

The Arctic

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Description of the Arctic

There is no universally accepted definition of the Arctic, but for this study, the Arctic is a circumpolar region that encompasses both marine and land masses and includes the Arctic Ocean and its seas that cover more than 30 million square kilometers, or one sixth of the world's landmass. The southern limit of the arctic region is commonly placed at the Arctic Circle (latitude 66 degrees, 32 minutes North) which is an imaginary line that marks the latitude above which the sun does not set on the day of the summer solstice and does not rise on the day of the winter solstice.

The Arctic Ocean is the world's smallest and shallowest, with an average depth of roughly a thousand meters. Vast ledges of subsea land extend from the surrounding continents and underlie nearly two thirds of the ocean. The central Arctic Ocean is ice-covered year-round, and snow and ice are present on land for most of the year.



Climate Change as the Driver for Change in the Arctic

The effects of climate change on the Arctic's ocean environment are already readily apparent and are the main driver for change in the region. With its vast expanses of ice-covered land and sea, the Arctic is extremely vulnerable to observed and projected climate change and its impacts. Over recent decades, regional temperatures have risen at twice the rate of the rest of the world, causing the Arctic to undergo some of the most rapid transformations on the planet. Many of these mutations in the Far North are happening on significantly faster time scales than global climate models had predicted.

According to satellite measurements the minimum area of sea ice has decreased by more than 11 percent per decade over the last 30 years. Sea ice also has become thinner overall. Seasonal ice, which melts and re-freezes every year, now comprises about 70 percent of winter sea ice – an increase of 40–50 percent over the 1980s and 1990s. Thicker ice of two or more years now makes up just 10 percent of ice cover, down from 30–40 percent in years past. With ice becomes thinner, melting quickens, and newly exposed surface waters add to the overall absorption of solar heat, pushing water and air temperatures higher. In some ice-free areas surface water temperatures have risen by as much as 5 °C over long-term averages.

Predictions about the effects of climate change on the Arctic vary with significant degree. Some scientists claim that the Arctic will be largely ice free over the summer in 2030, while others put the date as late as 2100. The question is thus about when, not if, the region will be largely ice free over the summers. However, they all agree that there is an increasing pace of change underway that is posing significant and unfamiliar challenges and opportunities to the region.¹

Climate change will likely bring the Arctic region economic benefits related to new opportunities for resource development and expanded shipping as the Arctic Ocean becomes more navigable. However, thawing permafrost will likely make seasonal transport across previously frozen land and rivers more difficult and costly. And, physical and ecological disruptions – already evident around the region – will increasingly affect human communities, natural systems, and infrastructure.

Resources and Trade Routes in the Arctic

Climate change in the Far North is expected to transform the outlook on natural resources there. As rising temperatures accelerate the melting of ice on land and at sea, the prospects for expanding transportation corridors, mineral resource development, and tourism will grow. At the same time living resources will face new pressures. Future developments could well bring considerable new wealth to Arctic state economies, but also significant consequences for northern peoples and environments.

¹ <http://news.nationalgeographic.com/news/2009/10/091015-arctic-ice-free-gone-global-warming.html>

Oil & Gas

Fossil fuels are the most valuable non-renewable resource in the Arctic. Commercial extraction of oil began in the 1920s in Canada's Northwest Territories. During the 1960s, extensive hydrocarbon fields were discovered in Russia's Yamalo-Nenets region, the North Slope of the Brooks Range in Alaska, and Canada's Mackenzie Delta. During the last several decades, the Arctic territories of Russia, Alaska, Norway, and Canada have produced billions of cubic meters of oil and gas.

Given the technical and physical challenges of Arctic exploration, only about half of the identified geological basins have been surveyed for fossil-fuel resources. Nonetheless, more than 400 onshore oil and gas fields have been discovered north of the Arctic Circle. About 60 of these are very extensive, but roughly one quarter of them are not yet in production. More than two-thirds of the producing fields are located in Russia, primarily in western Siberia, where oil and gas development has expanded dramatically over the past several decades. In total, Arctic oil and gas output currently amounts to approximately 240 billion barrels of oil and oil-equivalent natural gas – nearly 10 percent of the world's known conventional petroleum resources.

While most offshore areas have not been surveyed for resources, the extensive continental shelves in the region are believed to hold huge reserves of oil and gas. In 2008 the U.S. Geological Survey (USGS) completed the most comprehensive assessment of potential hydrocarbon reserves to date. From this, the USGS estimates that the “undiscovered, technically recoverable” stores of petroleum include 90 billion barrels of oil, 1,670 trillion cubic feet of natural gas, and 44 billion barrels of natural-gas liquids. These figures suggest the Arctic may hold about 22 percent of the undiscovered conventional hydrocarbon reserves untapped worldwide, making it potentially vital for the world economy.²

Roughly 85 percent of these potential reserves are thought to occur offshore at depths of 450 meters or less. The majority of untapped natural gas probably lies within Russian territory, while most of the oil is located offshore of Alaska. The assessment indicates that more than 70 percent of the petroleum stores are concentrated in only five geological provinces: Alaska; the Amerasian Basin (underlying the Arctic Ocean); and the East Greenland Rift, East Barents, and West Greenland–East Canada basins.

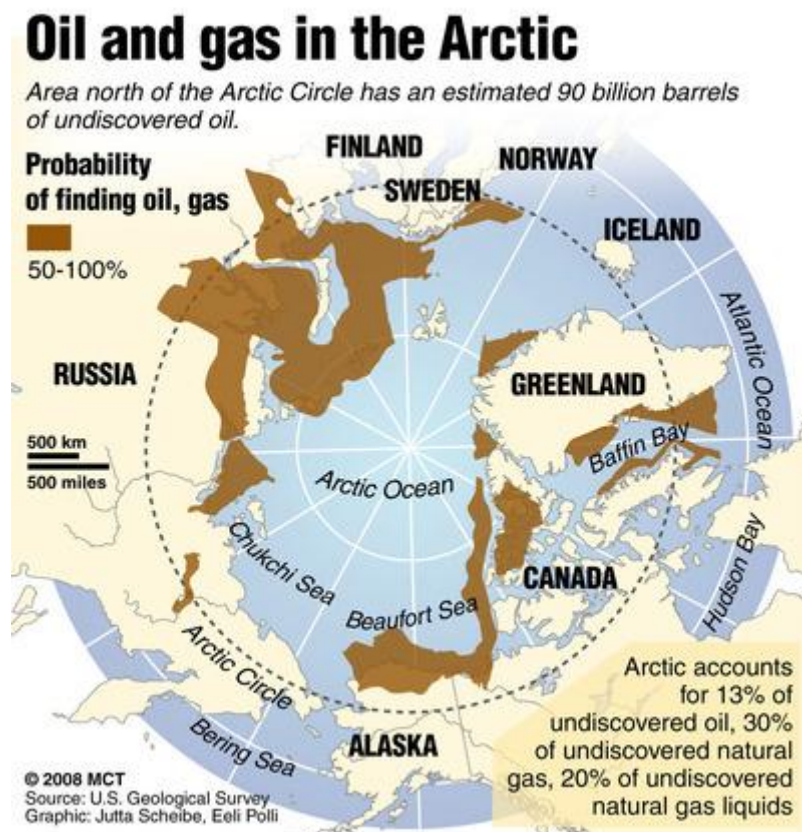
Since most of the Arctic has yet to be physically explored, many experts are skeptical of the projections on potential oil and gas reserves. Also, the USGS estimates that nearly 80 percent of the total reserves are comprised of natural gas and natural-gas liquids. Developing these resources would involve much steeper costs than for oil, because the transport of natural gas to distant markets requires specialized tankers and storage facilities.

There are a lot of other challenges related to exploiting offshore fossil-fuel fields. These include severe climate conditions and the presence of ice, the lack of technology and experience in offshore development, a shortage of qualified personnel, and an incomplete understanding of the environmental risks. Furthermore, the remote

² http://www.usgs.gov/newsroom/article.asp?ID=1980&from=rss_home

locations of the resources would mean prolonged response times in dealing with emergencies such as oil spills and shipping accidents.

