and aerial surveillance should be increased as well as the navy, army and air force presence enlarged. This includes the building of six to eight strongly armed Arctic patrol ships, the expansion of the harbour in Nanisivik on Baffin Island into a naval base as well as the establishment of a ‘cold weather training base’ at Resolute Bay, Cornwallis Island, both in the eastern entrance to the Northwest Passage (Petersen 2009, 47). During the campaign Harper said that “[y]ou don’t defend national sovereignty with flags, cheap election rhetoric, and advertising campaigns. You need forces on the ground, ships in the sea, and proper surveillance. That will be the Conservative approach” (CTV, 2005). This strong reliance on military solutions to Arctic problems goes together with the Harper government’s strong emphasis of the importance of the Arctic for Canadian sovereignty. This is mirrored by his often-quoted statement about the “first principle of Arctic sovereignty”, which would be to “use it or loose it” (BBC News, 2007). Also, Canada’s ‘comprehensive Northern Strategy’ from August 2009 mirrors this focus, as it is firstly about “[e]xercising our sovereignty” and “[p]rotecting our environmental heritage” followed by “[p]romoting social and economic development” and “[i]mproving and developing Northern Governance” (cf. [www.northernstrategy.ca](http://www.northernstrategy.ca)).

Harper’s sole military approach to the challenges of the Arctic has been criticised as being far too short-sighted as it would not provide the solutions that are necessary. For example, Harper’s announcement to replace Canada’s old heavy Coast Guard icebreakers with six to eight ice-strengthened patrol ships for the navy would not take account of the new problems that are associated with international Arctic shipping like illegal immigration and oil spills as naval vessels are not suitable for such endeavours (Byers 2009, 18). In addition, the huge costs connected to the ambitious planned investments listed above have to be taken into account, especially in times of soaring government expenses in connection to a global economic and financial crisis. Finally, increased military expenditure could lead to irritations with other interested actors in the region, as these could understand Canada’s actions as a threat to their Arctic claims.
4.3 Russia

The Russian Federation has the longest coastline to the Arctic Ocean of all Arctic littoral states and thus is expected to gain the most from Arctic resource extraction from its inner and outer continental shelf\(^{13}\). As Russia’s economic development and political status is closely linked to oil and gas export and thus extraction from the relatively shallow North Russian and Siberian offshore areas, the potential Arctic findings play an important role in Russian domestic and foreign policies (Petersen 2009, 45). Thus, in March 2009 the Russian Security Council published a paper called “The fundamentals of Russian state policy in the Arctic up to 2020 and beyond” outlining that Russia will create a group of forces by 2020 to protect its political and economic interests in the Arctic. This includes the deployment of military, border and coastal guard units “to guarantee Russia’s military security in diverse military and political circumstances” (RIA Novosti, 2009). The Russian side is thereby eager to stress that the focus of the strategy is on border control and that also the military activities will be adjusted to such new tasks as border protection and infrastructure building and they will not serve as the basis of a new strike force (ibid.). In addition, the document prioritises the delineation of the Arctic shelf “with respect to Russia’s national interest”. Also, the Russian continental shelf should be defined as soon as possible as it is seen as the key to huge so far undiscovered natural resources. President Dmitry Medvedev has said in this context at a Russian Security Council session in September 2008 that the Arctic shelf was a guarantee of Russia’s energy security as “about 20% of Russia’s GDP and 22% of Russian exports are produced” in the region (RIA Novosti, 2009). One can conclude from this that the Arctic plays a pivotal role in Russia’s plan to return to great-power status (Petersen 2009, 45), which coincides with some scholars’ opinion that emotional and symbolic issues play a role in Russian Arctic policies (Marx 2010).

After the country’s first claim for the extension of its EEZ failed in 2001 as the CLCS demanded more evidence for Moscow’s claims (cf. e.g. Seidler 2010a), Russia has undertaken two Arctic expeditions to document and justify its territorial claims in the Arctic beyond its 200 nm EEZ more thoroughly, the first to the Mendeleev underwater chain in 2005 and the second to the Lomonosov ridge in 2007. Russia is expected to resubmit its claims in 2012. The country is hereby willing to invest heavily in this undertaking to define the Russian outer limits of the continental shelf, as the Natural Resources Ministry has announced in February 2010 that Russia will provide 1.5 billion roubles (ca. 38 million €) for new hydrographical

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\(^{13}\) The inner continental shelf encompasses the 200 nm as granted by UNCLOS as each country’s EEZ. The outer shelf is the extension of the EEZ beyond those 200 nm to a maximum of 350 nm (Art. 76 UNCLOS).
and geophysical research in the Arctic Ocean (RIA Novosti, 2010a). The most recent project is hereby a 5 million € expensive Arctic expedition to explore the Lomonosov and Mendeleev Ridges to support Russia’s claim for 1.2 million km² of the Arctic Ocean, which started in July 2010 and which has been the biggest for 10 years (SpiegelOnline, 2010).

Russia is an actor that is always portrayed as being an important factor, sometimes even as the decisive factor when it comes to Arctic policies. This is mainly due to its relevance in energy issues and the dependence of many EU countries on Russian gas deliveries. This is linked also to security concerns given the country’s new self-assertiveness and problems of various EU countries with the reliability of Russian gas deliveries in the recent past. Another example is the resumption of long-distance bomber flights over the Arctic in 2007 and the notorious planting of a Russian flag on the seabed at the North Pole in August the same year, being interpreted as a sign of growing stakes in the resource-rich area of the Arctic. In addition, Russia possesses a huge amount of territory in the area and is also involved in various sovereignty disputes with other countries. The US and Russia quarrel over an unresolved boundary in the Bering Strait. In addition, the US demands Russia to ratify a pending US-Russian maritime boundary agreement from 1990. Norway and Russia did not agree on the boundary between them in the Barents Sea14. Russia also struggles with Denmark and Canada about the already above mentioned Lomonosov and Mendeleev Ridges (Petersen 2009, 46, fn. 38).

