### at the arctic council:



#### **POLICY BRIEF**

#### How Can the EU Engage in the High Politics of the High North?



\*This Policy Brief was written by Julia Tittelbach | 25 March 2021



Rue de la Science 14, 1040 Brussels



office@vocaleurope.eu



+ 32 02 588 00 14

#### **VOCAL EUROPE**

RUE DE LA SCIENCE 14B, 1040 BRUSSELS TEL: +32 02 588 00 14 VOCALEUROPE.EU





- YOUTUBE.COM/VOCALEUROPE
- (C) INSTAGRAM.COM/VOCALEUROPE

#### **Disclaimer and Copyright**

This document is prepared for, and addressed to Vocal Europe and its audience. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of Vocal Europe. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged.



#### Background

Over the past decades, the Arctic has been a region of peace, stability and cooperation - an area of "high north, low tension". Cross-border cooperation on non-military issues takes place in numerous frameworks<sup>1</sup> and is further supported by non-state actors, such as indigenous peoples<sup>3</sup>, NGOs and sub-national governments.<sup>4</sup> Indeed, the 25<sup>th</sup> anniversary of the Arctic Council<sup>5</sup> this year, reminds us of its successful mission in promoting "good neighbourliness". This intergovernmental forum with legal status is concerned with sustainable development and environmental protection in the Arctic, while explicitly leaving security affairs *off* its agenda (Ottawa declaration), and has remained the main international forum within the Arctic governance system.<sup>6</sup>

Yet, environmental, economic and security concerns are closely intertwined which turns the circumpolar region into a multidimensional foreign policy challenge- not only for the EU. The consequences of global climate change are particularly visible in the Arctic, which is warming twice as fast as the rest of the world. According to scientific prediction, the Arctic will thus be ice-free by 2040 which will open up new trade ways- the Northern Sea Route (NSR) and the North-west passage-connecting Asia to Europe. An ice-free NSR is less expensive and shortens the transport time by 35-40% compared to the Suez Canal route. 8

Furthermore, the Arctic is expected to hold about 13% of the world's undiscovered oil and 30% of undiscovered natural gas<sup>9</sup>. Due to the increase in accessibility to shipping and extractive industries (incl. fossil fuels, mining and fishing), the Arctic has become increasingly attractive. <sup>1011</sup> Adding up to remaining territorial conflicts <sup>1213</sup>, the rising economic interest contributes to an increase in military activity. More traffic in Arctic waters leads to an increase in incidents at sea and environmental accidents, which might, in return, trigger the debate on freedom of navigation, and stipulate risk management to avoid conflict escalation. While Russia is heavily investing into its navy and carrying out combat exercises in the Arctic, NATO and its partners respond with joint military manoeuvres. <sup>14</sup> Therefore, considering the political dynamics and the relationship between global actors such as the

<sup>&</sup>lt;sup>14</sup>Boulègue, M. (2019) <u>Russia's Military Posture in the Arctic: Managing Hard Power in a "Low Tension" Environment.</u>
Chatham House. Accessed 8 Mar. 2021.



<sup>&</sup>lt;sup>1</sup> Nordic Council, Barents Euro-Arctic Council, Barents Regional Council or the Arctic Economic Council

<sup>&</sup>lt;sup>2</sup> Zandee (2020) <u>The Future of Arctic Governance</u>. Annex 4 Schematic Overview of Arctic Bodies. Clingendael Institute. Accessed 01 Mar 2021.

<sup>&</sup>lt;sup>3</sup> There are roughly 4 million people who live there, but there are also over forty different ethnic groups with their own languages, traditions, and values.

<sup>&</sup>lt;sup>4</sup> Käpylä, J., Mikkola, H. (2015) <u>On Arctic Exceptionalism: Critical reflections in the light of the Arctic Sunrise case and the crisis in Ukraine.</u> FIIA. Accessed 02 Mar 2021.

<sup>&</sup>lt;sup>5</sup> Canada, Denmark, Finland, Iceland, Norway, Russia, Sweden, the U.S.

<sup>&</sup>lt;sup>6</sup> The Arctic Council. <u>About the Arctic Council</u>. Accessed 23 Feb 2021.

<sup>&</sup>lt;sup>7</sup> Deutsche Welle. Why is the Arctic melting faster than the Antarctic?. Accessed 01 Mar 2021.

<sup>&</sup>lt;sup>8</sup> Hosa, J (26 Oct 2018) Strategy on ice: Has Russia Already Won the Scramble for the Arctic?. Ecfr.eu. Accessed 23 Feb 2021

<sup>&</sup>lt;sup>9</sup> Approximately the equivalent of Russia's proven gas reserves and three times the proven reserves of US oil.

