Norwegian Institute of International Affairs

Wilson Center

A Governance and Risk Inventory for a Changing Arctic

Background Paper for the Arctic Security Roundtable at the Munich Security Conference 2020

KEY TAKEAWAYS

- The Arctic is more peaceful than many other regions in the world, but it is not immune to future tension and conflict points in part due to its vast, important and rapidly changing environment.
- The Arctic environment is heating more than twice the global average due to global climate change. This has global impact: for context, the Arctic Ocean is 1.5 times the size of the United States and half the size of the African Continent.
- A more trafficked and economically significant Arctic region in the decades to come is more than plausible. The prospect of a seasonally ice-free Arctic brings new strategic importance to the region. Arctic states and other global actors are reconsidering the region in the development or refinement of their security and foreign policy strategies.
- The changing physical nature of the region has triggered Arctic leadership on several binding regional agreements to govern novel and increased activity. Much of the Arctic is also governed by existing international law and regimes. As the Arctic Ocean opens, it is important to build on current international legal regimes and structures and get the management and policy structure 'right' to meet new regional challenges.
- There is a risk that the changing global order, the intensified geopolitical rivalry between the United States and China, and more turbulent relations between Europe and the US can 'spill over' to the Arctic region. Against a broader backdrop of distrust and diminished military contact and communication across the NATO-Russia divide, there exists a risk that smaller miscalculations, accidents, incorrect interpretations regarding military motives and activities can escalate into broader conflict.
- The post-Cold War growth of Arctic cooperative governance occurred alongside an enduring NATO-Russia security rivalry. This 'cooperation in conflict' approach to achieve national and collective interests has been more achievable in the Arctic than elsewhere, in large part due to the inherent interconnectedness of the Arctic ecosystem, transnational circumpolar connections of the region's indigenous peoples, communities and policy networks and (until recently) limited economic development opportunities and global/non-Arctic interest in the region.
- Leaders must continue to address challenges presented to regional stability in the Arctic and take steps to mitigate and manage risks. Awareness of political 'tipping points' – points beyond which cooperation in the national and collective interest will be rendered too difficult – and active consideration of how regional stability can best be maintained and strengthened are essential.

A CHANGING ARCTIC

Global politics today is marked by intensified rivalry between the United States and China, a strained and fractious relationship between Western states and Russia, and overall uncertainty about the robustness of regional and global order and alliances. Certainly, these elements of rivalry were at the forefront during US Secretary of State Mike Pompeo's speech in advance of the 2019 Arctic Council ministerial meeting. The speech highlighted, in the United States' perspective, the need for further cooperation in the region but called for Chinese and Russian actions to be viewed in the broader context of both states' motives and actions on the global stage. The speech problematized Chinese engagement in Arctic politics and criticized Russia's economic and concurrent military build-up, as well as activities along the Northern Sea Route.[1]

The decision to make such broad sweeping political statements prior to the Arctic Council meeting was out-of-the-ordinary. The speech did serve to highlight the US Administration's position to keep in check China's further influence in the region. It should also be noted that the speech came at a time when US-China relations were acutely stressed. This is perhaps another indication that the Arctic region is not immune to broader geopolitical realities between the two largest economies on earth.

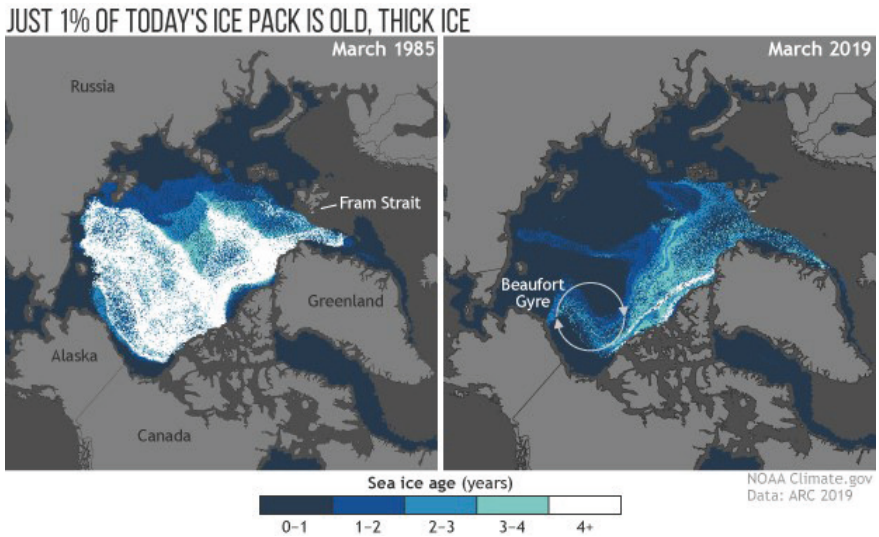
Meanwhile scientists are increasingly worried about the speed and scale of the transformative impacts of climate change on the Arctic. A 2019 update assessment[2] issued by the AMAP (Arctic Monitoring and Assessment Programme) Arctic Council working group, which brings together scientists and governmental officials from Arctic and non-Arctic states, highlighted that the region:

- continues to warm at a rate more than twice that of the global mean
- has had annual surface air temperatures during the last five years that exceeded those of any year since 1900
- experienced a decline of 75% since 1979 in the volume of Arctic sea ice present in the month of September

It is worth noting that the drivers for climate change are global greenhouse gas emissions, rather than regional activities. Likewise, the implications of the changes in the Arctic, and the melting of the ice cap, will have global implications far beyond the region.

1 U.S. State Department. Looking North: Sharpening America's Arctic Focus. Speech delivered by U.S. Secretary of State Mike Pompeo. May 6, 2019. Available online at: https://www.state.gov/looking-north-sharpening-americas-arctic-focus/, accessed 2 February 2020.
2 AMAP 2019. Arctic Climate Change Update. Available online at: https://www.amap.no/documents/download/3295/inline, accessed 20 January 2020.

One could assume that some states or actors are more likely to protect assertively their interests and expand their strategic influence in order to maximize gains and minimize losses against the backdrop of such a rapidly changing Arctic environment. Media headlines frequently proclaim the Arctic to be in the grips of a 'New Cold War' or describe the region as cooking over with competition in a militarized 'Hot Arctic.' And, indeed, a number of states have been investing in new, or revitalising existing military assets and capacities they deem critical to ensuring their interests in the Arctic.



Map comparing Arctic sea ice age, 1985 compared to 2019. Source: NOAA climate.gov, data from ARC 2019

However, there are also numerous trends and events that demonstrate a commitment to cooperation and joint solutions to common challenges. For example, in 2018, the Arctic coastal states (Canada, Kingdom of Denmark, Norway, Russia, US) and key fishing nations (Iceland, South Korea, China, Japan, and the EU) concluded the Agreement to Prevent Unregulated High Seas Fisheries in the Central Arctic Ocean. This agreement establishes a precautionary and sustainable harvesting approach to Arctic Ocean fisheries, should these ever become commercially viable.

This short paper reviews some key factors and drivers supporting and challenging stability in the Arctic region, as background for discussion at the Arctic Security Roundtable at the Munich Security Conference 2020.

WHAT SUPPORTS ARCTIC STABILITY?

Research on Arctic governance and cooperation highlights several different and important factors that undergird a cooperative approach to the region and regional stability. These include:

- Adherence to the UN Convention on the Law of the Sea and other related agreements supported by global maritime organizations
- Active participation by key Arctic actors in circumpolar/northern political institutions and development of regionally-specific agreements
- Growing and interconnected economic interests
- Regional ties and networks that challenge purely national approaches to Arctic issues

To a large degree, the Arctic is defined by the Arctic Ocean. International law, more specifically the 1982 United Nations Convention on the Law of the Sea (UNCLOS), provides a significant and comprehensive governance framework. UNCLOS provides an overall legal framework and a number of detailed regulations for the utilization and protection of the world's oceans. Although the United States is not a signatory to UNCLOS, it is important to note that the 2008 Ilulissat Declaration – issued by the Arctic coastal states together – underscores a commitment to using international law to ensure peaceful governance of the region.

In 2010, Norway and Russia became the first two Arctic states to resolve bilaterally their overlapping claims to their extended maritime zones and continental shelf (in the Barents Sea) within the framework of UNCLOS. Russia, Canada and the Kingdom of Denmark currently have scientific documentation in support of extended continental shelves under consideration for scientific merit in the Commission on the Limits of the Continental Shelf (CLCS). Arctic and non-Arctic states have also utilized the International Maritime Organization (IMO) to find common ground and negotiate the Polar Code, which is an international code to ensure and enhance safety regimes for maritime and shipping operations in the polar regions.