Nonetheless, given the rising world demand for fossil fuels and heightened prospects for exploration and navigation as polar sea ice retreats, petroleum production in the region is likely to surge. The Arctic Council's Monitoring and Assessment Program in 2007 reported that oil and gas activity is expected to either begin or undergo expansion in several areas: offshore Alaska, Canada's Mackenzie Delta, the Barents Sea (Norway and Russia), and many areas of onshore and offshore Russia.



Marine Resources

The Arctic Ocean is home to countless species from microscopic plankton to gigantic whales. Large-scale commercial fishing has long been a backbone in Arctic economies, and today it represents the largest, most lucrative use of living resources in the region. More than a dozen species of commercially important fish abound in Arctic waters. They include several varieties of cod, pollock, sole, halibut, redfish, capelin, herring, navaga, and wolffishes.

Some areas of the Arctic and sub-Arctic suffer from high levels of illegal fishing and overfishing, and populations for at least 40 percent of the 22 identified Arctic fish stocks are in decline.

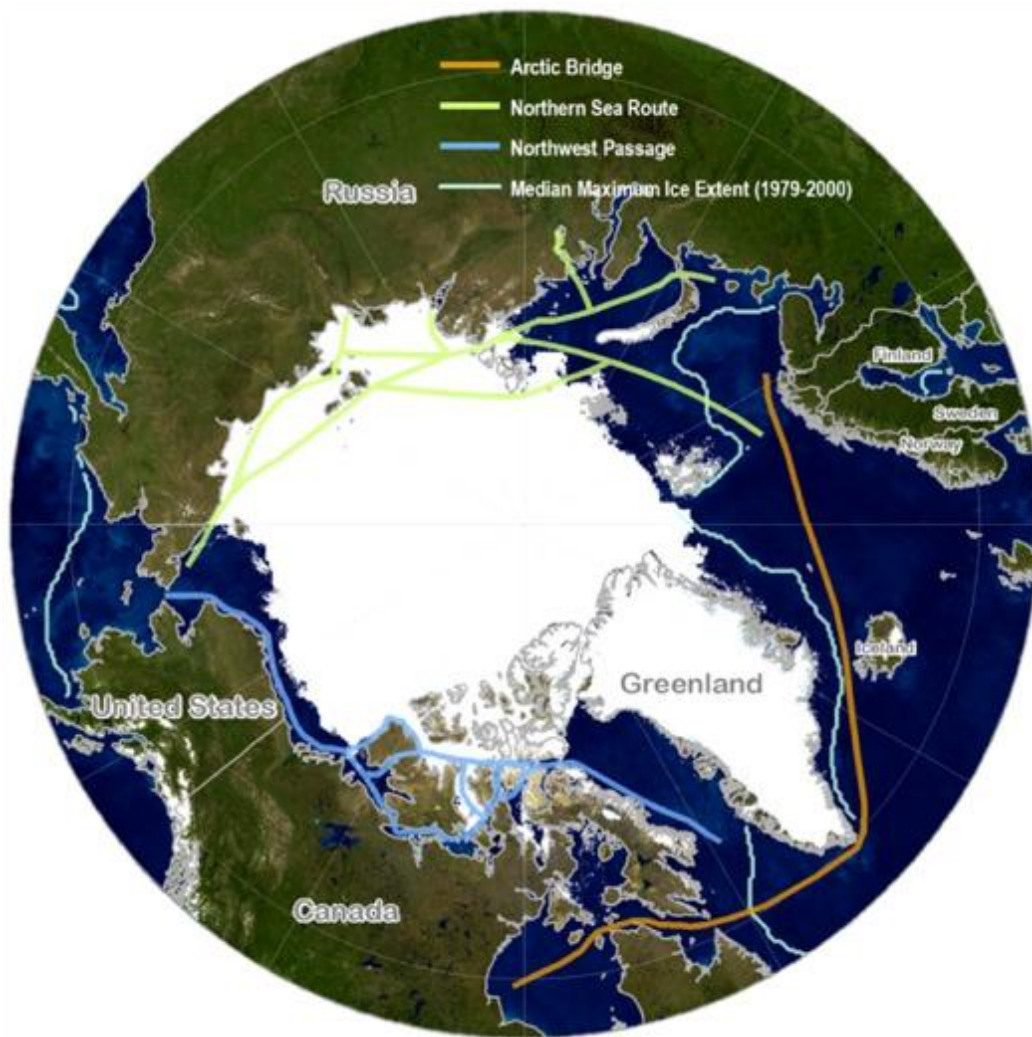
Higher water temperatures and sea-ice melting are expected to also affect some fish populations. The ranges and migration patterns of many fish species are likely to shift as waters warm and food supplies shift. One possibly advantageous change may come from a surge in the growth of phytoplankton as expanses of water formerly shaded by ice are opened to sunlight. These are the foundation of marine food webs, so greater numbers of phytoplankton will likely boost populations of major fisheries such as herring and cod, something that would benefit commercial fishing activity. At the same time, increased freshwater runoff from land will affect coastal waters, possibly altering the distribution of fish stocks.

Shipping routes

Reduced sea ice is very likely to increase marine transport in the region due to the considerable less distance than the routes that are used today. Trans-Arctic marine shipping can take place by means of various routes and combinations of routes. Two of these routes are the Northwest Passage and the Northern Sea Route (see map). The official Northern Sea Route encompasses all routes across the Russian Arctic coastal seas from Kara Gate. The Northwest Passage is the name given to the marine routes between the Atlantic and Pacific oceans along the northern coast of North America that span the straits and sounds of the Canadian Arctic Archipelago. As a consequence of the accelerated melting of Arctic sea-ice, the Central Arctic Ocean Route may be an option in the future as well, but this route will probably vary greatly from year to year. These annual variations may lead to various combinations of the Central Arctic Ocean Route on the one hand and the Northwest Passage and Northern Sea Route on the other hand. Some of the routes of which Northern Sea Route consists already pass through the high seas area of the Central Arctic Ocean. It is important to note that all trans-Arctic marine shipping must pass through the Bering Strait, thus making it a future 'choke point'.

At least in the near future, it seems that a high price for hydrocarbons will be an important driver, not only because of cost-benefits of shorter trans-Arctic shipping routes but also because the expected exploration and exploitation of hydrocarbon resources in the Arctic marine area will lead to increased shipping. Still, the risk-assessments of classification societies and the marine insurance industry are likely to be a crucial factor for the economic viability of all Arctic marine shipping. The future expansion of Arctic marine shipping is also likely to lead to more diverse stakeholders, which also do not necessarily have Arctic states as their main basis.

Paradoxically, as the ice melts, the risk of shipping incidents may become higher in some parts of the Arctic due to the inevitable increase of ice(bergs) and insufficient experience in navigating in ice-covered areas and the lack of accurate charts. Moreover, the remoteness of much of the Arctic marine area, the limited available maritime safety information (MSI) data and the challenges of navigating therein mean that, once shipping incidents do occur, a response will take relatively long and may even then be inadequate to address impacts to the marine environment and marine biodiversity. If such incidents are to occur, it may lead to increased restrictions on commercial shipping in the area.



Actors in the Arctic

The Arctic is comprised of territories governed by eight countries. Russia, Canada, the United States, Norway and Denmark (known as the Arctic Five) are all bordering the Arctic Ocean, while Iceland, Sweden, and Finland lie within the Arctic Circle. At present, the territory and boundaries of the Arctic are not legally defined, and no legally binding treaty exists for managing the region as a whole.

The combined impact of climate change, global demand for resources, technological advancement and a changing geopolitical environment is transforming the Arctic region in ways that are not yet fully comprehended meaning that all the Arctic states are continuously reassessing their Arctic strategies.

Although there are many potential actors that have strategic and commercial interests in the region, this study will limit itself to those that are deemed to be most important in shaping the future of the region.