<sup>&</sup>lt;sup>10</sup> Urban, O. (07 Dec 2015) Future of the Arctic Oil Reserves. Stanford University. Accessed 08 Mar 2021.

<sup>&</sup>lt;sup>11</sup> More, T. E., Pitman, J.K. (2008) <u>Geology and Assessment of Undiscovered Oil and Gas Resources of the Eurasia Basin Province</u>. USGS. Accessed 8 Mar 202. DOI <u>10.3133/pp1824DD</u>.

<sup>&</sup>lt;sup>12</sup> Conflict remains over the Lomonosov underwater ridge, currently claimed by Canada, Denmark and Russia.

<sup>&</sup>lt;sup>13</sup> The Economist (03 Feb 2021) How are maritime boundaries determined?. Accessed 08 Mar 2021

US, Russia and China, combined with their respective growing interest in the region, the times of "Arctic Exceptionalism", in the sense of peaceful cooperation and dialogue, might be over. 15

As the "Arctic concerns us all"<sup>16</sup>, where does this leave the EU? A new integrated Arctic strategy is to be issued by the end of this year. Only recently, the bloc concluded a citizens' consultation addressing the new European approach. Indeed, if the Union really wants to be *weltpolitikfähig*, it is "important that the EU remains credible and relevant in a changed Arctic."<sup>17</sup>.

In this respect, this policy brief elaborates on the EU's possible contribution to preserve the circumpolar region as an international zone of peace. Shedding light on the actions and aspirations-regional and global- of the region's key players, this brief emphasizes, that the Arctic is used as an arena for power politics and for conflicts taking place elsewhere. Therefore, the Union needs to go beyond the adoption of a new Arctic strategy and live up to its rhetoric by contributing to the Arctic governance system- either indirectly through its own diplomatic clout, Member States and Arctic partners, or directly by taking a proactive role within the governance system. As this brief concludes, the EU should in fact contribute to finding the venue of dialogue on hard security issues in the Arctic.

#### **Current State of Play**

Bearing in mind the Ilulissat Declaration, the traditional and coastal Arctic states (the A5: Canada, Denmark, Norway, Russia, and the US) consider the Arctic under their stewardship<sup>18</sup>. Consequently, they might wonder whether "outsiders" will promote stability or disruption, and what effect they might have on the existing arrangements.<sup>19</sup> Indeed, we are witnessing an enhanced awareness of Arctic and non-Artic actors about the strategic role of the circumpolar region.<sup>20</sup> This development suggests the gradual transformation of the High North into a region of high politics, and thus the emergence of a military security dilemma.<sup>21</sup>

Obtaining a permanent observer status to the Arctic Council in 2013, **China** enters the scene as an external, traditional non-Arctic player pursuing not only its economic interest, but also boosting its strategic presence in the Arctic region. Only recently, Beijing announced the completion of its new icebreaker Xuelong 2.<sup>22</sup> For China, the region's attractivity is twofold. It is grounded in its connectivity potential, visible in its investments in infrastructure projects, from seaports over land and air infrastructure development projects; as well as in the exploration and exploitation potential of ressources.<sup>23</sup> Therefore, in 2014, president Xi Jinping declared that China wanted to become a "polar great power".<sup>24</sup> Four years later, in its Arctic Strategy 2018, Beijing defined itself as a "near-" Arctic



<sup>&</sup>lt;sup>15</sup> Käpylä, J., Mikkola, H. (2015) On Arctic Exceptionalism: Critical reflections in the light of the Arctic Sunrise case and the crisis in Ukraine. FIIA. Accessed 02 Mar 2021.; Hoogensen Gjør G and Hodgson K K (2019) "Arctic Exceptionalism" or "Comprehensive Security"? Understanding Security in the Arctic. *The Arctic Yearbook*: 218-230.

<sup>&</sup>lt;sup>16</sup> Tomas Mörtsell, Vice-President of the CPMR Baltic Sea Commission and Second Vice-President of the Regional Development Board of Region Västerbotten. CPMR BSC Arctic meeting (16 Mar 2021) *The Future of the EU Arctic Policy from a Regional Perspective*.

<sup>&</sup>lt;sup>17</sup> Michael Mann, EU Special Envoy for Arctic Matters, EEAS. CPMR BSC Arctic meeting (16 Mar 2021) *The Future of the EU Arctic Policy from a Regional Perspective*.

<sup>&</sup>lt;sup>18</sup> The Ilulissat Declaration, Arctic Ocean Conference, Ilulissat, Greenland, 27–29 May 2008.

<sup>&</sup>lt;sup>19</sup> The Economist. <u>Outsiders in the Arctic. The Roar of Ice Cracking.</u> Accessed 25 Feb 2021.

<sup>&</sup>lt;sup>20</sup> More Arctic strategies emphasize a specific security and defence dimension, for instance Canada, Denmark, Finland or the US.