There are several organizations that enable and enhance data-driven and policy relevant efforts in and throughout the Arctic. The eight-country Arctic Council, established in 1997, is a consensus-driven forum for considering Arctic issues. Non-Arctic states, indigenous communities, and non-governmental organizations are also involved as observers to the Council. A number of Arctic Council working groups engage in substantive research and analysis to developing a shared knowledge base for data-driven circumpolar policymaking.

It is of particular importance to note that the Arctic Council does not address Arctic security matters. These issues have been the topic of consideration at various international forums, including previous Munich Security Conference Arctic Security Roundtables. While the Arctic Chiefs of Defence meetings were suspended in light of Russia's annexation of Crimea, the Arctic Coast Guard Forum was established in 2016 and has become a key venue for coordination on soft or 'civil' security concerns in the region.

In the European Arctic, there is a web of multilateral and bilateral arrangements for cooperation between Russia and the Nordic countries. The multilateral Euro-Arctic Barents Region was established in 1993, with Russia, Norway, Sweden and Finland as core partners. This format has fostered extensive people-to-people connections in the region (culture, sport, medicine) and cooperation on a range of policy issues, including regional exercises in search and rescue and disaster preparedness. There are also substantive bilateral ties, including the IMO-approved agreement between the US and Russia to more effectively manage maritime traffic in the Bering Strait. Between Norway and Russia, so-called Joint Commissions exist for fisheries management, environmental protection, nuclear safety and trade and business.

Various cooperative efforts have resulted in a series of legally binding Arctic agreements that address regional challenges (see Table 1). The Central Arctic Ocean fisheries prevention agreement, concluded in 2018 and mentioned above, is especially noteworthy in that it brought together the Arctic coastal states and many non-Arctic states with substantial fishing interests, such as China, and the EU, into a productive conversation about regional governance.

Agreement on	Year concluded	Chaired by
Cooperation on Aeronautical and Maritime Search and Rescue in the Arctic	2011	Norway, Russia, US
Cooperation on Marine Oil Pollution Preparedness and Response in the Arctic	2013	Norway, Russia, US
Enhancing International Arctic Scientific Cooperation	2017	Russia, US
International Agreement to Prevent Unregulated High Seas Fisheries in the Central Arctic Ocean	2018	US

TABLE 1: Recently concluded Arctic regional agreements

The Arctic region has a number of promising avenues for expanded economic development, including extending the more established sectors of mining, petroleum extraction, fishing, tourism, and shipping, as well as novel pursuits associated with the burgeoning blue economy (renewables, bio prospecting, deep sea mining). Most of the resource base for such expanded economic activities is found within clearly demarcated national boundaries. Still, many of these resources and opportunities have a transnational element, be it migrating fish stocks or shipping traffic and tourism through and out of the region. New economic opportunities with a joint or transboundary nature can cause tensions, as we explore below, but can also contribute to stability between Arctic states if governed correctly.

The Joint Norwegian–Russian Fisheries Commission is one example of how joint economic interest contributes to stability between Arctic states. Established in the mid-1970s to oversee the management of the valuable fish stocks in the Barents Sea, among them the world's largest cod stock, the regime has proven its robustness through Cold War and post-Crimea tensions. The two parties have persistently stood together in times of conflict with third states, and they have explicitly shielded this bilateral arena from other political complexities. It can be argued that experiences from fisheries management have had a 'positive spillover' effect. The result is both healthy fish stock and fairly robust bilateral political relations.

In 2014, the Arctic states agreed to establish the 'Arctic Economic Council' (AEC) as a regional business-to-business forum. The AEC facilitates substantive dialogue amongst private sector actors engaged in the Arctic, strategizes on attracting venture capital to the region, identifies resilient and sustainable infrastructure needs that would enable Arctic commerce, and provides for a flow of circumpolar expertise. In 2019, the Arctic Council and the AEC agreed to work closely on initiatives to further common interests. This type of agreement is indicative of cooperative traditions found in the Arctic and the unique leveraging of regional networks.

Finally, circumpolar connections across the Arctic have been drivers in bringing about and stabilizing Arctic cooperation. Most notably, the activism and sustained efforts of indigenous peoples of the region – many of whom have traditional homelands that cut across Arctic state borders – have highlighted the interconnection of the Arctic region and the need for holistic regional governance approaches.

Appreciation of the interconnectedness of Arctic ecosystems is a critical factor in facilitating cooperation with tangible results. From tracking, analysing, and forecasting sea ice drift to the discovery that the Arctic region is a 'sink' for global air pollutants, the scientific community has worked across borders to understand the natural processes and human impacts on the region. The International Polar Years, commencing in 1882 and with its most recent iteration in 2009–11, are illustrative of science cooperation in the Arctic. It is worth highlighting here that cooperative scientific efforts continued (as the 'International Geophysical Year') at the height of the Cold War.