The Arctic Five

The Arctic Five is a collective term for the five states that boarder the Arctic Ocean; Canada, Denmark, Norway, Russia and the United States of America

Canada

According to Canada's *Northern Strategy* "the North is central to the Canadian national identity." Furthermore, the strategy is based on "four equally important and mutually reinforcing priorities: (i) Exercising Canadian Arctic Sovereignty (ii) Promoting Social and Economic Development (iii) Protecting our Environmental Heritage and (iv) Improving and Devolving Northern Governance."³ The first issue is what attracts the most attention in Canada, and has been connected to wish to control the entire maritime and land region that Canada claims in the Arctic. This again is connected to the problem of *securing* the region and especially maritime shipping through the Northwest Passage.

Canadian territorial claims in the Arctic have led to ongoing disputes over sovereign territory and maritime borders especially when it comes to the underwater rights over the North Pole and the status of the Northwest Passage (see section on legal disputes). Canada view competing American and Russian territorial claims as a real and significant threat to the economic and sovereign interest of Canada and has therefore stated that the "Canadian Forces must have the capacity to exercise control over and defend Canada's sovereignty in the Arctic".⁴ According to the Canadian defence strategy from 2008, the capacities of each branch of the armed forces in the Arctic region will be strengthened.

In reaction to what the Canadians saw as increased aggressive and provocative Russian activity in the Arctic region that were deemed as challenging and threatening Canadian sovereignty, security and national interests, they launched a military exercise - Operation Nunalivut ("this land is ours") – designed to "project Canadian sovereignty in the High Arctic".

Canadian politics has been characterized as a form of realist continentalism, where bilateral relationships, assertion of sovereignty and national interests are considered more important than international cooperation. But the Canadians follow a dual-track strategy of diplomacy and defense that includes cooperating with Russia and the other Arctic states on so-called "soft issues".

Denmark

Denmark's primarily focus on the region has been sustainable development and security risks of climate change, but has expanded its interests to include the protection of its economic interests.

Denmark has created an Arctic Response Force designed from existing military capabilities by combining the Greenland and Faroe commands and upgrade of forces in Greenland for surveillance and upholding sovereignty

³Canada's Northern Strategy: Our North, Our Heritage, Our Future

⁴ Canada First Defence Strategy, <http://www.forces.gc.ca/site/pri/first-premier/defstra/role-eng.asp>

Denmark's new 'blue-water' capable fleet is primarily intended for participation in international operations within NATO or the UN, but it will simultaneously significantly improve Denmark's military capacities in the Arctic region should the need for such arise.

Norway

In 2005, Norway designated the High North as a strategic priority and presented the following year a comprehensive strategy for the region. The Norwegian government pointed out that one of the "most important priorities in the years ahead will be to take advantage of the opportunities in the High North." The government is following a "comprehensive approach" that balances diplomatic and military strategy which seeks to engage relevant stakeholders and cooperate within the established framework of international governance. Norway is one of the few Arctic states that have a good working relation with the Russians and are engaging them on a number of foreign policy issues, not only those related to the Arctic.

Norway has substantial economic interests in the region as its economy is highly dependent on access to oil, gas and fish.

As part of the High North strategy, some of Norway's armed forces were moved north in 2009, including its joint operational headquarters and its army staff. This has been seen as part of the strategic shift northwards. Moreover, Norway is modernizing its Navy – including new frigates and corvettes and upgrading its submarines – and is buying the new F35 fighter jets.

Russia

To Russia, the Arctic is an invaluable region for both commercial and strategic interests. Russia's wealth and competitiveness in the global market is highly dependent on Arctic resources as over 20% of Russian GDP presently comes from the region. As the ice melts and opens up the area for further commercial exploitation, this percentage is likely to increase. Russia has defined the region as crucial for the country's economy as a future main base for strategic natural resources, and as a way to reclaim their great power status.⁵

The Arctic has never ceased to play a crucial role in Russian military strategic thinking and defense policy, but now that the Arctic opens up, this will take on a new dimension. Always seen as a land power, Russia now inevitably has to become a naval power to protect its borders.

The Northern Sea Route, which will become the central maritime link between Europe and Asia in the future, runs along Russia's northern coast. This gives Russia a substantial say in how the passage will be managed in the years to come, something that could give rise to tension should disputes arise from this issue.

The United States of America

"The 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

⁵Zysk, p.92

states to safeguard these interests.”⁶ The Presidential Directive for the Arctic also states that the US needs to develop greater capacity to protect its borders as the natural deterrent, ice, melts away. It further encourages peaceful resolutions of disputes, but acknowledges the need for being more active and influential to protect its Arctic interests. In general, the US has played a far less active role in the region compared to other Arctic states and thus also been slow to implement its articulated interests and define a comprehensive and assertive strategy in the region. This is probably due to more pressing issues elsewhere in the world.

The US Navy Arctic Roadmap stresses the need for a greater Navy presence in the region to protect national interests and have laid out a five year strategic plan to expand fleet operations into the north and readjust its naval combat capabilities and presence. However, the US is experiencing a major capability gap in the Arctic, especially when it comes to icebreakers.

The US has jurisdictional disputes with both the Canadians and the Russians over the codification of the Northwest Passage and the Northern Sea Routes. While the US maintains that these passages are international straits that should be governed accordingly(UNCLOS), Canada and Russia are holding on to their claim that these are national waterways.

The US has not yet ratified UNCLOS as this is awaiting a decision by the Senate. Even though this has not gone through, the US is complying with the UNCLOS.

The Arctic Five all have what one can call a dual strategic approach where they seek to uphold a stable Arctic, for economic gains, while keeping the military option open and available for use to project sovereignty and signaling interests should this be needed.

Non-Arctic States

China

Even though China does not have an articulated Arctic strategy akin to the Arctic Five they do appear to have a clear agenda regarding the Arctic. While their interests and policy objectives there remain unclear, it is increasingly active and vocal on the international stage on issues concerning the region.⁷

China has substantial benefits to reap from the opening up of the Arctic. Because their economy is heavily reliant on foreign trade, shortened trade routes would benefit the state tremendously. Access to untapped natural resources such as oil, gas, minerals and fish is also deemed as very important.

Because China is not a littoral Arctic state, and thus not able to extract resources such as oil and gas from the seabed, this will make it more dependent on good relationships

⁶The White House, National Security Presidential Directive and Homeland Security Presidential Directive, NSPD-66 / HSPD-25, January 9, 2009

⁷Jakobson Linda (2010) "CHINA PREPARES FOR AN ICE-FREE ARCTIC" *SIPRI Insights on Peace and Security* no. 2010/2

with the Arctic Five. At present China is actively seeking to develop relationships with Arctic states and participate in Arctic multilateral organizations such as the Arctic Council. Their strategy in the Arctic will likely differ from its strategies in, for example, African countries, which already provide the country with large amounts of natural resources. While China is a major player in Africa, the players in the Arctic are much more developed economically and technologically, so it is unlikely that they would be dependent on Chinese expertise to extract resources. However, if China continues to have substantial amounts of finances, they might be welcome in a region that lacks most of the needed infrastructure to be commercially operable.

To date China has adopted a wait-and-see approach to Arctic developments, wary that active approach would raise concerns in other countries due to China's size and status as a rising global power. Chinese officials are therefore very cautious when formulating their views on China's interests in the Arctic.

India

Very little is known about Indian interests in the Arctic, though they have lately shown interest in the region. This is thought to be due mainly to the increased interest that the Chinese have shown in the area. Due to their geographical location, they will not benefit from the shortened trade routes through the Arctic and are also likely to seek access to natural resources elsewhere, closer to home.

European Union

The European Union not a unified actor in the Arctic as three of the permanent members and six of the permanent observer countries are members of the Arctic Council. The EU itself only has an ad-hoc observer status. Because EU countries have substantial economic interests in the region, ranging from fishing to oil and gas, the EU aims at coordinate a future EU strategy to the region.

Other

Numerous of other states, mainly European and East Asian, have shown increasing interests in the region. This is mainly due to the commercial potential that the future of the region promises. Shortened trade routes and access to previously untapped resources such as oil, gas and fish are attracting lot of attention.