<sup>&</sup>lt;sup>21</sup> Lanteigne, M. (28 Jun 2019). The Changing Shape of Arctic security. NATO Review. Accessed 24 Feb 2021.

<sup>&</sup>lt;sup>22</sup> Lino, M. R. (2020) Understanding China's Arctic Activities. IISS. Accessed 01 Mar 2021.

<sup>&</sup>lt;sup>23</sup> Pélaudeix, C. (21 Dec 2018) Along the Road, China in the Arctic. EUISS, Accessed 01 Mar 2020.

<sup>&</sup>lt;sup>24</sup> The Economist (14 Apr 2018) China wants to be a polar power. Accessed 10 Mar 2021.

actor and outlined its "Polar Silk Road" economic plan: As part of the Belt and Road Initiative (BRI) is the Arctic Ocean the third most important passage for China to ensure security of supply. <sup>25</sup> Indeed, the Polar Silk Road stands exemplary for Beijing's approach to expanding its global influence by foreign direct investment (FDI), "science diplomacy" and norm shaping. <sup>26</sup>

Hence, China is expanding its research capacities and increasing its financial-economic investment in projects related to oil, gas and minerals in Arctic states. Beijing has been most active in Iceland and Greenland, aspiring to turn the latter into a potential foothold.<sup>27</sup> Combined with its broader policy of "energy nationalism"<sup>28</sup>, these activities testify not only for China's self-projection as maritime power, but also show Beijing's desire to expand outside its power-saturated neighborhood, thus to become a global superpower.<sup>29</sup>

Arctic landmass makes up for 25% of **Russia**'s territory and 30% of Russia's GDP depends on this region which is, thus, of crucial importance for Russia's future.<sup>30</sup> Hence, it is not the consequences of climate change which drive Russia's military activity in the Arctic—"it is the importance of the Arctic for Moscow's general strategic ambitions".<sup>31</sup> Yet, Russia perceives global warming as a facilitator for the exploitation of the full economic potential of the circumpolar region. <sup>32</sup>

Following its naval doctrine, Russia aspires to reinforce its position as a maritime power, especially in the Arctic. <sup>33</sup> In 2020, Russia deployed its new nuclear icebreaker "Arktika", announced the most powerful world wide, for the first time in Arctic waters. Indeed, Moscow stepped up its construction of icebreakers to increase freight traffic in Arctic waters. <sup>34</sup> Moreover, Russia has been entering other states' Arctic spaces and introduced rules for or foreign naval vessels using the NSR- both causing resentment, particularly in the US. <sup>35</sup> Reviving cold war military bases, stepping up the Northern Fleet<sup>36</sup> and heavily modernizing its armed forces provide evidence for the Arctic's strategic significance for Russia, but might also be grounded in the necessity of stability for the region's economic development.<sup>37</sup> Moreover, starting to use its new airbase on Franz Josef Land (an

<sup>&</sup>lt;sup>37</sup> Boulègue, M. (2019) <u>Russia's Military Posture in the Arctic: Managing Hard Power in a "Low Tension" Environment</u>. Chatham House. Accessed 8 Mar. 2021.



<sup>&</sup>lt;sup>25</sup> The State Council Information Office of the People's Republic of China (26 jan 2018) China's Arctic Policy. English.gov.cn. Accessed 10 Mar 2021

<sup>&</sup>lt;sup>26</sup> Pélaudeix, C. (21 Dec 2018) <u>Along the Road. China in the Arctic.</u> EUISS. Accessed 01 Mar 2020.

<sup>&</sup>lt;sup>27</sup> DG EXPO / Policy Department (2020) A Balanced Arctic Policy for the EU. Accessed 08 Mar 2021.

<sup>&</sup>lt;sup>28</sup> Accordingly, China strives for obtaining and protecting energy supplies, which results in "the modernization of the navy to ensure the security of maritime supply routes and defend resource-rich regions". In: Cepinskyte, A., Paul, M. <a href="Arctic Security Environment in Flux: Mitigating Geopolitical Competition through a Military-Security Dialogue">Arctic Security Environment in Flux: Mitigating Geopolitical Competition through a Military-Security Dialogue</a>. The Arctic Institute, 21 Feb 2021, Accessed 02 Mar 2021

<sup>&</sup>lt;sup>29</sup> Paul, M. (2019) <u>Allianz auf hoher See? Chinas und Russlands gemeinsame Marinemanöver.</u> SWP Berlin. Accessed 08 Mar 2021.; Sun, Y. (07 Apr 2020) <u>Defining the Chinese Threat in the Arctic.</u> The Arctic Institute. Accessed 01 Mar 2021.; Zandee (2020) <u>The Future of Arctic Governance. Conclusions and Recommendations.</u> Clingendael Institute. Accessed 01 Mar 2021.