Although Russia continuously emphasises that it abides by international law and that dialogue is the best way to find solutions to disputes or other problems (cf. e.g. RIA Novosti 2010b), some sources, especially in the media, also point to increasing Russian military activities. For example, a high-ranking Russian military official is quoted to have said that “Russia must be ready to fight wars in the Arctic to protect its national interests in a region that contains large and untapped deposits of natural resources”, also in response to the military activities of other countries like the US. Also, there are allegedly plans of the Russian Defence Ministry to expand the presence of the Russian Navy in the world’s oceans and thus also the Arctic and to extend the operational range of submarines deployed in the High North (RIA Novosti, 2008). Recent announcements to increase the funding for the Russian Navy (BarentsObserver, 2010b) and regular air patrols over the Arctic supplement the picture (Petersen 2009, 46).

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14 In April 2010 Norway and Russia reached an agreement on the boundary between them in the Barents Sea after almost 40 years of negotiations. During a visit of Russian President Dmitri Medvedev to Norway, a deal has been reached on dividing the disputed area of around 175,000 km² in two equally big parts. Norwegian Prime Minister Jens Stoltenberg emphasised the historical dimension of this issue as “the most important outstanding issue between Norway and the Russian Federation” has been solved with this agreement (BarentsObserver 2010a; BarentsObserver 2010b; BarentsObserver 2010c; BarentsObserver 2010d; Phillips 2010; for more information on the dispute cf. Laegreid 2003).
However, scholars have emphasised that Russian Arctic activities are rather to be interpreted as part of a national identification process or ‘national identity shaping’\(^{15}\) instead of a pure military approach to alleged Russian possessions (Winkelmann 2009, 10). As a clear symbol of that, the Kremlin party ‘United Russia’ has already in 2005 changed its heraldic animal from a brown bear to a polar bear (Marx 2010, 99). In general, the Russian strategy towards the Arctic is in tone and action quite ambiguous, ranging from calm, diplomatic tones to more assertive and even aggressive frequencies. Different opinions thus arise which side is the more dominant one when it comes to actual policy-making and implementation. Nikolaj Petersen, for example, concludes rather pessimistically that

Russia’s Arctic policy has certain schizophrenic traits, and its spokesmen shift between blowing hot and cold. However, spokesmen close to centre of power around Prime Minister Putin and President Medvedev tend to fall in the tougher category and may hold the key to Russia’s long-term policy (Petersen 2009, 47).

4.4 Norway

Norway has been the most active European country when it comes to reactions towards developments in the Arctic. Also a member of the Arctic Council and being a littoral state due to the Svalbard Archipelago, Norway has been very active in the search for new possibilities for natural resource exploitation in the Arctic. In 2003 the Norwegian Ministry of Foreign Affairs published an extensive White Paper on the High North, emphasising the growing international interests in the Arctic and recommended that Norway should take an active Arctic approach to defend its interest in the region (Norwegian Ministry of Foreign Affairs, 2003). This recommendation has been followed by the current red-green government led by Jens Stoltenberg that came to power in 2005 and places the High North at the centre of Norwegian Foreign Policy (Petersen 2009, 50 referring to Lindeman 2009). This has been formalised in a 73-pages strong paper called “The Norwegian Government’s High North Strategy” from December 2006, which touches upon a variety of issues including energy, environment, conflicts of interest, strategic and military aspects, research, indigenous peoples, culture, resources, transport and business development as well as a special focus on cooperation with Russia (Norwegian Ministry of Foreign Affairs 2006). One sign of the strategic importance of the High North in Norwegian policies is that the government decided in August 2009 to move its centre of military operations from Jåttå in the south of the country

\(^{15}\) In the German original “Politik nationaler Identitätsfindung” (Winkelmann 2009, 10).
to Reitan in the north (Jakobson 2010, 7, fn. 26). Another is the report on Nordic defence cooperation written by former Norwegian foreign minister Thorvald Stoltenberg in February 2009 (Stoltenberg, 2009), where he recommends that the five Nordic countries, Norway, Sweden, Finland, Denmark and Iceland, strengthen their security cooperation in the Arctic in order to be able to keep pace with the rising costs of modern armed forces and to meet new regional challenges.

Norway can also be termed as the major beneficiary of UNCLOS as it has been the only country so far that was successful in settling an agreement with the U.N. Commission on the Limits of the Continental Shelf. Norway’s newly defined continental shelf in the north covers 235,000 km² or three-quarters of the size of mainland Norway. The decision taken by the Commission in April 2009 is almost congruent with the Norwegian requests, which were presented to the Commission in 2006 (BarentsObserver 2009; Utenrikesdepartementet 2009; Oljedirektoratet 2006). Economically, Norway has been active in granting exploitation licenses for oil and gas resources. Statoil, the biggest oil company of the Nordic countries and the biggest company in Norway, runs the Snøhvit gas field, which is the first offshore development in the Barents Sea and the world’s most northerly offshore gas-field. Snøhvit is thus also the biggest project so far concerning the exploitation of the Norwegian continental shelf (cf. www.statoil.com). In response to the settled dispute with Russia in 2010 and the extended continental shelf since 2009 surely more and maybe even bigger projects will come about. A first sign is that despite the moratorium for new deepwater drilling introduced by the Ministry of Petroleum and Energy (BarentsObserver, 2010c), the Norwegian Government announced in June 2010 that a total of 94 new blocks will be made available for new drilling in the Barents Sea and the Norwegian Sea during the 21st license round in spring 2011 (BarentsObserver, 2010d). Statoil has already been granted access to the Skrugard field in the Barents Sea, located north of the Snøhvit field, and is now seeking permission for drilling at the Lunde field, which is located closer to the mainland (BarentsObserver, 2010e).