Non-State Actors in the Region

There is a lot of interest in the region from non-state actors, ranging from environmental and indigenous NGO's to commercial operators such as large oil and gas companies, shipping companies and tourist industry. As the region opens up to more and more human activity, these actors will become more involved in the region.

The Arctic Council and other cooperative agreements

The Arctic Council (AC) is a high-level intergovernmental forum that seeks to promote cooperation, coordination, and interaction among the Arctic states and the indigenous peoples of the region. The member states are Canada, Denmark (including Greenland and the Faroe Islands), Finland, Iceland, Norway, Russian Federation, Sweden, and the United States of America.

In addition to the Arctic state members, the council includes six “permanent participants”: the Aleut International Association, the Arctic Athabaskan Council, the Gwich’in Council International, the Inuit Circumpolar Council, the Russian Association of Indigenous Peoples of the North (RAIPON), and the Saami Council. Representing hundreds of thousands of indigenous people, these groups are concerned primarily with human rights, environmental protection, preservation of traditional ways of life, social and economic development, and education in the region.

Also participating in the AC are more than two dozen bodies with official “observer” status. These include several non-Arctic countries; intergovernmental and inter-parliamentary organizations (such as the World Conservation Union and the United Nations Development Program); and nongovernmental organizations (for example, the International Union for Circumpolar Health and the Northern Forum). The AC also include Ad-hoc observer States, of which there are four plus the European Union.

The Arctic Council evolved out of multiparty discussions among the Arctic states on measures to protect the Arctic environment that began in 1989. These efforts eventually incorporated the input of northern indigenous peoples, the United Nations Environment Program, and other organizations. The first outcome was the drawing up of the Arctic Environmental Protection Strategy, which was adopted by the eight Arctic states in 1991 which led to the formation of the AC in 1996.

In addition to promote cooperation, coordination, and interaction among the Arctic states, the council also handles disputes that arise within the region, although it has no official authority to enforce decisions. Various working groups within the council address regional issues and important voluntary agreements that have evolved under the council’s leadership. Other international forums and organizations also address common concerns that extend to the Arctic and encourage multinational cooperation in diverse areas, from scientific research and environmental protection to human welfare and sustainable development.

Several other international forums with regional or broader European interests also address economic, social, and environmental issues that often relate to the Arctic. Notable examples include the Barents Euro-Arctic Council, the Council of the Baltic Sea States, the Northern Forum, the European Commission, the Nordic Council, and the Conference of Parliamentarians of the Arctic Region.

Selected Arctic Institutions and Organizations:

Region-wide/Intergovernmental Regimes

- Arctic Council

Environmental Protection Program

Sustainable Development Program

- Polar Bear Regime

Region-wide/Subnational Organizations

- Northern Forum
- Standing Committee of Parliamentarians of the Arctic Region

Sub-regional/Intergovernmental Regimes and Organizations

- Barents Euro-Arctic Region
- Nordic Council
- Svalbard Regime
- Barents Sea Fisheries Regime
- Bering Sea Fisheries Regime
- Jan Mayen/Iceland Joint Development Zone
- Canada/US Arctic Cooperation Agreement

Indigenous Peoples Organizations

- Aleut International Association
- Inuit Circumpolar Conference
- Russian Association of Indigenous Peoples of the North
- Saami Council

Nongovernmental Organizations

- International Arctic Science Committee
- International Union for Circumpolar Health
- Circumpolar Universities Association

Global Regimes Relevant to the Arctic

- Law of the Sea: Convention on the Law of the Sea
- Ozone Layer Protection: Montreal Protocol
- Climate Change: Convention on Climate Change
- Biodiversity: Convention on Biological Diversity
- Indigenous Peoples: ILO Convention 169

Order in the Arctic

Political

During the Cold War, the region featured mostly as a theater for the deployment of military forces – nuclear missiles on bombers and submarines – rather than a region for promoting international cooperation and commercial interests. Once dominated by the entrenched Soviet-American rivalry associated with the Cold War, the Arctic today is a region of growing interest to a variety of influential actors, such as China, Japan, and the European Union. The winding down of the Cold War have resulted in many efforts to launch cooperative ventures that cut across the boundaries of national jurisdictions in the Far North.

The Arctic is experiencing a profound transformation driven by the forces of climate change and globalization. One major consequence of these changes is a heightened interest in the Arctic on the part of global actors motivated by economic opportunities involving commercial shipping, oil and gas development, mining, fishing, and tourism. The result of this increased interest is a tightening of the economic and geopolitical links between the Arctic and the rest of the world. While some observers see this development as a source of growing conflict among those competing for control of the region's natural wealth, most see this as an area of opportunity for increased cooperation among several actors.

One of the striking features of the region is the considerable growth of international cooperation on a range of issues in the recent past. From the list above, it becomes apparent that international initiatives/cooperation in the Arctic falls into different categories, ranging from regimes or institutions that set the “rules of the game” and give rise to social practices, to the establishment of more formal organizations with material entities such as offices, personnel, capabilities and budgets. Existing arrangements range from global frameworks, like the United Nations Convention on the Law of the Sea (UNCLOS) and the United Nations Framework Convention on Climate Change (UNFCCC), to regional agreements, such as those that established the Arctic Council and the Barents Euro-Arctic Council, and on to functionally specific regimes, like the guidelines for shipping developed under the auspices of the International Maritime Organization (IMO). Besides from these, there is a notable interest in creating multilateral arrangements that are sub-regional in scope to deal with a range of Arctic issues. Taken together, these co-operations provide substantial capacity to address challenges and opportunities relating to governance of the region, although they do not deal with security and military issues.

Governance is, in essence, a social function centered on efforts to steer human actions toward collective outcomes that are beneficial to society and away from harmful outcomes. Systems of governance emerge to address a variety of societal needs, ranging from the production of public goods, to avoidance of public “bads”.

In the Arctic a multilayered complex web of different frameworks for governance exists that have helped heighten the cooperation and trust among different states in the region. Although there are foreseeable needs for governance in the Arctic – building/enhancing trust, enhancing regulatory frameworks, promoting adaptation etc.

– in order to achieve long-term regional security and sustainability, all the Arctic states have shown a keen interest in cooperating on a range of issues.

The AC states have hitherto refrained from entering into legally binding agreements, preferring a much looser form of cooperation. This arrangement ensures that states with different foreign-policy outlooks are able to come together and collaborate around a common set of objectives without compromising their national interests or legislative power. However, in May 2011 the Arctic Foreign Ministers nonetheless entered into a legally binding agreement on Arctic SAR (search and rescue) Task Force, which could be seen as an attempt to firm up their collective commitment to Arctic cooperation and governance and to transform the AC from a loose institution into a more formal one in an effort to raise its profile on the international stage. The AC is nonetheless based on a much looser form of regional governance than, for example, the European Union, and questions of high politics do not figure on its policy agenda.

At present, the AC shapes the ideational direction of Arctic policy and what is considered to be ‘normal’ in Arctic relations. In other words it shapes the “rules of the game”, but lacks the legal reinforcement mechanisms that many other international and regional organizations have at their disposal.

Military – Assessment of Arctic military capabilities

The prospects of a further opening of the Arctic for commercial, transport and navigational purposes have as already described led all surrounding, and even some extra-regional states/group of states to promulgate specific Arctic strategies. Some of these strategies include references to increased effort in the development of military forces with improved capability of operating in the Arctic.

There is a debate going on whether there is a new arms race developing in the Arctic, or whether the plans for increased and improved Arctic military capabilities should be understood as a natural and necessary development for Arctic states to be able to patrol areas under their jurisdiction now becoming more accessible. In this study we will not discuss this question in depth, but our study of the strategies and concrete procurement and force plans of states like Canada, USA, Russia, Norway and Denmark indicate that the effort is being placed in capacities geared more for surveillance, patrol, presence in areas of jurisdiction and protection of sovereignty than for war fighting and conflict.