<sup>&</sup>lt;sup>30</sup> The Economist (24 Sep 2018) What is the Northern Sea Route? Russia Hopes it Leads to Arctic Riches. Accessed 25 Feb 2021.

<sup>&</sup>lt;sup>31</sup> Østhagen, A. (7 Jan 2020). <u>The Nuances of Geopolitics in the Arctic.</u> Springer. Accessed 01 Mar 2021.

<sup>&</sup>lt;sup>32</sup> The Economist. Why Russia is ambivalent about global warming. Accessed 01 Mar 2021.

<sup>&</sup>lt;sup>33</sup> Kluge, J., Paul, M. (Nov 2020) <u>Russia's Arctic Strategy through 2035</u>. SWP. Accessed 09 Mar 2021. DOI 10.18449/2020C57

<sup>&</sup>lt;sup>34</sup> Reuters (22 Sept 2020). <u>Russia Says World's Largest Nuclear Icebreaker Embarks on Arctic Voyage.</u> Accessed 15 Mar 2021.

<sup>&</sup>lt;sup>35</sup> Lanteigne, M. (28 Jun 2019). The Changing Shape of Arctic security. NATO Review. Accessed 24 Feb 2021.

<sup>&</sup>lt;sup>36</sup> The Northern fleet is stationed in Severomorsk in the Murmansk region and Severodvinsk in the Archangel region and accounts for two-thirds of the Russian navy.

archipelago in the Arctic Ocean), Russia increasingly poses a challenge to transatlantic security, too.<sup>38</sup> In the context of highly difficult relations to the West, Russia pursues economic *rapprochement*<sup>39</sup> and military cooperation with China.<sup>40</sup>

The US perceives Russia's actions as an aggressive assertion of its preeminence in the circumpolar region. Accordingly, the US Navy has conducted its first exercise in the Barents Sea since the 1990s<sup>41</sup>, and continues, together with NATO allies, to carry out large-scale military exercises like *Arctic Edge*, *Cold Response* or *Trident Juncture*. <sup>42</sup> In the last four years, the Trump administration had significantly sharpened and aligned its rhetoric on Russia and China.

Setting a military focus, the US' "Arctic Strategic Outlook" of 2019, perceives both, China and Russia, as competitors and acknowledges China as a threat.<sup>43</sup> Moreover, Washington has been inclined to link Beijing's intentions in the Arctic to its demeanors in the South China Sea.<sup>44</sup> Hence, the US increasingly perceives China's actions as transcending its legitimate sphere of influence.<sup>45</sup> Therefore, the US seems to apprehend the Arctic as yet another stage for power politics with Russia, as well as for the systematic competition with China.

The **Western Nordics** (Canada, Iceland, Norway, Denmark, Finland, Sweden) pursue a similar set of priorities on Arctic stability and sustainable development, achieved through international and regional. A special focus is set on indegeoous peoples and environment protection. While the EU's engagement in Arctic governance is welcomed, it seems to be accepted within the remit of "more of the same" only.<sup>46</sup>

The Canadian Arctic covers 40% of **Canada**'s territory and represents 25% of the global Arctic<sup>47</sup>. Hence, promoting a rules-based international order and defining Canada's Arctic boundaries play a central role in Canada's Arctic strategy. In 2019, Ottawa submitted a report to the UN for obtaining international recognition for the outer limits of the continental shelf.<sup>48</sup> Its new Arctic Policy Framework 2019, including an explicit international dimension, was co-developed with its Northerners, Territorial and Provincial governments, and indegenous peoples. In 2016, Canada and the US issued a joint declaration on responsible and science-based leadership to ensure a sustainable Arctic economy and ecosystem<sup>49</sup>.



<sup>&</sup>lt;sup>38</sup> Luxner, L. (23.Mar 2021) <u>How Russia, China, and climate change are shaking up the Arctic.</u> The Atlantic Council. New Atlanticist. Accessed 24 Mar 2021.

<sup>&</sup>lt;sup>39</sup> Pipelines *Power of Siberia-1*, and planned *Power of Siberia-2* 

<sup>&</sup>lt;sup>40</sup> Paul, M. (2019) <u>Allianz auf hoher See?Chinas und Russlands gemeinsame Marinemanöver.</u> SWP Berlin. Accessed 08 Mar 2021.

<sup>&</sup>lt;sup>41</sup> Garamone, J. (07 May 2020) <u>U.S.-British Arctic Exercise Shows U.S. Concern for Region</u>. US Dept of Defense. Accessed 10 Mar 2021

<sup>&</sup>lt;sup>42</sup> North American Aerospace Defense Command<u>Arctic Edge 2020</u>. Accessed 10 Mar 2021 ; Forsvaret.no (11 Oct 2020). <u>Cold Response.</u> Accessed 10 Mar 2021.