Concerning already existent sovereignty disputes, Norway has one of the more laid-back positions as it recently solved its most precarious sovereignty dispute with Russia in the Barents Sea (see above). In addition, Norway has made it clear that it does not seek to make any demands on the North Pole (Doyle, 2009) thus staying out of any dispute on that issue. The only remaining dispute centres on the interpretation of the Svalbard Treaty of 1920 (The Svalbard Treaty 1920), which established Norway’s sovereignty over the Archipelago and which is excluded from the EEA Agreement with the EU. However, some ambiguities remain in the treaty, especially concerning its geographical scope. The major dispute is about whether
Norway is also entitled to claim sovereign rights offshore, that is over maritime areas including the waters and seabed and thus the economic zone and continental shelf of Svalbard, as the treaty itself only refers to the territory of Svalbard, explicitly naming the islands included (Art. 1). Svalbard’s economic zone and continental shelf are not mentioned in the treaty, given that these legal concepts were invented much later. Norway claims that the treaty’s equal treatment of nationals of signatory states does not apply on the continental shelf or adjacent waters of Svalbard. This position is openly contested by Russia and unrecognised even by Norway’s allies including the US. However, so far the issue has been of rather low-politics quality. This is due to the fact that no oil and/or gas extracting activities have happened yet on Svalbard’s continental shelf and the fishing issue has been temporarily resolved by Norway establishing a non-discriminatory fisheries protection zone around the archipelago in 1977 instead of a full-fledged economic zone. However, there have been several instances when Norwegian coastguards detained foreign vessels in the waters around Svalbard accusing them of poaching and dumping of fish, which shows the amount of tension that is nevertheless involved in the issue (cf. e.g. BarentsObserver 2010b; BarentsObserver 2010c; Jensen and Rottem 2010, 79 ff.; Nilsen, 2011).

4.5 Denmark

Denmark stands out within the group of Arctic EU countries due to the reason why it is actually an Arctic state, namely Greenland. While mainland Denmark has no territory north of the Arctic Circle, it is nevertheless a full member of the Arctic Council and even by some depicted as one of the ‘bigger’ members given the huge size of Greenland that lies above the Arctic Circle and the economic potential the island possesses. The distinctiveness of Denmark/Greenland is also given due to the extensive autonomy that Greenland has achieved from Denmark and the fact that it is not a member of the EU. Greenland’s form of government since 1979 has been ‘Home Rule’ meaning that it administers matters relevant to its own domestic order. This autonomy has been expanded recently; following a referendum in November 2008, Greenland obtained self-rule or self-determination on 21 June 2009 with responsibility for judicial affairs, policing and its natural resources. Also, the Greenlandic people were recognised as an independent people under international law and Greenlandic became the sole official language. Denmark, however, retains control of foreign affairs and defence matters. The annual Danish grant to Greenland, around 3 billion Danish kroner, will

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16 Greenland is ranked on 19th place among the world’s five hundred largest oil provinces (Petersen 2009, 43).
be gradually reduced depending on the revenues Greenland will be able to collect from its natural resources (cf. Petersen 2009, 37 f. for more details). In the long term even, self-rule offers the option of full Greenlandic independence from Denmark\(^{17}\), meaning that Denmark would cease to be an Arctic state. This offers an explanation for Denmark’s proactive approach as it sees its ‘Arctic character’ threatened in the long term. If it, however, by then has become that much entangled in the politics of the region and thus a valuable partner for other Arctic actors, it might be a reason to think twice for Greenland if it wants to cut the bond to Denmark. Also, although more reliable estimates of the potential oil and gas reserves on the Greenlandic continental shelf is likely to foster Greenland’s strive for independence, the islanders also know that the representation and defence of Greenland’s interests in a world of an economically and politically more and more important Arctic will require physical, human and political-diplomatic resources that a small nation of just 57,000 people inhabiting an area four times the size of France can hardly provide. Some therefore expect that even under self-rule Greenland’s dependency on Denmark will increase also as the latter will surely boost its presence in the Arctic (Petersen 2009, 38 f.).

Economically, the Danish Arctic region has already experienced first undertakings. Several gold and diamond mines are already in Greenland and in 2004 the Greenland Bureau of Minerals and Petroleum auctioned licenses for exploiting resources of the seafloor underneath the Davis Strait on the Greenlandic side (DeMille, 2005). Politically, Denmark’s active approach towards the Arctic also became apparent when the then Danish Foreign Minister Per Stig Møller was successful in gathering his counterparts from the four other Arctic littoral states for a conference on the future governance in the region in Ilulissat, Greenland in May 2008. This conference and its result, the Ilulissat Declaration, raised lots of attention in the other, excluded Arctic states as well as in non-Arctic players like the EU\(^{18}\). The excluded actors, other Arctic and non-Arctic states as well as NGOs, criticised the ‘Arctic 5’ (also called ‘A5’) of trying to establish an exclusive Arctic club (Seidler and Dambeck 2008; Seidler 2010b; BarentsObserver 2010a). The A5’s argumentation goes that they are “in a unique position to address [the] possibilities and challenges” that the Arctic faces today (Arctic Five, 2008). They reaffirmed this position in their follow-up meeting in Chelsea,

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\(^{17}\) Some estimate that it could only take another 10 or 20 years until Greenland will be fully independent from Denmark (cf. Granholm 2009, 9).

\(^{18}\) The Commission’s Communication refers to the conference and the declaration, highlighting its main message that the Arctic coastal states remain committed to the legal framework in place and thus that they wish no fundamental changing of the Arctic institutional framework, for example in form of a new comprehensive international legal scheme to govern the Arctic Ocean.
Canada in March 2010, emphasising the Arctic Ocean coastal states’ “important stewardship role” that they play in the region (Cannon 2010).

Also in line with the Danish proactive approach towards the Arctic, the Danish Ministry of Foreign Affairs and the Greenland Home Rule Government issued a document on their Arctic policy strategy in May 2008 called “Arktis i en brydningstid – Fotslag til strategi for aktiviteter i det arktiske område”19 (Udenrigsministeriet, Namminersornerullikut Oqartussat 2008). The 43-page long paper touches upon a variety of issues including Home Rule, sovereignty, Arctic and Nordic cooperation, indigenous populations, energy and mineral resources, environmental protection, climate change, research, infrastructure, trade and industry as well as cultural and scientific cooperation. This was supplemented by an even more detailed document from August 2011 called “Strategy for the Arctic 2011-2020” outlining a pro-active Arctic approach covering energy, military affairs, shipping, environment and international relations with a strong focus on Greenland’s development opportunities (Kingdom of Denmark, 2011).