The buildup of military forces in the Arctic is not synonymous with conflict. Military capabilities are necessary to start an arms race, but not a sufficient factor in itself. All states agree that the UNCLOS serve as the main reference in solving disputes. The traditional frozen Arctic made no need for states to have vast Arctic military forces, but now that the ice is melting, military forces will be a natural part of the ability to be present. Presence in areas of jurisdiction is equally a state responsibility iaw UNCLOS, as it is an opportunity. While there are no clear indications of an arms race leading inevitably to conflict, no states will however allow themselves to be sidelined due to lack of capacity to operate in the harsh conditions in the areas opening up.

The Arctic is not itself a source of conflict likely to precipitate armed clashes. Even disagreements over matters like the delimitation of coastal state jurisdiction over the outer continental shelves of the region are being handled in an orderly fashion under the provisions of applicable international law. However, episodes and incidents between states concerning questions of jurisdiction and sovereignty cannot be excluded. And, the Arctic remains a theater of operations for powerful military systems, including nuclear-powered submarines and sophisticated aircraft equipped with nuclear-armed cruise missiles. Although demilitarization is not a realistic option for the Arctic at this time, a variety of confidence-building measures, devised initially during the cold war, are in place.

While questions regarding maritime security in the Arctic may arise from surrounding states development and deployment of military forces for the Arctic, we will in the assessment of the state's operational ability instead focus on the military capabilities as possible building blocks for future Maritime Security Regimes in the Arctic. For the time being there are no such MSRs in place, and there are no clear signs of a comprehensive multilateral security arrangement for the area. This is natural for two reasons. Firstly, regimes are functional and are normally made to address a specific problem or threat. For the time being the most pressing maritime issues in the Arctic relates to maritime safety, and not security. None of the threats and few of the vulnerabilities present in the other areas MNE 7 are studying are present in the Arctic. Secondly, much of the Arctic is already or will come under particular states' jurisdiction. The Arctic states are relatively rich and developed states, and are likely to address any security threat in the area not caused deliberately by the one of the Arctic states themselves either unilaterally or in cooperation with other nations.

Assessment of operational ability

The ability to mount operations in the Arctic areas where ice is present most or part of the year varies extensively among the Arctic nations. Russia and the USA have large military establishments that may be used for cold weather operations in the southern ice free part of the Arctic. The surface and air operational ability in icy areas are more limited even for the great powers, clearly with the Russians more able than the USA. Canada, Denmark and Norway have generally much smaller force structures, but are equally determined to increase and maintain the capability to operate even in areas with yearly presence of ice. Through their Arctic operational ability the military forces may be important building blocks for future possible a MSR, and the creation of trust and cooperation in the area may be enhanced by bilateral and multilateral cooperation and exercises in the area.

The following will give a short outline of each country's existing and planned operational capabilities for operations in the Arctic, and their approach to cooperation and exercises in the area. A common trait for the Arctic coastal states is that they all have a significant interests in preserving the political stability of the Arctic region and for this reason one should not perceive increased spending in military or other capabilities in the Arctic as a sign of an arms race or a militarization. The increased focus from the coastal states on its Arctic capabilities is not a concerning sign, but rather a natural one. The coastal states are facing a substantial increase of their respective territories and this also creates an increased need for capabilities to defend this territory and the resources connected to it. To further disprove the concern of

militarization and conflict in the Arctic there are several examples of the Arctic coastal states conducting exercises together in the Arctic and there is a firm consensus within the Arctic Five of adhering to the framework set out by UNCLOS and to strengthen cooperation within the Arctic Council.

It will always be a difficult task to assess precisely which capabilities the respective countries have as the specific numbers are not always official. The information's are based on non-classified sources. The following is based on a background paper published by SIPRI in March of 2012, research at Centre for Military Studies (University of Copenhagen) and various other sources.

USA

As it is mentioned in the beginning of this paper the United States are the least “active” of the Arctic Five in regards to its emphasis on the area in general and build-up of Arctic capabilities. Until now the United States have viewed the Arctic as a transit zone for nuclear submarines and a possible theater of operations for military systems. However the changes in the Arctic have also caught the attention of the United States. The United States operate the largest blue water fleet in the world and as such has many sea capabilities to be used in the Arctic area such as the Seawolf and the Virginia class attack submarines. However the only ship in US navy that is capable of operating in the harsh Arctic climate, the *USNS Healy*, is a small landing vessel with the ability to function as a small icebreaker. The US Navy has planned to build eight (two were commissioned in 2010-2011) of the new legend class large OPVs (Offshore Patrol Vessel) that are designed to operate in Arctic waters, but not ice-strengthened. Thus it is important to emphasize that the United States, not counting the Seawolf and Virginia class, do not have substantial operational capabilities for operations in the High Arctic.

One large icebreaker is planned being built within the United States Coast Guard's budget of 2013-2017 at the cost of 860 million dollars. This icebreaker will be a supplement to the three smaller unarmed icebreakers the US Coast Guard now has in its service, one of these have been out of commission since 2010 and is scheduled for decommission. The United States have held several summer exercises in Arctic waters including the use of carriers in 2004 and 2009 and have been working on developing and maintaining the Arctic capabilities of its submarines. The United States also participate in exercises with the other Arctic coastal states, the latest one taking place with Russia and Norway. The drill focuses on anti-terror and anti-piracy operations, coordinated maneuvering, joint air defense drills, communications and search and rescue operations. The exercise is normally held every second year.⁸

In regards to land capabilities the Alaskan Command (ALCOM) consists of 16.000 regular personnel and 3.700 National Guard and reserve personnel.⁹ These forces are based near Anchorage and Fairbanks and not specifically equipped for operating in the Arctic climate.

The United States has two significant air bases in Alaska, in Fairbanks and near Anchorage equipped with combat and support aircrafts. This includes F-22 interceptors and airborne early-warning aircrafts. The United States also use the Thule

⁸ Pettersen, T., “Exercise «Northern Eagle» has started”, BarentsObserver.com, 20 Aug. 2012, <http://www.barentsobserver.com/en/security/exercise-northern-eagle-has-started-20-08>

⁹ March 2012. SIPRI:” Military Capabilities in the Arctic”

base in Greenland, which houses an intercontinental ballistic missile radar, but no aircrafts. Regarding surveillance of domestic airspace and the Arctic the United States are part of the North American Aerospace Defense Command (NORAD) in collaboration with Canada.

Russia

The Russian strategy document regarding the Arctic emphasizes the Russian perception of the Arctic as an area of great importance to Russia's economic interests and security.

Russia's sea capabilities in the Arctic are based in the Russian Northern Fleet, which is stationed on the Kola peninsula and is the largest of Russia's five fleets. The fleet has nuclear ballistic missile submarines that are able to operate under the ice under the protection of aircrafts, surface ships and nuclear submarines. The Russians have backed their interest in the Arctic by focusing on the modernization and building of new SSBNs in order to command a greater presence in the Arctic. With the icecap disappearing the production of more SSBNs will create a need for more surface ships and aircraft support for protection. In 2010 and 2011 Russia ordered the construction of four Mistral class helicopter carrier ships in France. The Mistral-class warships are designed for offensive power-projection through amphibious landings and air assault, using combat helicopters and armored vehicles aboard in support of ground-force operations. The vessels are capable of carrying 16 helicopters, four landing vessels, 70 armored vehicles including 13 battle tanks. One of these is to be based in the Northern Fleet.¹⁰

The Russian icebreaker capability is situated in the Northern Fleet and operates four Project 97 icebreakers to break through thin ice, the large 50 Let Pobedy and the Russian Border Guard Service operates five Project 97P armed icebreaking OPVs that serve with the Pacific and the Northern Fleet.