<sup>&</sup>lt;sup>43</sup> Li, J. A. (2020) <u>Shifting Focus of U.S. Arctic Policy: China and Security, Front and Center</u>. The Arctic Institute. Accessed 02 Mar 2021.

<sup>&</sup>lt;sup>44</sup> Sun, Y. (07 Apr 2020) <u>Defining the Chinese Threat in the Arctic</u>. The Arctic Institute. Accessed 01 Mar 2021.

<sup>&</sup>lt;sup>45</sup> Li, J. A. (2020) <u>Shifting Focus of U.S. Arctic Policy: China and Security, Front and Center</u>. The Arctic Institute. Accessed 02 Mar 2021.

<sup>&</sup>lt;sup>46</sup> Elin Mortensen, Head of Mission of the Faroe Islands in Brussels. CPMR BSC Arctic meeting (16 Mar 2021) *The Future of the EU Arctic Policy from a Regional Perspective.* 

<sup>&</sup>lt;sup>47</sup> The Arctic Institute. <u>Facts and Figures: Canada.</u> Accessed 15 Mar 2021.

<sup>&</sup>lt;sup>48</sup> In 2019, Canada submitted a report to the UN for obtaining international recognition for the outer limits of the continental shelf

<sup>&</sup>lt;sup>49</sup> Pm.gc.ca (20 Dec 2016) United States-Canada Joint Arctic Leaders' Statement. Accessed 12 Mar 2021.

Almost half of **Norway**'s land mass is Arctic territory. Its Arctic Strategy of 2017 outlined the state's Arctic priorities on international collaboration, as well as business and knowledge development. As a non- EU but NATO member state, Norway provides its expertise in leading the joint military exercise *Cold Response*. Furthermore, the country has a long history of drilling in the Arctic and pursues its economic interests in the region.<sup>50</sup>

**Iceland** is not a littoral state to the Atlantic Ocean, hence its 2011 Arctic Strategy aims to redefine its location as an island state in the Arctic and North Atlantic. Apart from the Arctic Governance aspect, Iceland puts equal emphasis on the human, economic and security dimensions. <sup>51</sup>

**Denmark** also sets a special emphasis on security, safety sovereignty in its Arctic Strategy 2011-2020. Concerning Greenland, which had been accorded self governing status in 2009, enjoys special attention as it holds 9.16% of global REE reserves. While Denmark seeks to support Greenland's economic development, it increasingly attracts Chinese interest, too.<sup>52</sup>

The North is at the heart of **Finland**'s national identity. Asserting its sovereignty is a key aspect of Finnish strategy and foreign policy. In its Arctic priorities (2013) play, next to governance, also the economic and human dimension a central role.<sup>53</sup> The new action plan update of 2016 puts emphasis on research and Finnish expertise.<sup>54</sup>

**Sweden** updated its Arctic Strategy in 2020 with priorities on international collaboration as well as security and stability. Particular attention is also paid to the human dimension, i.e. the protection of indegenous peoples.<sup>55</sup>As "neutral" and non-NATO members, Sweden, as well as Finland, increasingly participate in NATO and US-led joint military exercises in the Arctic.

From the Arctic states' perspective, the **EU** actually constitutes a non-Arctic actor and external power to the region. As a supranational institution, however, it has competences in parts of the Arctic and shares the European Economic Area with the two Arctic states Iceland and Norway. Furthermore, some of its Member States have territories in the circumpolar region.<sup>56</sup> The "European Arctic" is the most active and challenging part of the Arctic.<sup>57</sup>

Hence, in 2008, the European Commission laid, with its Communication "The European Union and the Arctic Region", the cornerstone for a EU Arctic policy. Ever since, the EU's primary interests lie in the protection of the environment and cultural minorities, as well as in the promotion of sustainable the use of resources, and the perseverance of overall stability through Arctic governance.<sup>58</sup> The EU's Global Strategy 2016 re-defines the Arctic as a region of interest, in particular in relations with Russia. <sup>59</sup> Hence, engaging in Arctic governance provides the EU with an opportunity to reach out to

<sup>&</sup>lt;sup>59</sup> Heininen, L., Everett, K., Padrtova, B., & Reissel, A. (Feb 2020) <u>Arctic Policies and Strategies — Analysis, Synthesis, and Trends. International Institute for Applied Systems Analysis</u>. Accessed 12 Mar 2021.



<sup>&</sup>lt;sup>50</sup> Heininen, L., Everett, K., Padrtova, B., & Reissel, A. (Feb 2020) <u>Arctic Policies and Strategies — Analysis, Synthesis,</u> and Trends. International Institute for Applied Systems Analysis. Accessed 12 Mar 2021.