In 2008 the Danish Defence Ministry set up an official Defence Commission with the mandate to analyse the implications that Arctic developments potentially have on Danish security, especially concerning the supply of energy and mineral resources (Danish Defence Commission, 2008). In the same line are also the regular Danish military activities, for example in form of naval exercises along the coasts of Greenland and in the Northwest Passage to practice search and rescue for civilian ships, often in cooperation with the Canadian Coast Guard (CCG) (CASR 2009). This is mirrored in the decision of the Danish Parliament from July 2009 to set up an Arctic military command and task force by 2014 (Jakobson 2010, 7, fn. 26).

4.6 Finland, Sweden, Iceland

Although not being a coastal Arctic state Finland very much sees itself as an Arctic player by being “a part of Arctic history” and having one third of its territories lying north of the Arctic Circle (Stubb, 2010). History and geography thus justify Finland’s “primordial interest toward Arctic issues”, including “significant economic, political and security interests in the region” (Stubb, 2009). As the seventh of the eight Arctic Council members Finland has published its strategy for the Arctic region in June 2010 (Cabinet Committee on European Union Affairs, 2010). The document focuses on external relations and issues relating to security,

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environment, economy, infrastructure, indigenous peoples as well as institutional issues, for example strengthening of the Arctic Council, together with proposals for the development of the EU’s Arctic policy (Finnish Government 2010). Shortly before the publication of the strategy, the Finnish Government set up an Advisory Board on Arctic Affairs to support and monitor Finland’s activities in the Arctic region and in general to raise awareness about Arctic issues (Ministry for Foreign Affairs of Finland, 2010). Being one of the smaller Arctic countries, Finland stresses the need to work together on Arctic issues. For example, the Finnish Minister of Foreign Affairs, Alexander Stubb, said in a speech in June 2010 that “there is no alternative to cooperation”, “the Arctic is not a region of confrontation but of cooperation” and “a regulated Arctic with a low degree of strategic tension” is the common aim to strive for (Stubb, 2010). Furthermore, Finnish Arctic interests are especially strong concerning cooperation in the Barents Sea area, forestry, Arctic shipping and mining industry, thus investments in transport, communications and logistical networks as well as facilitation of border crossings are deemed as necessary. All this is only possible with state-of-the-art Arctic research and know-how which forms the basis of all Arctic activities (Stubb, 2009). Also therefore Helsinki strongly supports the setting up of an EU Arctic information centre at the Arctic Centre, University of Lapland in Rovaniemi (BarentsObserver 2010i).

In line with the official Arctic Strategy, Stubb emphasises the necessity to strengthen the Arctic Council, which is “the principal intergovernmental forum to deal with Arctic policies” and which “brings the whole Arctic family together”. Concrete proposals include the establishment of a permanent secretariat, which would enhance the Council’s status noticeably. Also, Stubb emphasises the stronger inclusion of non-Arctic countries into the workings of the Council as “the future of the Arctic is of concern not only to some states but a legitimate concern for all”, thereby supporting the application of such countries for permanent observer status. Stubb has already earlier emphasised the important role played by the indigenous populations in the Council, which is why he prefers to call the Council “A8+” (Stubb, 2009). Finally, the Foreign Minister explicitly supports an enhanced role of the EU in Arctic issues by saying that “Finland will act to cover the indisputable Arctic vocation of the EU into a more specific and stronger EU Arctic policy”. He also explicitly supports the EU’s application for becoming a permanent observer to the Arctic Council. (Stubb 2010; Stubb 2009)

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20 In 1999 the Finnish Ministry of Trade and Industry published Finland’s own Arctic Research Strategy focusing on research on natural resources, adaptation strategies, Arctic communities and infrastructure (Korhola, 1999).
Finnish investments in Arctic issues encompass for example a joint Finnish-Swedish project for improving railway infrastructure in the Swedish and Finnish North (BarentsObserver, 2009b). Joint infrastructure projects are also planned with Norway (Thrane & Sara, 2010). Cooperation with Russia is also on the agenda, for example in form of joint construction of icebreakers and other technology for application in the Arctic (BarentsObserver, 2010j) and police cooperation between Murmansk and Rovaniemi (BarentsObserver, 2010k). Given the common border, also increasing people-to-people contact is taking place between the countries with Finnish visas issued to Russians in 2009 reaching a new high (ibid.).

Sweden, as Finland an EU but not a NATO member, has a less active approach towards the Arctic in comparison to the other states under consideration here. However, together with Finland, Sweden is involved in the Barents Euro-Arctic Cooperation with Norway and Russia. Also, Swedish complaints about being left out from the Ilulissat and Chelsea meetings of the Arctic littoral states (e.g. SIKU news 2010) show that it wants to be included in all important matters concerning the region and that it does not like to see the Arctic Council being undermined by rival formations. In a speech at the Stefansson Arctic Institute in Akureyri, Iceland in September 2004 then Swedish Foreign Minister Laila Freivalds outlined the components of the Swedish Arctic policy by first of all highlighting the importance of the Arctic Council as the decisive regional forum. Furthermore, Sweden supports the applications of non-Arctic countries to become observers to the Council. Here Ms. Freivalds also points to the need to support the interests of the Swedish Arctic population, the Sami, as well as the Swedish mining and forestry industries but also the fragile biodiversity in the High North. Sweden also has several research platforms with Arctic competencies, for example the Swedish Academy of Sciences’ scientific research station in Abisko, the Space Corporations launch facility Esrange for space research and atmospheric balloons and an icebreaker research vessel, the Oden (Freivalds, 2004). More current undertakings include a Swedish-Finnish joint surveillance system for the Baltic Sea area and an announcement by the Swedish Government to invest into two new state-of-the-art submarines together with upgrading older vessels (BarentsObserver, 2010l). Other cooperation projects include for example further air surveillance in the High North in cooperation with NATO on the basis of the Partnership for Peace programme, which could lead to a ‘Nordic cooperation on air surveillance’ between Sweden, Finland, Iceland and Norway. Another example is the establishment of a joint secretariat of the Arctic Council in Tromsø until 2012, when Norway, Denmark and Sweden will consecutively chair the ministerial meetings (Koivurova 2010, 147). As the last of the
eight Arctic states Sweden published its strategy for the Arctic region in May 2011 (Regeringskansliet, 2011). The three priorities of Sweden’s Arctic strategy are climate and the environment, economic development and human dimensions.