The Russian land forces in the Arctic are based on the Kola Peninsula and consists of naval infantry and an Army brigade. In July 2011 Russia announced plans to establish two brigades of special trained Arctic troops to protect Russian interests in the region.¹¹

The Russian air capabilities in the Arctic is limited to aircrafts supporting the Northern Fleet and many of these aircrafts do not have the range for operations in the Arctic outside the Russian area, However the Russian fleets combined have 100 long range Tu-22 bomber and Tu-142 and Il-38 maritime reconnaissance aircrafts.¹²

Canada

The Canadian perception of the Arctic has become closely linked to the country's national identity and the subject of the Arctic is very of the used in the domestic

¹⁰Nilsen, T., "Mistral to Northern Fleet", BarentsObserver.com, 12. Jan. 2011, <http://barentsobserver.com/en/sections/articles/mistral-northern-fleet>

¹¹ Grove, T., "Russia creates two brigades of Arctic Troops", Reuters, 1 July 2011, <http://uk.reuters.com/article/2011/07/01/russia-arctic-troops-idUKLDE76017D20110701>

¹² March 2012. SIPRI: "Military Capabilities in the Arctic"

debate and for this reason the Canadian rhetoric regarding the Arctic can sometimes seem very harsh.

Canada has four conventional submarines and fifteen major surface warships, which are all capable of operating in the Arctic Ocean. However the Royal Canadian Navy has no ice-strengthened warships. The Canadian Coast Guard operates 5 large- or medium-sized unarmed icebreakers and six small icebreakers mainly operating in the summer. However the production of one large icebreaker for the Coast Guard has been decided and is to be operational by 2017 at the cost of 720 million Canadian dollars to replace another icebreaker.¹³ Furthermore the Navy has planned the construction of 6-8 OPVs.

Canada has a specially equipped and trained land force to operate in the Arctic area. The Canadian Rangers are a sub-component of the Canadian Forces reserve that provide a military presence in Canada's sparsely settled northern, coastal, and isolated areas. The primary role of this part-time force is to conduct surveillance or sovereignty patrols as required. The Canadian Rangers are a volunteer force made up of Inuit, First Nations, Métis and non-Aboriginals. Its size is currently being increased from 4.100 personnel in 2008 to 5.000 in 2012. In 2007 Prime Minister Stephen Harper stated the intent to establish a Canadian Forces Training Centre in Resolute Bay and the creation of a deep water Arctic Docking and Refueling Facility at Nanisivik to extend the operational range of the Navy in the Arctic.¹⁴

The Canadian air capabilities consists of 18 CP-140 anti-submarine aircrafts that are currently being modernized and are to be replaced from 2020. These aircrafts have the range to enable patrol in the Arctic region. In south-east and central Canada the Royal Canadian Air Force has 80 F/A-18 combat aircrafts stationed. Part of these aircrafts are regularly deployed to the Arctic region to patrol Canadian airspace and in some cases to intercept Russian bomber and reconnaissance aircrafts near Canadian airspace. Canada has plans to replace the F/A-18 combat aircrafts with 65 Joint Strike Fighters from 2020.¹⁵ The Royal Canadian Air Force also utilize several transport and support aircrafts in the Arctic region, including the C-130 and C-17 transport aircraft. Acquisitions of 17 search and rescue aircrafts are planned to replace the C-130 and other aircrafts.

Canada has also decided to develop the Joint Uninhabited Surveillance and Target Acquisition System project (JUSTAS). JUSTAS is a 1,5 billion dollar program with the purpose to use six unmanned aerial vehicles (UAV) for maritime and Arctic patrol. Regarding surveillance of domestic airspace and the Arctic, Canada is part of the North American Aerospace Defense Command (NORAD) in collaboration with the United States.

Denmark

¹³ Huebert, Rob. (2010). *The Newly Emerging Arctic Security Environment*. Canadian Defence & Foreign Affairs Institute.

¹⁴ Prime Minister of Canada, "Prime Minister announces expansion of Canadian Forces facilities and operations in the Arctic", 10 Aug. 2007, <http://www.pm.gc.ca/eng/media.asp?category=1&id=1784>

¹⁵ <http://www.defenseindustrydaily.com/Canada-Preparing-to-Replace-its-CF-18-Hornets-05739/>

Greenland and the Faroe Islands doesn't have their own military capacities, but are defended by the Danish Armed Forces, who also provide Search and Rescue (SAR) capabilities in the Arctic area on behalf of the Kingdom of Denmark. In 2011 the Kingdom of Denmark published an official strategy on its policy in the Arctic. In this strategy among other things it is stated that there will be a merger of the Faroe Islands and the Greenland Command into an Arctic Command to be placed in Nuuk and operational by November 1 2012. Furthermore the strategy plans the creation of an Arctic Response Force composed of different parts of the Danish Armed Forces.¹⁶ However the strategy does not reveal the exact details of such a Response Force regarding equipment, personnel etc.

The Royal Danish Navy operates three frigates and two command support vessels (Absalon-class) that are able to operate in Arctic waters but they are not ice-strengthened. However the Navy also operates four OPVs of the Thetis class. The Thetis class is able to break ice up to one meter in thickness. In addition to this the Danish Royal Navy operates two smaller but more heavily armed OPVs of the Knud Rasmussen class. These OPVs are exclusively used for sailing off Greenland and in the Arctic and are ice-strengthened. A third of the Knud Rasmussen OPV class is planned¹⁷. Furthermore the Danish Navy performs the coast guard duties in sovereign waters and as such operates several different vessel for different purposes in that respect.

The Danish Armed Forces have a small land capability which consists of the Slædepatrulje Sirius (Sled patrol Sirius). The Sirius Patrol is a special Arctic unit who maintains a small military patrol in Greenland by dog sled. The patrol is placed under Greenland Command.

In the air Denmark operates three unarmed maritime patrol crafts in Greenland and the Baltic Sea. Danish F-16 fighter aircrafts have used the Kangerlussuaq airport in Western Greenland, but the Danish air force have never had the F-16 aircrafts stationed permanently in the Arctic.

Norway

The Norwegian strategy regarding the Arctic emphasizes the North of Norway and Svalbard as priorities in national defense. This policy is firmly focused on Russia and the Northern Fleet on the Kola Peninsula. However the Norwegian-Russian relationship has become better and this has resulted in cooperation on joint naval exercises.¹⁸ Another indicator of the Norwegian focus on the Arctic is the move in 2009 of the headquarters of the Norwegian Armed Forces from the south of the country to Bodø, north of the Arctic Circle.

In 2009 The Royal Norwegian Navy replaced its five small frigates with the larger Fridtjof Nansen class frigates who are better suited to operate in the Arctic Ocean. Furthermore the Norwegian Navy operates six Ula class submarines and Norway

¹⁶ Danish Ministry of Foreign Affairs, Greenland Department of Foreign Affairs and Faroe Islands Foreign Service, "The Kingdom of Denmark's strategy for the Arctic 2011–2020", (Ministry of Foreign Affairs: Copenhagen, Aug. 2011)

¹⁷ Forsvarsministeriet: *Dansk forsvar. Globalt engagement. Beretning fra Forsvarskommissionen af 2008*. (Copenhagen, 2009), p. 297.

¹⁸ Pettersen, Trude., "Norway and Russia ready for joint naval exercises", BarentsObserver.com, 10 May 2012, <http://barentsobserver.com/en/security/norway-and-russia-ready-joint-naval-exercises>

plans to acquire a large support ship by 2015, to support the frigates and increase their operational range.

The Norwegian Coast Guard operates four large, ice-strengthened and lightly armed OPVs, three of these with helicopter hangar and an additional four large ocean-going OPVs.¹⁹

Regarding land capabilities in the Arctic, Norway's largest active unit of the Army is Brigade Nord (Brigade North). The brigade is a heavy mechanized unit and is equipped for operations in Norway, thus cold conditions similar to, if not as extreme as Arctic conditions. Norway has for more than 50 years provide winter exercise for NATO-countries.

Norway has 60 F-16 combat aircrafts based in Bodø on the main base of the Royal Norwegian Air Force. The F-16s are to be replaced from around 2018. The F-16 have operational range within the Norwegian part of the Arctic area, but not much more than that. Norway also operates six P-3 long-range maritime patrol aircrafts.²⁰

Economy in the Region

The Arctic contains a wealth of petroleum, mineral and fish resources and the present Arctic economy is focused largely on the extraction these. Currently, the region produces about one tenth of the world's oil and a quarter of its natural gas. The Russian Arctic is the source for about 80 percent of this oil and virtually all of the natural gas; Arctic Canada, Alaska, and Norway are the other leading producers.