Heininen, L., Everett, K., Padrtova, B., & Reissel, A. (Feb 2020) <u>Arctic Policies and Strategies — Analysis</u>, Synthesis, and Trends. International Institute for Applied Systems Analysis. Accessed 12 Mar 2021.

<sup>&</sup>lt;sup>52</sup> Pélaudeix, C. (21 Dec 2018) Along the Road. China in the Arctic. EUISS. Accessed 15 Mar 2020.

<sup>&</sup>lt;sup>53</sup> Heininen, L., Everett, K., Padrtova, B., & Reissel, A. (Feb 2020) <u>Arctic Policies and Strategies</u> — <u>Analysis, Synthesis, and Trends. International Institute for Applied Systems Analysis</u>. Accessed 12 Mar 2021.

<sup>&</sup>lt;sup>54</sup> Prime Minister's Office (2016) GOVERNMENT POLICY REGARDING THE PRIORITIES IN THE UPDATED ARCTIC STRATEGY. Accessed 12 Mar 2021

<sup>&</sup>lt;sup>55</sup> Government Offices of Sweden (2020). Sweden's Strategy for the Arctic Region. Accessed 14 Mar 2021.

<sup>&</sup>lt;sup>56</sup> DG EXPO / Policy Department (2020) A Balanced Arctic Policy for the EU. Accessed 08 Mar 2021.

<sup>&</sup>lt;sup>57</sup> Østhagen, A. (7 Jan 2020). <u>The Nuances of Geopolitics in the Arctic.</u> Springer. Accessed 01 Mar 2021.

<sup>&</sup>lt;sup>58</sup> EEAS. EU Arctic Policy. Accessed 2021.

Russia and find a venue for dialogue.<sup>60</sup> Regarding the growing Chinese engagement in the region, Beijing is not only "buying opportunities"<sup>61</sup>, the Polar Silk Road itself constitutes a challenge to environmental and social standards advocated by the EU.<sup>62</sup>

In the wake of the new EU Arctic strategy, Brussels communicates its willingness to increase its presence in the circumpolar region. Acknowledging that great power competition is linked to global political rivalries and not special to the Arctic region, Arctic Exceptionalism continues to apply. Hence, the EU seeks to play a major role in promoting dialogue in order to "maintain the Arctic as an area of low tension".<sup>63</sup>

Therefore, taking into consideration the distinct interests and political dynamics between the respective actors, Brussel's response, in its Arctic strategy but more importantly in *action*, should encompass two dimensions: First, enhancing environmental protection and sustainable development through existing fora by promoting peaceful and environmentally safe exploration of Arctic resources. Second, providing an answer to the emerging military- security dilemma in order to avoid conflict escalation and preserve the Arctic's status as a region of international peace and cooperation.

#### **Future Perspectives and Recommendations**

In the short-term, the risk of military conflict in the circumpolar region remains low, as the Arctic states, including Russia, continue to cooperate on a plethora of topics.<sup>64</sup> Moreover, disputes over territory and resources might be of lower magnitude than expected, due to the slow pace of offshore resource development and the lack of economic profitability. Moreover, approximately 90% of the Arctic's oil and gas are located in the territories or economic zones of the Arctic states already, who, in return, desire a stable political environment for resource exploitation. <sup>65</sup>

Yet, the observable trend in *geopolitication* consolidates the existing trend in turning the Arctic into a scene of power politics and conflict escalation- regional or global. Increasingly exposed to global dynamics, Arctic security is not primarily dependent on what happens in the region, but on the political dynamics and relationships - both regional and global- between the main global actors Russia, China and the US, instead. <sup>66</sup> Especially the absence of a communication channel with Russia on hard security matters in the Arctic constitutes a major challenge. Therefore, Moscow chairing the Arctic Council and the Arctic Coast Guard Forum between 2021 and 2023 provides a good

<sup>66</sup> Osthagen, A. (27 Nov 2017) Geopolitics and security in the Arctic: what role for the EU?. Fridtjof Nansen Institute. DOI 10.1007/s12290-017-0459-1; Juha Käpylä & Harri Mikkola. (April 2015) On Artic Exceptionalism. Critical Reflections in the Light of the Arctic Sunrise Case and the Crisis in Ukraine; Zandee (2020) The Future of Arctic Governance. Conclusions and Recommendations. Clingendael Institute. Accessed 01 Mar 2021. The Finnish Institute of International Affairs.FIIA Working Papers 85. Accessed 14 Mar 2021.