All in all, the Swedish government welcomes the Commission’s Communication as a first and important step towards a coherent EU Arctic Policy. According to a government statement in reaction to the publication of the Communication, it is ‘high time’ that the EU turns its attention towards the developments going on in the Arctic and Sweden would even like to see a more detailed policy analysis of the EU in relation to the Arctic (Utrikesutskottet, 2009). Sweden’s strongest Arctic policy field is its strong and long-pursued climate change policy, which it also brought into its EU Presidency program in the second half of 2009, in which time period also the United Nations Climate Change Conference 2009 (COP15) in Copenhagen fell (cf. www.se2009.eu). Furthermore, the government emphasised that ‘a powerful climate change policy’ must be an integral and central part of an EU Arctic policy (Utrikesutskottet 2009, 7).

Iceland, a NATO but not an EU-member (yet), is usually referred to as a ‘subarctic’ state given that just a tiny bit of its territory is within the Arctic Circle. The Arctic Circle passes through the island of Grimsey, a small island off Iceland’s northern coast. It is thus in the same group with Finland and Sweden and thus does not belong to the five stakeholding Arctic littoral states.

Arctic issues have for long had mainly a security or strategic character for Iceland, mainly due to the American air and radar base in Keflavik, which was an important instrument during the Cold War. However, in 2006 the American military unilaterally withdrew from Iceland after 55 years, thus eliminating Iceland’s military importance for the United States and leading to a “new geopolitical reality” for Iceland as it lost its “military prize” (Ingimundarson 2008, 1, 3). The Icelandic-US Defence Agreement dating back to 1951 remained in place but many understood the US withdrawal as a sign of a paradigm shift away from the Cold War towards the War on Terror with wars in Afghanistan and Iraq (Ingimundarson 2009, 74). Given the current changing image of the Northern dimension due to ongoing climate changes in the Arctic, Iceland stays concerned over the geopolitical meaning of its region and its own political, economic and strategic interest. This is also reflected by the Icelandic government’s fear of a military vacuum in the North Atlantic following the closure of the US base and the resumption of Russian strategic aviation in the North Atlantic and beyond in 2007. Those fears have been addressed by NATO providing Iceland with regular air surveillance with
individual NATO member states volunteering to conduct air surveillance with fighter jets for three to four weeks, four times a year on a rotational basis (Stoltenberg 2009, 10). These air policing missions are mainly symbolic in order to show that the demilitarised Iceland is a NATO member and not alone in the world and also a means for NATO to be more visible in the High North. It is surely also a means to keep Russia at a distance although Iceland is refraining from portraying Russia as an outright threat (Ingimundarson 2009, 74 f.). The importance of security for Iceland becomes also apparent when looking at the Icelandic Arctic report called “Skýrsla utanríkisráðuneytisins: Ísland á norðurslóðum”21 published by the Ministry of Foreign Affairs in 2009 (Utanríkisráðuneytið/Ministry for Foreign Affairs of Iceland 2009). The 68-page long report starts off with issues of multilateral cooperation and security and defence, followed by resources and environment, transport, culture and people as well as science and monitoring. All this shows a general turn in Icelandic security policy away from a strong American orientation towards stronger ties with NATO and other Nordic countries. However, Iceland also sees its security agenda contested by the consequences of the financial crises, which hit the country extremely hard with the collapse of its banking system in autumn 2008. It can thus be expected that, also after the formation of a left-wing government in early 2009, there will be more emphasis on societal security to restore social and economic stability at the expense of territorial defence (Ingimundarson 2009, 75). In conclusion, instead of being at the centre as during the Cold War, Iceland has moved to the geopolitical margins of political power games in the Arctic (Ingimundarson 2009, 78). However, together with Finland and Sweden but even more heavily Iceland protested against being excluded from the Arctic states meetings in Ilulissat and Chelsea (e.g. Seidler 2010c). This underscores that Iceland still sees itself performing a valuable role, if no longer in strategic so for sure in energy and maritime security in the North as a result of climate change, energy transports and increasing commercial activities in the North. One could even see a new geostrategic role of Iceland, as the country could become a guarantor of US energy supply through oil and gas transports from Russia and Norway to the US through the Icelandic EEZ (Ingimundarson 2008, 12).

Icelandic interests in the Arctic are based on Iceland’s geographic and thus geostrategic location, its hopes for future material rewards and its traditional identification with the North; however, Iceland makes no territorial or resource-based claims in the Arctic given its status as a subarctic state (Ingimundarson 2009, 75). One important move was the announcement by Iceland to offer offshore drilling licences in order to attract investments from big oil

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companies. The ca. 100 exploration licences cover an ocean area of 40,000 km² more than 300 km northeast of Iceland. Joint Icelandic-Norwegian studies in the 1980s offered some evidence of the existence of oil-bearing rocks in the relatively unexplored area (Pagnamenta, 2008). Iceland is also attractive in terms of new sea-lanes as a result of Arctic ice melting, as due to its location it could become a trans-Arctic commercial hub for trans-Arctic trade and tourism (Ingimundarson 2009, 77). Despite the nation-wide agreement on the necessity to boost the declining Icelandic economy, new transport, oil and gas undertaking will probably conflict with Icelandic self-conceptions as a natural haven and thus will raise strong environmental concerns. The current debate about the construction of more aluminium smelter factories is a telling sign that environmental safety in the High North will become a major issue in the near future (Ingimundarson 2008, 9 f.). Also, the official documents the Icelandic government has so far issued on the Arctic focus heavily on environmental issues. In 2004 the Icelandic Ministry for the Environment, the Ministry of Fisheries and the Ministry for Foreign Affairs published a joint report called “The Ocean – Iceland's Policy”, which deals with issues of pollution, climate change, marine biodiversity, sustainable development, navigation and tourism (Icelandic Ministries, 2004). Furthermore, in 2006 a working group of the Icelandic Ministry for Foreign Affairs published a report called “North Meets North – Navigation and the Future of the Arctic”, which focuses on issues of climate change as well as shipping and its environmental impacts (Working group of the Ministry for Foreign Affairs, 2006).