The most developed sector of the region, the Russian Arctic also holds abundant deposits of nickel, copper, coal, gold, uranium, tungsten, and diamonds. As well, the North American Arctic contains pockets of uranium, copper, nickel, iron, natural gas, and oil. However, many known mineral reserves have not been exploited because of their inaccessibility and the steep development costs.

The Region also boasts huge quantities of fish such as salmon, cod, and pollock that can be found in both Arctic and sub-Arctic waters, that are extremely valuable as a source of protein for the worlds increasing population.

The region consists of highly developed industrial states that have shared economic benefits from the region. As the ice melts even further, there are potentially huge commercial opportunities in the Arctic that will be very important for the both bordering states and for the rest of the globalized economy.

Legal order

With the continued melting of polar ice and the near inevitability of expanded navigation and offshore development, the geopolitical importance of the Arctic region is growing. At the same time, prospects for economic development have shed new

¹⁹ Saunders, S. (ed.), *Jane's Fighting Ships 2011–2012* (Jane's Information Group: London, 2011), p. 103; and Pugliese, D., 'Canada rethinks intel strategy', *Defense News*, 25 Jan. 2012.

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Saunders, S. (ed.), *Jane's Fighting Ships 2011–2012* (Jane's Information Group: London, 2011), p. 574

light on existing legal disputes in the region and disputes have intensified between some Arctic states, particularly with respect to overlapping claims to areas of the northern seafloor. There has been a lot of speculation that a struggle for oil and gas in the disputed areas will lead to the use of military force, but most of the resources are located within each country's EEZ and not within the disputed areas. However, this does not mean that legal disputes will not continue to be a part of Arctic relations.

International "soft laws" such as the United Nations Convention on the Law of the Sea, Fish Stocks Agreement, and the regulatory framework of the International Maritime Organization provide arenas for resolving some conflicts. Nonetheless, some experts argue that the existing system is insufficient to cope with the considerable challenges facing the Arctic in the decades to come. Both within and outside of the region, pressure is building for a stronger, more comprehensive framework for cooperative management in the Far North.

Threats and vulnerabilities in the Region

When considering the threats and vulnerabilities to access and freedom of navigation in the Arctic, there is very little empirical data to work from due to the limited activity in the region. At present the presence of ice all year around means that only a few areas are open to commercial activity such as fossil fuel extraction and fishing. When it comes to trans-Arctic shipping, only a very few pilot projects have been conducted. This means that an assessment of threats and vulnerabilities necessarily will include a lot of informed guesswork.

Ice(bergs)

As the ice continues to melt away and the Arctic becomes more open to civilian, military and commercial activity the area will paradoxically become more difficult to navigate in as large quantities of ice-sheets and icebergs will be floating around. It will nearly be impossible to know at any given time where these might be located at thus they represent a huge danger to shipping and other activity in the area.

Protectionism

Although cooperation through different organizations, institutions and conventional diplomatic channels are the preferred way of dealing with Arctic policies at the moment, there are some potential conflicts and disputes that could lead to increased protectionism by one or many of the Arctic states and thereby restrict access to the region.

Among these, jurisdictional conflicts over the framing of the NWP and the NRP are the ones that stand out. If these issues are not solved before the passages opens up to wide commercial use, it could trigger further conflict that could restrict access and freedom of navigation.

Because there are several unresolved territorial disputes in the region, this cannot be ruled out as a possible source of conflict that could restrict access in the future. These territorial disputes are not on top of the agenda for most of the Arctic states, but should there in the future be found for instance fossil fuels or valuable minerals in these areas, the potential for conflict might be heightened. Also, as the ice retreats and

the waters warm up this could lead to a change in the current migration pattern of fish stocks that could lead to new disagreements over fishery rights and quotas, especially as new non-Arctic actors enter into the region.

As the region opens up to more human activity, the likelihood of accidents increased exponentially. The harsh weather coupled with difficult navigation in the area will sooner or later lead to some sort of accident (e.g. oil spill) that could force the arctic states to enforce stricter regulations and higher fees for transit that could lead to a restriction of access.

Non-Arctic Actors

The big outlier in the region is if and how the influx of new actors on the scene will change the current pattern of cooperation and conflict between the Arctic states. Is it likely that the Arctic states would try to restrict, as much as possible, the influence of “outsiders” upon Arctic policies? Will this weld the Arctic states even more closely together, by seeking to further increase their policies in the area or will it change the patterns of cooperation among them that could lead to further disputes and conflicts? Will Non-arctic States comply with the established rules and norms of behavior in the Arctic or will they seek to challenge what they might see as limiting their access and freedom of navigation? These questions are very hard to assess, but it is likely that they will all be influenced by developments outside of the Arctic and not by developments within the Arctic. Such developments include; the speed of ice melting, global trade dynamics and world trade patterns, safety of other global maritime trade routes, oil and gas prices and the potential for a shift to non-fossil fuel alternatives and other geopolitical developments.

Military conflict

As commercial activity increases the military presence in the area is likely to follow. Besides from being a stabilizing factor, military capabilities in the area are central when it comes to surveillance and support to search and rescue operations. As such, the military should be regarded as a natural actor in the region, and not a sign of tension.

When considering threats and vulnerabilities to access, one must take into account the worst-case scenarios and then, military conflict cannot be ruled out. Political issues connected with identity issues and domestic politics can take on a more confrontational course. And potentially lead to military conflict. There is of course nothing inevitable about deterioration of relations in the Arctic even though cooperation is the preferred *modus operandi* at the moment. Because the Arctic states are all dependent on stability in the region for their commercial activity, a hypothetical conflict is more likely to be the result of tensions in other areas outside the Arctic that resulting from inside the region. As such, the relationships between Russia and the US and Russia and NATO is key to upholding stability in the region. Should Russia feel that they are somewhat overrun by “Western” policies in other areas they might want to make this understood by pursuing policies in the Arctic that could lead to deteriorating relationships among the Arctic states. A final point here is that, although Russia is seeking to extend its sovereign territory, it is unlikely that it would instigate a conflict in the Arctic, since this would impede upon its future trade and commercial interests by making the circumpolar north an unstable region.

A military conflict that might get an “Arctic dimension” are also possible with non-Arctic states, but any such type of conflict that might restrict access are dependent on some form of anti-access and sea denial operations that will be very hard to conduct in the Arctic.

It is unlikely that military conflict would be the cause of restrictions to access and freedom of navigation in the Arctic, but if relations deteriorate or does not benefit one or more parties, this cannot be ruled out.

Terrorism

Although terrorism has gained a lot of traction in recent years, there have only been a small number of terrorist incidents at sea. Given the harsh environment in the Arctic it is unlikely that terrorists will seek this as an arena for conducting their activities. (It will simply not create the fear among the public which are what terrorist mostly seek)

However, in recent years we have seen that forms of eco-terrorism have increased at sea. These have mainly been conducted by anti-whaling groups directed against Japanese whaling ships close to Antarctica. Should whaling follow in the footsteps of the melting ice, such terrorist activity cannot be ruled out.

Pirates

Although we have seen an upsurge of piracy in some areas of the world (e.g. Gulf of Aden) in recent years this is very unlikely to follow from the opening up of shipping routes in the Arctic. This is due to the harsh environment they would have to operate in that would require specialized equipment and great navigation skills.

Gap Analysis

The frequent portrayal of the Arctic as a hotspot for potential conflict by many media outlets are not rooted in reality. Although there are unresolved territorial disputes between the Arctic coastal states, which are highlighted by melting ice and prospects for new sea routes and access to resources, there is also broad commitment to Arctic peace and stability. Common interests in maintaining regional stability, for different pragmatic reasons, provides a counterbalance to potential sources of conflict. This thesis is supported by the high level of Arctic institutionalization that has evolved since the end of the Cold War, giving rise to a complex web of multilateral and bilateral networks, ranging from states to regional institutions and organization with a strong support for a legal and institutional framework to govern the region.