<sup>&</sup>lt;sup>60</sup> Aliyef, N. /Dec 2020) <u>The EU Arctic Policy and Perspectives of Relations with Russia.</u> Analysis. FES Moskau. Accessed 14 Mar 202.1

<sup>&</sup>lt;sup>61</sup> Michael Mann, EU Special Envoy for Arctic Matters, EEAS. CPMR BSC Arctic meeting (16 Mar 2021) *The Future of the EU Arctic Policy from a Regional Perspective.* 

<sup>&</sup>lt;sup>62</sup> Pélaudeix, C. (21 Dec 2018) Along the Road. China in the Arctic. EUISS. Accessed 15 Mar 2020.

<sup>&</sup>lt;sup>63</sup> Michael Mann, EU Special Envoy for Arctic Matters, EEAS. CPMR BSC Arctic meeting (16 Mar 2021) *The Future of the EU Arctic Policy from a Regional Perspective*.

<sup>&</sup>lt;sup>64</sup> Michael Mann, EU Special Envoy for Arctic Matters, EEAS. CPMR BSC Arctic meeting (16 Mar 2021) *The Future of the EU Arctic Policy from a Regional Perspective.*; Zandee (2020) <u>The Future of Arctic Governance. Conclusions and Recommendations.</u> Clingendael Institute. Accessed 01 Mar 2021.

<sup>&</sup>lt;sup>65</sup> Osthagen, A. (27 Nov 2017) <u>Geopolitics and security in the Arctic: what role for the EU?</u>. Fridtjof Nansen Institute. DOI 10.1007/s12290-017-0459-1

opportunity to successfully address military security in the High North.<sup>67</sup> Eventually, it remains to be seen which stance on Arctic Policy the Biden administration will take, and whether the sharp rhetoric towards Russia and China in this context, introduced by the predecessor, will remain.

In the long-term, severe consequences of global climate change will increasingly manifest and thus require more and serious investment in the fight against climate change- also in Arctic fora. However, the remaining perceived stewardship role of the A5 will determine to what extent and how successful external actors will engage in the Arctic governance system.<sup>68</sup> With regards to Russia one might argue that its military build up is motivated by the Kremlin's desire to rebalance NATO's demenours.<sup>69</sup>

Yet, this intensifying "action-reaction" pattern in the Arctic theater and the increasing potential for misinterpretations of actions bear the risk of conflict escalation,<sup>70</sup> which, in return, has the potential to endanger fruitful (and necessary) cooperation in successful formats such as the Arctic Council. Moreover, the Sino- Russian *rapprochement* in the framework of economic and military cooperation might further manifest.<sup>71</sup> Even though China does not pose a military threat in the circumpolar region, yet, there is a growing risk that Beijing could use its acquired facilities, technologies and resources for an end *other than* civilian. <sup>72</sup>

Responding to the circumpolar complexity, the recommendations are twofold and address the EU's major priorities in the Arctic:

#### 1) Protecting the environment and cultural minorities by promoting sustainable development

The EU shall foster its engagement in the existing governance system in order to ensure a sustainable use of Arctic resources in this pristine land to achieve the green transition- goal. Cooperation on research, innovation, sustainable development and environmental protection constitutes a crucial pillar in the Arctic<sup>73</sup> and shall be kept separate from military- security concerns and debate.

Hence, on the short term, the EU could exert influence through its Member States which are full members<sup>74</sup> in or permanent observers<sup>75</sup> to the Arctic Council, as well as re-confirm its application for its permanent observation status. <sup>76</sup> Furthermore, the Union should enhance the activities of the Atlantic Council Working Groups. On the long-term, the EU could even aspire for full membership.

<sup>&</sup>lt;sup>76</sup> Liu, N., Kirk, E., & Henriksen, T. (2017). *The European Union and the Arctic*. Leiden, Boston: Brill. Retrieved March 15, 2021.



<sup>&</sup>lt;sup>67</sup> Duncan Depledge, Mathieu Boulègue, Andrew Foxall & Dmitriy Tulupov: Why we need to talk about military activity in the Arctic: Towards an Arctic Military Code of Conduct

<sup>&</sup>lt;sup>68</sup> Ziemer, L. (Dec 2016) European Union Actorness in Arctic Governance. Working Paper. IIAS Potsdam. Accessed 14 Mar 2021. DOI: 10.2312/IASS.2016.027

<sup>&</sup>lt;sup>69</sup> Jukela, J (Mar 2015) Arctic matters: In From the Cold? EUISS. Issue Alert 15. Accessed 15 Mar 2021

<sup>&</sup>lt;sup>70</sup> Boulègue, M. (2019) <u>Russia's Military Posture in the Arctic: Managing Hard Power in a "Low Tension" Environment</u>. *Chatham House.* Accessed 8 Mar. 2021.

<sup>&</sup>lt;sup>71</sup>Paul, M. (2019) <u>Allianz auf hoher See?Chinas und Russlands gemeinsame Marinemanöver.</u> SWP Berlin. Accessed 08 Mar 2021.