4.7 Others

Alyson Bailes states that “it is widely assumed that China, Japan and South Korea would be among the earliest and most powerful non-Arctic nations to be drawn into the game as and when transit and investment possibilities in the polar region are opened up” (Bailes, 2010). This refers for example to new Arctic shipping routes, which will be attractive to those countries. Also, South Korea is one of the major builders of ice-capable vessels (Ebinger and Zambetakis 2009, 1230). Furthermore, China, South Korea and Italy had, alongside with the EU, applied for permanent observer status in the Arctic Council. However, also their application has been turned down by the Arctic Council ministerial meeting in Tromsø, Norway in April 2009, which decided to postpone the decision (Phillips, 2009). Nevertheless, China has already participated in two Arctic Council ministerial meetings in 2007 and 2009 as
an ad hoc observer\(^{22}\) (Jacobsen 2010, 9). The increasing interest in the Arctic from the side of non-Arctic countries is also apparent when looking at the increasing number of tourists from countries like China, Thailand, India and South Korea. Russian and Norwegian Arctic tour operators record an increasing demand for their tickets from Asian, especially Chinese, tourists (BarentsObserver 2010e; NRK 2010).

China’s potential role as a new Arctic player is to be highlighted, given the size and status and thus the consequences of a Chinese player for the politics of the region. The Stockholm International Peace Research Institute (SIPRI) has recently, spring 2010, published a whole article about China’s increasing interest and actions in the Arctic region (Jakobson, 2010). This report concludes that it can be expected that China will be careful in keeping the balance between its rise to a major power that makes sure it is not excluded from access to the Arctic and possible countermeasures of Arctic states or even the formation of an ‘Arctic Alliance’ against a too proactive and hard-lined China. As Linda Jacobsen states, China will continue “to persistently, yet quietly and unobtrusively, push for the Arctic in spirit being accessible to all” (Jakobson 2010, 13).

5. The EU in the Arctic Game: Challenges and Possibilities

So how is the role of the European Union in the ‘Arctic game’ to be interpreted against the background of its own actions so far and other actors’ policies?

First of all one has to emphasise that the generality of the official documents so far released from EU-side portray a harmony that is not realistic as the papers do not reveal the potentially contradicting policy issues that the EU will probably face in its Arctic policy. The most apparent contradiction comes to light when considering two of the policy-areas, which are to be found high on the EU agenda: the areas of energy security, mainly understood in terms of security of supply, and climate change. Firstly, it is important to note that these issue areas are highly interlinked, i.e. an actor like the EU cannot handle them separately. Secondly, they also seem to imply contradicting policy responses. As energy security in EU terms is mainly to be understood in terms of security of supply, comprising problems of energy scarcity and dependence, there is a demand for increasing and/or alternative means of supply. The Arctic offers new possibilities, but mainly for conventional energy resources, i.e. fossil fuels like oil and gas, which are the main sources of CO\(_2\) emissions. This potentially contradicts the goals of the EU’s climate change policy with its focus on renewable energy and its self-defined

\(^{22}\) As an ad hoc observer a country has to apply to be admitted to each Arctic Council meeting. In terms of influence there is no difference between ad hoc and permanent observer status (Jakobson 2010, 10).
leadership role to fight the causes of climate change and therewith global warming.\(^{23}\)\(^{24}\) Additionally, the exploitation of Arctic resources is very energy intensive running counter to the EU’s set goals for more energy efficiency and potentially damages the local environment and aggravates the climate problem (as another example cf. Neumann (2010) for discrepancies between the EU’s climate change interests and factual actions towards the Arctic). The task is then to go beyond general official EU documents in order to find solutions to how to cope with this rather contradictory policy-setting and how the EU can create ‘harmony’ between those policy-areas. This is also highly important for the credibility of the EU’s Arctic policy within and beyond its borders as contradicting policy responses within a regional policy approach will not convince anyone of a responsible and coherent EU Arctic policy.

Also, when looking at the time that has passed since the publication of the Commission’s Communication and the Council’s Conclusion, it has become very quiet again around the EU’s strategy towards the Arctic. Former Commissioner for Maritime Affairs and Fisheries Joe Borg, in whose term of office the publication of the EU Arctic documents fell, and his DG have published some memos and speeches on the EU and the Arctic (Borg 2008; Borg 2009b; Directorate General for Maritime Affairs and Fisheries 2008), but since the new Commission took office in 2010 no new initiative has been taken to proceed on EU Arctic issues. New Commissioner for Maritime Affairs and Fisheries Maria Damanaki in her speech on “Priorities for Maritime Affairs and Fisheries” from 17 May 2010 does not even mention the Arctic. Rather, the focus is on fishing issues in general, the reform of the Common Fisheries Policy (CFP) and Individually Tradable Rights (ITRs) (Damanaki, 2010a). The agenda has also been dominated by fishing issues in form of the debate around a ban on the international trade in bluefin tuna (Willis, 2010) as well as by the recent oil spill in the Gulf of Mexico (Damanaki, 2010b). While all these issues undoubtedly also affect Arctic issues,\(^{25}\) the region is not addressed specifically as an issue in its own right. The only document to be found on the DG’s website that has been published since the Commission’s communication that refers explicitly to the Arctic is on “Legal aspects of Arctic shipping” (DG Maritime Affairs and

\(^{23}\) The Swedish government in its evaluation of the Commission’s Communication points to this contradiction (Utrikesutskottet 2009, 7).