Despite the potential for conflict, the conditions for conflict resolution through peaceful means are probably more promising in the Arctic than in many other regions where similar conflicts exist.

Firstly, all the states are relatively economically developed and politically stable and thus more likely to be predictable in their policies than less economically developed and politically stable states. Secondly, a comprehensive basis of agreements and normative acts for regulating bilateral relations in the area already exists, providing arenas for peaceful resolutions to disputes. Thirdly, civilian cooperation among the Arctic states is expanding on issues such as maritime search and rescue and environmental monitoring, which could also have a spillover effect into the security

realm. Fourthly, the most significant military players in the Arctic, the USA and Russia, face much greater security challenges elsewhere in the world, and therefore have particular interests in avoiding the Arctic becoming yet another area of instability. Fifth, to some extent the Arctic five share a common interest in limiting non-Arctic states' access to the region. On the one hand this could lead to greater cooperation among the Arctic five on limiting outside influence, but it could also lead to conflict between them should differences of opinion arise about what the role of "outsiders" should be.²¹ On the other hand, it could get the Arctic states into conflict with non-Arctic states about access to trade routes and resources.

There are undoubtedly potential sources of conflict in the Arctic that deserve to be taken seriously. States that have stakes in the region are not going to shrug off all concern for the defense of their national interests. However, this conflict remains at a low level, and that is something that can be maintained. Neither violent conflict nor lasting peace are inevitable outcomes, but many of the factors discussed here suggest that there are better prospects for avoiding violent conflict in this region than in many other regions of the world where interests collide.

The chances for building peaceful relations in the Arctic are good, but the fact that conflict can or will be avoided should not be taken for granted. It will demand serious focus, a great deal of dialogue and willingness to compromise from the states involved. As commercial activities expand in the Arctic, the need to develop regulatory measures in a number of areas will grow. Enhancing existing regulatory regimes and creating new ones to deal with the anticipated growth of commercial shipping in the Arctic, the prospect of new oil and gas fields under Arctic waters, possible expansion of commercial fishing in the Arctic, projected growth of mining activities on land, expected increases in Arctic tourism, and ongoing releases of contaminants either directly into the Arctic or in other areas whence they make their way to the Arctic, is something that need to be done should the future of the Arctic Continue to be secure, prosperous and sustainable.

Regional cooperation arrangements, such as the Arctic Council will play an important role in this regard as it is well equipped to build the knowledge that typically underlies regulatory strengthening and to facilitate the development of cooperation on specific areas.

Good governance will be best served, at least for now, by honoring, implementing, and enhancing the provisions of existing treaties and other governance arrangements. To do this, it is essential to build trust among the different actors in the region by encouraging participatory approaches and the use of dialogue to develop a shared vision for the Arctic. A failure to do so can leave the region vulnerable to pressures from those whose ultimate interests have little to do with the welfare of the Arctic.²²

One of the problems of the regional institutions that operate in the Arctic is that they do not deal with military and security issues. For instance, the Arctic Council has explicitly refrained from dealing with 'matters related to military security' to facilitate

²¹ Tor Bukkvol "Prospects for peace and cooperation in the Arctic", *The Arctic*

²² "Arctic Governance in an Era of Transformative Change: Critical Questions, Governance Principles, Ways Forward" Report of the Arctic Governance Project, 14 April 2010

new forms of multilateral collaboration between states with diverse outlooks on international politics. So far this has been a useful tactic leading the members of the AC to strengthen their links and engage in new forms of cooperation in order to overcome old hostilities in favor of a collective non-military approach to regional security. However, debates about military security are entirely absent from inter-state relations in the Arctic, but they are not the subject of formal discussions within places like the AC. Non-military security issues – including melting ice sheets, new sea routes, competition for renewable and non-renewable natural resources and sovereignty disputes, linked to melting ice and climate change more broadly – are high on the joint Arctic agenda, but it seems hindering to draw a sharp distinction between military and non-military threats as they are often intertwined and need to be analyzed together.

Avoiding dialogue on certain aspects of military security does not necessarily produce a more stable strategic environment, in the same way as talking about military security does not in itself produce negative outcomes. Multi-layered dialogue between partner states is central to conflict prevention. The Arctic states could thus make better use of various multilateral frameworks to stimulate dialogue across borders, in order to opening up discussions regarding possible ways to ensure collective security in the region.

One problem might be that in the short to medium term, the geopolitical significance of the Arctic is unlikely to become high (depending on oil prices, ice melting etc.) If the interest is lacking towards the region, there might be a lack of urgency in developing governance mechanisms and other forms of practical cooperation that is needed. Even though the prospects for further developing cooperation and dialogue are good, a lack of urgency might result in negative outcomes should contingencies catch the regional governance framework off guard.

Insights from the Arctic

In the Arctic, a multilayered complex web of different frameworks for governance has developed over the last two decades. This has helped heighten the cooperation and trust among different states in the region, but to date only one legal binding agreement (search and rescue) have been signed. A regional regime of some sort can be said to have been developed in the sense that the Arctic states have agreed on certain rules and procedure to govern the area. Although these rules and procedures are not legally binding at the moment, and the fact that the Arctic states only to a limited extent are acting together, a common vision for the region has been developed. It remains to be seen if this can mature into a proper regime.

The most important forum for the development of Arctic governance is the Arctic Council. As a policy-shaping rather than decision-making body it lacks the authority to make binding decisions on matters of substance and it is unlikely to acquire any such authority in the short-to-medium term. The Council has achieved striking results in identifying emerging issues, moving them onto policy agendas, and providing analyses needed to support consideration of these issues in relevant policy arenas. However, the capacity of the Council to perform these important roles is constrained by a lack of human resources, dependable sources of funds, and visibility at local and

regional levels. As such, the AC is limited to making initiatives supported on a voluntary basis by one or more of the member States.

There is a need to enhance the status of the Arctic Council as the principal forum for considering matters of regional Arctic policy, as has been tried through the signing of the search and rescue agreement. In addition, the Council might need to rethink its position on banning the sensitive subject of military security from its policy deliberations in favor of an open, peaceful and democratic security dialogue, without this necessarily giving rise to tensions between AC members or non-Arctic states

Besides from strengthening the AC, a number of opportunities to improve Arctic governance systems exist. This include, but are not limited to, establishing regulatory mechanisms to address sectorial issues through appropriate international bodies, strengthening legal regulations in areas where there are none or where existing ones are not sufficient, and building confidence and trust through dialogue among key Arctic constituencies.

However, strengthening the governance framework of the Arctic through legal regulations and binding agreements, through the AC for instance, may make it less attractive for some members and outsiders as they would have to compromise some of their national interests or legislative power.

The level of success the Arctic Council has achieved over the last decades has to do with its non-military approach to regional security issues and non-binding agreement strategies. This looser form of cooperation has been a useful tactic to engage different stakeholders into new forms of cooperation to overcome old hostilities. It made it easier to induce actors with different foreign policy outlooks to enter into substantively significant agreements that are not legally binding.

The benefits of such “soft law regimes”, as they are called, is that they allow for more flexibility in introducing innovative arrangements and are easier to adjust in a timely manner to changing circumstances that gives rise to a need for institutional adjustments. Issues that are not high up on the policy agenda can become central concerns when the alignment of interests favors efforts to address them or they become too pressing to be left alone. Prominent issues can be overtaken by other urgent matters, whether or not the policy process has produced solutions for them. This means both that it is critical to move issues to the forefront at the right moment and that it is essential to be ready to come forward with innovative proposals when the time is ripe. A flexible “soft law regime” is well equipped to deal with these matters.

However, the main benefit from a looser form of cooperation is that it allows for dialogue that can generate increased confidence and trust among members and non-members, as has been the case with the Arctic Council. The willingness of members to act collectively to solve the issues at hand is directly linked to the confidence and trust among members. The Arctic Council has developed through a series of steps, from environmental protection to the binding agreement on search and rescue, by generating confidence and trust among its members.