The Arctic states have demonstrated their willingness to maintain and enhance regional cooperation in institutions like the Arctic Council, despite broader political tensions following Russia's conflict with Georgia in 2008 and Russia's annexation of Crimea in 2014 and subsequent military intervention in eastern Ukraine. We also observe that issue-specific regional cooperation sometimes has 'positive spillovers' to broader political relations, as in the example given above of the Norwegian-Russian fisheries cooperation. However, the fundamental question is a matter of extent and durability of this commitment in light of intensified conflict of interest and competition on the global – and possibly regional – stage.

Map of the distribution of languages and language families in the North. Source: Arctic Biodiversity Assessment/Arctic Biodiversity Data Service (www.geo.abds.is).

KEY CHALLENGES FOR CONTINUED ARCTIC STABILITY?

In the following, we identify key drivers that might challenge Arctic stability and security. These include:

- More demanding security dynamics between key actors in the Arctic
- Geopolitical dynamics between Arctic and non-Arctic states
- Differing approaches to Arctic economic development and the deployment and use of new technologies

Arctic security is to a large extent dependent on, or a by-product, of how various key states view the strategic significance of the Arctic in a larger geopolitical context and manage regional security dynamics. Several Arctic countries have recently increased, or plan to increase, their military activity and capabilities in the Arctic and are engaged in active policy review of Arctic security issues.

Russia – the largest Arctic state – has long had a significant Arctic military presence. The protection of military assets placed in the Arctic are fundamental to Russia's security strategy, including maintaining second-strike capability and thus deterrence. Even as Russia faces constraints on its overall budget and maintains a high-level political commitment to Arctic regional peace in keeping with the 2008 Ilulissat Declaration, the country is increasing its military investments in the region. It has expanded its ice-breaker fleet, renovated and expanded Soviet-era military bases, built new bases, and has announced plans to deploy new weapons systems in the Far North. Importantly, Russia has also begun operating and exercising further West. For instance, in August 2019, Russia conducted its largest naval exercise since the Cold War, the Ocean Shield. A central purpose of the exercise, it seems, was to demonstrate Russian military might in the region, convey a position of strength and capability, and message the strong deterrent capabilities NATO would encounter if they ventured into the Arctic through the Norwegian Sea north of Iceland.

NATO has sought to train and demonstrate capacity in ways that are firm but not escalatory. For example, NATO's high-visibility exercise Trident Juncture, which was conducted in Norway in 2018, provided the Alliance with valuable experience in conducting an Article 5 operation on the Northern Flank. The exercise included some 50,000 troops from 31 nations, including Sweden and Finland. Importantly, the exercise took place in southern and central Norway, far away from the Russian border, to signal restraint to Russia. Nonetheless, if Russia keeps pushing its activities further West, increased NATO presence northeast of Iceland may be required as a counter-signalling measure.

Three Polar bears approach the starboard bow of the Los Angeles-class fast attack submarine USS Honolulu (SSN 718) while surfaced 280 miles from the North Pole. Photo credit: U.S Navy. (Disclaimer: The appearance of U.S. Department of Defense visual information does not imply or constitute DoD endorsement).

In sum, we observe more recent direct changes in military posturing in the Arctic. Increased military presence in the area does not necessarily mean increased risk or an escalation of threats, it is only natural that a changing Arctic requires the ability to police and monitor regional activity, including fulfilling obligations for search and rescue.

However, from a security perspective, it is important that military developments are balanced, transparent and predictable. Sufficient steps must be taken to ensure good communication, rules of engagement and avoidance of brinkmanship and accidents. In order to cope with increased military presence, the parties must be particularly sensitive to how new technologies, new generations of weapons systems, and military postures might trigger unwanted escalatory dynamics and accidents.

The security situation in the Arctic is also likely to be affected by dynamics between Arctic and non-Arctic states and actors. The Arctic region has during the last decade generated considerable attention from a range of actors, public and private. Increased awareness of the challenges and changes in the Arctic is in general good and it increases our ability to solve common problems. However, it also represents some new challenges. The Arctic countries have to be aware that when new actors enter into the region it has the potential to affect the various and complex webs of bilateral relations that exist in the area. This has the potential to place additional pressure on the current international and regional governance system.