\(^{24}\) The strong financial EU-support of Carbon Capture and Storage (CCS) makes sense in this connection but this contradicts the strong EU-focus on investments in renewable energies in particular and the aim of getting away from CO\(_2\)-producing means of energy production in general.

\(^{25}\) For example, Energy Commissioner Günther Ottinger is currently pushing member states to implement a temporary ban on new plants for deep-water oil drilling (Phillips, 2010d). Also, the Commission has plans to toughen rules covering accident prevention and liability for offshore oil drilling (EurActiv, 2010). Norway has already put such a moratorium in place for new deep-water drilling until the circumstances around the accident in the Gulf of Mexico have been clarified (Olje- of Energidepartmentet 2010; BarentsObserver 2010). Also the US has extended a moratorium on permits to drill new deepwater wells for six more months (Baker, 2010).
Fisheries, 2010). It therefore still remains to be seen how the EU intends to implement its set goals as formulated in the 2008 Communication.

So how can the EU get involved in Arctic issues against the background of strong national stakes from various, also powerful actors, increasing military spending of most countries, willingness of the US, Canada and Russia to also act unilaterally on Arctic issues and even rhetorical sabre-rattling from countries like Canada and Russia? Generally, it does not look like the Arctic will soon erupt into a hot conflict about resources and territory. This is mainly due to the fact that it will most likely take decades before exploitation of gas and oil in the area will be possible to a degree that it will compete with the traditional oil supplies in the Middle East. In this sense, the Arctic is rather a “region-to-be” characterised by a convergence of security interests in the North (Ingimundarson 2009, 78). Against this background, there are so far three functionally different but nevertheless sometimes overlapping aspects of an EU’s role in the Arctic (Bailes, 2010). The first addresses the adaptation and intensification of existing EU policies to take the relevance of the Arctic into account. This includes the institutional positioning of Arctic issues, especially in the respective DG in the Commission and the Integrated Maritime Policy as well as the potential setting up of new inner-EU institutional structures (like projects, programmes, an “Arctic High Representative” etc.). A common ‘Arctic working group’ among several DGs that all deal with Arctic issues, Maritime Affairs and Fisheries, Climate Change, Environment, Energy, could pool their resources in order to create an encompassing EU Arctic Policy. Such a strategy makes sense against the background that it is not appropriate to understand the EU’s approach to the Arctic as a single and separate ‘EU Arctic Policy’. Rather, it is about the inclusion of Arctic issues into the respective, already existent policy areas. It only makes sense to integrate the Arctic in existing EU policies as those issues are not separable. A crucial point is then the linkage of those separate policy areas where Arctic issues are being touched. As pointed out above, the case of potentially contradicting policy goals is a case in point.

A second point is the evolution of more partnership agreements and efforts as well as exchange of ideas between the EU and other Arctic actors, comprising mainly organisations and state actors, but possibly also non-state actors. Relevant questions to ask involve how the EU fits into the architecture among the relevant institutions (Arctic Council, NATO etc.), the
relevant non-EU countries (Norway, US, Canada, Russia)\textsuperscript{26} and which role the EU plays handling indigenous peoples’ interests. Thirdly, possibilities of direct EU action and involvement within the Arctic region are to be explored, which could take the form of contributions to and/or participation in new tailor-made regulations and governance structures, for example through closer involvement in the Arctic Council, monitoring especially by satellite and scientific analysis, civil emergency reaction and disaster relief, shipping and oil/gas extraction, transit and purchase, etc.\textsuperscript{27}

The EU has remained relatively vague so far how it sees its role in these three scenarios. At least, it has repeatedly emphasised its preference for a multilateral approach.

Which problems does the EU face when developing its Arctic policy? Externally, the EU finds itself in a complex geopolitical actor environment when dealing with issues in relation to the Arctic. Geopolitics is thereby to be understood as, firstly, the interplay of natural resources, strategic dominance and geographic space on the one hand, and interdependent various actors pursuing individual as well as collective interests on the other. Secondly, it reflects the renaissance of great power rivalry and the rise of multipolarity in the early 21\textsuperscript{st} century (cf. for the latter e.g. Nederveen Pieterse 2008). More concretely, the EU faces the difficult task of coordinating its relations with other, non-EU countries on the Arctic as well as with all the other institutions that are involved, not least NATO, that sees itself as at least equally entitled to sit at the Arctic table (Bailes, 2009).

Concerning institutional Arctic issues, the Commission in its Communication seems to have acknowledged the ‘stickiness’ of the current framework and thus acknowledges the unfeasibility of major changes in the Arctic institutional framework, for example in form of an overarching Arctic Treaty. This is an interesting move as an Arctic Treaty could very much be in the interest of the Union as outlined above. Also, the current development of a rather exclusive ‘Arctic Club’ in form of the five littoral states after their meetings in Ilulissat in 2008 and Chelsea in 2010 cannot really be in the interest of the Union as it excludes its Arctic member states Sweden and Finland and also the Union as an own player. Here, the EU seems to only react to stiff political realities instead of acting bravely on its own initiative. More generally, this EU approach could also be interpreted as a sign of awareness that the region is already pretty much occupied by other institutional set-ups and actors’ policies. It is

\textsuperscript{26} The question of EU involvement in institutions dealing with the Arctic and EU relations to other states with stakes in the Arctic is of course not clear-cut, rather overlapping.