Pélaudeix, C. (21 Dec 2018) Along the Road. China in the Arctic. EUISS. Accessed 15 Mar 2020.; Cepinskyte, A., Paul, M. Arctic Security Environment in Flux: Mitigating Geopolitical Competition through a Military-Security Dialogue. The Arctic Institute, 21 Feb 2021, Accessed 02 Mar 2021.

<sup>&</sup>lt;sup>73</sup> Michael Mann, EU Special Envoy for Arctic Matters, EEAS. CPMR BSC Arctic meeting (16 Mar 2021) *The Future of the EU Arctic Policy from a Regional Perspective.*; Zandee (2020) The Future of Arctic Governance. Arctic Governance., Clingendael Institute. Accessed 01 Mar 2021.

<sup>&</sup>lt;sup>74</sup> Finland, Sweden, Denmark

<sup>&</sup>lt;sup>75</sup> France, Germany, the Netherlands, Poland, Spain and Italy

Eventually, the EU should foster its investment in the Barents Euro-Arctic Council to further promote sustainable development in the respective regions.

#### 2) Providing an answer to militarization by advocating international cooperation

The EU's self-conception as a civilian and soft-power and its expertise equip the Union with the capacity to promote dialogue and multilateralism, and hence to address the military-security dilemma. In this context, it is crucial to (re-) establish a venue of dialogue on *Arctic* hard security issues with *Russia*. The institutionalization of a military dialogue could bring transparency of military intentions of the respective states, thus slow-down further militarisation in the Arctic.<sup>77</sup> Yet, existing Arctic platforms do not deal with hard security issues. Therefore, the EU could:

- advocate Russia's return to the Arctic- Security Forces Roundtables (ASFR), which has been operating without Moscow since the Annexation of Crimea in 2014.
- promote the broadening of the ASFR mandate to encompass dialogue on military stability and conflict prevention measures, as well as the expansion of the ASFR with the inclusion of the EU, possibly China, and the chair of the Arctic Council. This would result in the establishment of an inclusive Arctic security and cooperation organisation<sup>78</sup>
- engage in the revival of the EU-Russia dialogue, while associating the non- EU Arctic states Canada, Iceland, Norway, the US; possibly including the UK<sup>79</sup>
- pursue the establishment of a *new* venue on military security dialogue, with a broader mandate and more inclusive than the ASFR. <sup>80</sup>
- promote the establishment of an Arctic military code of conduct as trust-building instrument in order to avoid conflict escalation 81 82

<sup>&</sup>lt;sup>82</sup> Depledge, Boulègue, Foxall& Tulupov (2019) Why we need to talk about military activity in the Arctic: Towards an Arctic Military Code of Conduct. The Arctic Year Book. Accessed, 09 March 2021.



<sup>&</sup>lt;sup>77</sup>Cepinskyte, A., Paul, M. <u>Arctic Security Environment in Flux: Mitigating Geopolitical Competition through a Military-Security Dialogue</u>. The Arctic Institute, 21 Feb 2021, Accessed 02 Mar 2021

<sup>&</sup>lt;sup>78</sup> Zandee (2020) <u>The Future of Arctic Governance</u>. Arctic Governance., Clingendael Institute. Accessed 01 Mar 2021.

<sup>&</sup>lt;sup>79</sup> Zandee (2020) <u>The Future of Arctic Governance</u>. Arctic Governance., Clingendael Institute. Accessed 01 Mar 2021.

<sup>&</sup>lt;sup>80</sup> Boulègue, M. (2019) <u>Russia's Military Posture in the Arctic: Managing Hard Power in a "Low Tension" Environment.</u> Chatham House. Accessed 8 Mar. 2021.; Cepinskyte, A., Paul, M. <u>Arctic Security Environment in Flux: Mitigating Geopolitical Competition through a Military-Security Dialogue</u>. The Arctic Institute, 21 Feb 2021, Accessed 02 Mar 2021.

<sup>&</sup>lt;sup>81</sup> Taking the 2018 International Agreement to Prevent Unregulated High Seas Fisheries in the Central Arctic Ocean as example, providing a format for negotiations for the five Arctic states and China, Iceland, Japan and South Korea, as well as the EU.

#### **VOCAL EUROPE**

RUE DE LA SCIENCE 14B, 1040 BRUSSELS TEL: +32 02 588 00 14 VOCALEUROPE.EU

- TWITTER.COM/THEVOCALEUROPE
- **f** FACEBOOK.COM/VOCALEUROPE
- YOUTUBE.COM/VOCALEUROPE
- INSTAGRAM.COM/VOCALEUROPE

#### **Disclaimer and Copyright**

This document is prepared for, and addressed to Vocal Europe and its audience. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of Vocal Europe. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged.