One of the non-Arctic actors that most clearly has stressed its Arctic ambitions is China. Recent Chinese actions include a self-proclaimed status as a 'near Arctic state,' enhancing capabilities in Arctic maritime operations, shipping and research, and demonstrating its interests to expand investment in infrastructure throughout the region as part of its Belt and Road Initiative, known as the 'Polar Silk Road.' In 2018, China issued a white paper on Arctic policy.[3] While the white paper highlighted a commitment to international law as the basis of Arctic governance, uncertainty has been created by China's position on international law and actions in the South China Sea, including claiming territory throughout the region and establishing military bases on a string of islands (reinforced by military assets).

Washington has objected to China's proclaimed status as a 'near Arctic state' and has suggested China may use economic development to influence the region's future governance and as a possible precursor for military expansionism. Additionally, China's investment and economic development interests in Greenland has heightened these concerns not only in the US, but among other Arctic states as well.

Finally, there could be tensions resulting from different expectations about the tempo, extent and type of economic development in the region. While most parties today agree about the need for sustainable development of the region and are committed to the precautionary principle, questions about the extent and type of large-scale Arctic economic development are debated.

3 The State Council Information Office of the People's Republic of China. January 2018. China's Arctic Policy. Available online (in English) http://english.www.gov.cn/archive/white_paper/2018/01/26/content_281476026660336.htm, accessed 4 February 2020.

The tension between a conservation approach and a sustainable development approach in the Arctic has been long been evident in regional governance, as well as in the domestic politics of Arctic states. For example, the Obama Administration's joint ban with Canada on exploration and development in the Arctic Ocean and sovereign US Arctic waters was seen in a positive light by many audiences, but as a betrayal of regional and local economic expectations by others. The current US administration views the American Arctic, Alaska, as an important component of the country's energy security equation, underscored by support for off shore oil drilling and the opening up for development of the Arctic National Wildlife Refuge along Alaska's North Slope. This is a stark departure from the previous US administration and a contentious set of decisions that have rippled through the US and indeed the international environmental community.

In other sectors, like fisheries, a changing Arctic climate may stress existing governance structures. Living marine resources are abundant in (sub-)Arctic waters. There are indications that fish stocks are moving northwards as a result of increases in water temperature, and existing management regimes will be challenged to address this rapidly changing reality. This has, for instance, happened in the Norwegian Sea, where established management structures between Arctic states such as Norway, Denmark and Iceland, as well as the EU, have broken down.

Against a changing physical landscape, new technologies for identifying, monitoring and exploiting ocean resources – from bio prospecting to deep sea mining – will surely bring both new opportunities and unforeseen consequences. In order to ensure good governance of the Arctic it is, therefore, important that leaders overcome coordination challenges, remain committed to knowledge-based decision-making and maintain a governance regime that ensures high standards and compliance. These are essential steps in avoiding the so-called tragedy of the commons when managing transboundary or common resources.

TOWARDS A PROACTIVE ARCTIC SECURITY DISCUSSION

Many government officials, military leaders, and political observers have proclaimed the rise of a new, post-Cold War global great power competition between the United States, Russia, and China with myriad implications. Using this new reality as the backdrop for the Arctic Security Roundtable at the Munich Security Conference 2020, roundtable participants are asked to explore, discuss, and debate this issue in the context of, and implications for the new globalized Arctic. We hope that this paper – a primer of Arctic trends, risks, and institutions – provides a useful starting point for the discussion.

Discussing Arctic security in high-level forums is important. One might ask why we should take the time to discuss the Arctic if we are not fighting a war there. The answer is this: there is a new ocean opening up due to global climate change. There is a promising track record of governance cooperation in the region that serves as a basis for pursuing sustainable management of and peace in this new ocean. The point of dialogue – with an emphasis on cooperation, joint governance and outlining risks and potential tipping points – is to make sure that we do not add the Arctic to the already far-too-long list of global hot spots. The Arctic Security Roundtable at the Munich Security Conference 2020 provides one such confidential forum for proactive and constructive debate on Arctic security issues.

ABOUT THIS PAPER

This paper was produced to support discussions at the Arctic Security Roundtable at the Munich Security Conference 2020. It is part of a series of publications and events in cooperation with the Munich Security Conference. The paper has been written as a cooperative effort between the Norwegian Institute of International Affairs (authors: Dr. Elana Wilson Rowe, Dr. Ulf Sverdrup, Dr. Karsten Friis, Dr. Geir Hønneland), and the Polar Institute at the Woodrow Wilson International Center for Scholars (author: Dr. Mike Sfraga).

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