\textsuperscript{27} Note that the latter kinds of involvement will be primarily by the EU private sector but with the possibility of EU institutional roles in support, monitoring, regulation etc.
noticeable that the EU is taking sides with other actors, for example with the five littoral states on institutional questions in the form of preferring to stick to the current framework of UNCLOS and the Arctic Council without major changes, and with the US in the Northwest Passage issue. This makes sense as powerful Arctic actors like the US, Russia and Canada have a strong word to say about the inclusion of new actors like the EU in the existing Arctic structure. The crucial point will be if the EU is generally perceived as a positive player and thus useful partner or if the Union is rather seen as a club of economic self-assertion and sometimes overdone self-righteousness. To date the EU rather seems to fit in the US’s Arctic strategy and of course also Norway’s and Denmark’s while the more sovereignty-oriented Russia and Canada seem to be less enthusiastic about a strong EU Arctic actor (Bailes, 2010). Also, the EU overall follows other Arctic actors’ approaches when it (positively) refers to other institutions surrounding the Arctic, like the Arctic Council, UNCLOS, IMO, the Nordic Council, BEAC and others (cf. Bailes 2010 table 1 on "Institutional References in selected Arctic Strategies, Policies and Declarations, 2007-2009" comparing EU, NATO, Norway, USA and the Ilulissat Declaration), which is not surprising given the extensive cross-membership between the countries and institutions compared. Thus, the members of organisations like the EU will be very hesitant to use the organisation in ways that would upset the East-West or West-West balances in the current Arctic system as their own interests would be the first to suffer from such a move (Bailes, 2010). In conclusion, this sends the message that all actors, instead of, for example, trying to engage in ‘forum hopping’29, have internalised the ideal of mutually reinforcing institutions, a precept agreed upon by all Euro-Atlantic nations in the OSCE framework meaning amongst other things that forums should not attack or undermine each other (Bailes, 2010).

EU-internally, the challenges concerning an EU-role in Arctic governance comprise firstly how much the institution and its members will actually care about the Arctic region over a longer period of time in competition to the many other problems and burdens that the Union faces, especially in times of the ongoing debt and euro crisis. This depends then on how many and also which members of the EU will work internally to keep the Arctic high on the EU’s agenda and then channel resources accordingly (Bailes, 2010). As the analysis above shows, Finland seems to be the most active EU member when it comes to the EU’s policy towards the Arctic as it includes the EU’s Arctic policy development also into its own

28 Note: The EU contains three of the members of the Arctic Council and NATO four of the five signatories of the Ilulissat Declaration.
29 Forum hopping occurs if a state insists on raising an issue in one particular organisation when it fears it may lose out on that issue in another forum (cf. Bailes 2010).
national strategy paper. Sweden has also spoken out in favour of an active EU role in Arctic affairs. Denmark shows a proactive approach towards the Arctic, however so far mainly outside the EU framework, partly even to the exclusion of the EU and other member states (cf. conferences in Ilulissat and Chelsea). Thus, Denmark seems to see its Arctic policy better positioned within the club of the Arctic littoral states than within the EU or even the Arctic Council. The strong players of Russia, the US and Canada might be the pulling factor for Denmark’s approach, also in the sense that the relatively small EU-country can feel on equal footing with such big actors, whereas in the EU it is only one among 27 (instead of 5 in the A5) and there even a pretty small one. Denmark might also feel a special role naturally assigned to it as it is the country with the most institutional overlap: it is an Arctic littoral state, member of the Arctic Council and member of the European Union and NATO.\(^{30}\)

Consequently, the country is not limited to one institutional setting but can rather choose which one offers it the best position. This different depth of Arctic interest and the diverging approaches to the region of the three EU and Arctic states also shows the limits of potential enhanced cooperation projects like proposed in the above-mentioned Stoltenberg report. This is due to the fact that the Nordic countries’ interest into the Arctic in general and the European High North in particular are not always compatible (cf. BarentsObserver 2009b). A second challenge is the increasing complexity of EU policy-making, firstly due to the increased amount and complexity of policy areas the EU is involved in and secondly due to the increasing amount of actors involved, and the prevailing norm of EU policy-making being still the notion of the “common voice”.\(^{31}\) The background to this is the contradicting demands towards the EU regarding its external and internal role: Externally, the EU is more and more forced to take joint positions if it does not want to be perceived as a weak player in the international area. Internally, the EU is firstly confronted with a bureaucratic challenge of “dozens of different policy instruments scattered through all the Brussels organs” (Bailes, 2009) to deal with Arctic issues ranging from climate change over energy to tourism; and secondly the club has to face a political challenge by consisting of by now 27 member states with common, but naturally also quite different policy-interests and it therefore appears to be impossible to always speak with a common voice internationally (cf. Keil 2009). All members have to agree on the kind of cooperation they wish with other Arctic countries and institutions, which overall priority to give to Europe’s Far North, which goals to pursue and

\(^{30}\) Sweden and Finland are no littoral states and are not members of NATO. Norway is not in the EU. Iceland is not a littoral state and is not in the EU. Russia, the US and Canada are no European countries. The EU is not included in the Arctic Council. Compare the appendix for a visual overview.

\(^{31}\) On harmonious vs. differentiated means of policy-making compare Keil (2009).
how much to invest in order to reach those goals. It could turn out problematic that Arctic issues reach beyond the EU’s borders and that internal policy areas that are linked to the Arctic, for example energy security and climate change, are quite differently handled by the EU and its member states on a harmonious-differentiated continuum. However, the EU also possesses many assets, tools and influence that are crucial for a success of an EU Arctic Policy. In regards to maritime assets, 90% of Europe’s foreign trade and 40% of internal EU trade is sea-borne and by volume Europe produces 25% of all exports shipped globally. And although shipbuilding in Europe is in decline, European countries still register around a quarter of the world’s merchant shipping and if European-owned ships registered under a foreign flag would be added the figure would be close to 40% (Bailes, 2010). In sum,

the EU is a strategic entity of a new kind and its stake in the High North does not stand or fall just on calculations of geo-strategic presence. Rather, it speaks for and has the power to mobilize the economic forces of most of the European continent, as well as channeling much (if still not all) of the European political input to global policy- and rule-making on issues like climate change. (Bailes, 2010)

Problems and challenges on the one hand and tools and influence on the other render the Arctic a “stern test of European maturity” (Bailes, 2009).
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