

Arctic Security - An Equation with Multiple Unknowns¹

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In May 2008, the five Arctic coastal states - the United States, Russia, Canada, Norway and the Kingdom of Denmark, including Greenland and the Faroe Islands - signed the Illulissat Declaration. The declaration established that the 'Arctic Five' will lay claim to the sea territorial rights awarded to them by the 1982 United Nations Convention on the Law of the Sea (UNCLOS), and that they will settle disputes within the framework of existing international law. This was a very strong message to NGOs and external state actors, arguing that a protective treaty should govern the Arctic, just like the Antarctic.

All five Arctic coastal states, as well as Sweden, Finland and Iceland, are members of the Arctic Council, established in 1996 to promote cooperation and coordination between member states. The growing geo-strategic importance of the Arctic region is however increasing the prominence of the Arctic Council. The Kiruna meeting in May 2013 was a pinnacle of this development when the eight member states agreed to grant permanent observer status to China, India, Japan, Singapore, South

¹ Editor's Note: The footnotes in this article and in the others in this issue of the *Journal of Military and Strategic Studies* have been left in the European format in which they were received, except that they have been placed at the bottom of the page to ease readability. We apologize for any confusion this may cause our North American readers.

Korea and Italy. This should also be seen as a more general acceptance of the UNCLOS as the regulator of the Arctic sea territories.

The application from the European Union to become a permanent observer was blocked by Canada due to the existing EU ban on seal products. The Kiruna meeting thus demonstrated that the Arctic Council also has become an important international meeting place and a conveyer of substantial political messages.

With the newly signed agreements on Search and Rescue and Environmental Response the Arctic Council has demonstrated that the forum can also be used for decision making at the operational level. However, as the founding Ottawa Treaty prevents the Arctic Council from dealing with military security issues, this new operational role will be limited to the coordination of the coast guard functions in the Arctic area.

Resources in the Arctic

The United States Geological Survey (USGS) estimates that a quarter of the world's remaining energy resources are located in the Arctic region.² Even though such estimates are always subject to a high degree of uncertainty, the USGS must be considered one of the most authoritative sources available.

The five Arctic coastal states are currently in the process of determining the boundaries of their continental shelves in the Polar Seas, resulting in the widespread perception that unexploited energy resources are to be found in an unregulated Arctic no-man's land. The majority of these energy resources, however, are in fact to be found within the respective nations' UNCLOS determined Exclusive Economic Zones (EEZ), which extend 200 nautical miles from their coastlines.

The demarcation process that is currently taking place also adheres to the UNCLOS principles, and thus solely concerns rights related to parts of the seabed that lie between the present 200 nautical mile boundary and the *boundary of the outer continental shelf*, which may extend up to 350 nautical miles from the individual nations'

² USGS, 2008

coastlines.³ The five coastal states are to submit any relevant scientific data in support of their claims to the UN's Commission on the Limits of the Continental Shelf (CLCS) within 10 years of their ratification of UNCLOS.⁴ Subsequently, while it is the UN's responsibility to evaluate the submitted scientific data, it is the nations' responsibility to solve any competing claims. It is likely that Denmark, Russia and Canada will have to do exactly that due to overlapping claims related to the Lomonosov Ridge, including the geographical North Pole.

The combination of increasing global demand, new technological gains and climatic changes make it economically viable to exploit resources in the Arctic, resulting in a scramble for resources in the region. It is, however, important to note that this scramble will most likely be commercial in character as almost all known resources at sea are already distributed amongst the five Arctic coastal states in accordance with the UNCLOS rules.

New Navigational Routes

As a consequence of climate changes in the Arctic, the amount of multi-year ice has decreased from 40 to 50 percent of the total amount of Polar ice in the 1980s and 1990s to 10 percent in 2009. This trend continues and the development reached a historical minimum in 2012.

The thick and hard multi-year ice is impossible to navigate with anything other than powerful icebreakers or nuclear-powered submarines. However, the retraction entails that parts of the area will be navigable for more ordinary ice-reinforced ships and drilling rigs during the summer months. In the short and medium term, this means that it will be technically feasible to exploit some of the hydrocarbon deposits beneath the seabed, which earlier were inaccessible due to ice. This development will also make

³ For more info, please visit <http://www.un.org/depts/los/index.htm>

⁴ The Arctic nations have ratified the 1982 UNCLOS as follows: Russia in 1997, Canada in 2003, Norway in 1996 and Denmark in 2004. The U.S. has yet to ratify the convention. Russia submitted claims in 2007, but the data was not accepted by the CLCS. Russia is expected to re-submit in 2013.

it possible to access hitherto isolated Arctic mineral deposits from the sea, enabling bulk ships to transport retracted minerals to the world markets.

In 2012, 47 merchant ships passed the Northeast Passage. If the dwindling of multi-year ice in the Polar Seas continues, this will allow for a more systematic use of northern sea routes, reducing distances between Northern Europe/North America considerably. The distance between Rotterdam and Yokohama using the Northeast Passage will be 40 percent reduced compared to the traditional route through the Suez. As a 40 percent distance reduction is also a 40 percent fuel and carbon emission reduction this perspective might have a significant impact on the pattern of sea transportation in the future.

A likely development in the short term will most likely be a significant increase in the maritime activities associated with oil and gas extraction, mining, fishing and cruise ship tourism. Evidence of this trend can already be seen off the coasts of Greenland. In the medium term the continued reduction of multi-year ice will entail the appearance of regular seasonal shipping through the northern sea route, supported by Russian maritime infrastructure. In the long term, a continued accelerating melt down of the Polar Seas could open up for cross polar transits in the summer season.

Russia

Russia possesses an extensive coastline and consequently a colossal exclusive economic zone, inside of which Russia already disposes of fishery rights and the right to exploit hydrocarbons in the seabed. This also means that Russia, by virtue of its geography, has already secured a substantial part of the area that is under discussion related to the determination of the outer boundary of its continental shelf. The relatively few instances where Russian claims collide with those of other Arctic states will, in the grand scheme of things, be deemed insignificant seen from a Russian perspective.

This is exactly why Russia stands to gain the most from adhering to extant international rules. Russia takes an active part in the Arctic Council, and, as previously mentioned, signed the Illulissat Declaration in 2008, together with the other four Arctic coastal states. Russia's desire for peaceful development in the Arctic through

international regional cooperation is further evidenced by its official Arctic Strategy, made public in 2008.⁵

Conversely, the strategy does not leave any room for doubt as to Russia's considerable national interests in the Arctic; interests that Russia is willing to defend militarily. The Arctic is thus perceived as a treasure trove of natural resources, which is to ensure Russia's future growth, and which is an important operational area for Russia's armed forces in their efforts to secure the integrity of the nation. Furthermore, the strategy makes it apparent that the northern sea route through the Northeast Passage is regarded as one integrated national transportation system. Russian Ministry on Regional Development is about to submit a legislative proposal to establish 'institutional conditions for complex economic and social development of Russia's Arctic zone'.⁶ The Northeast Passage is an integral part of this development. Russia is, in many ways, the Arctic state that is best prepared for the developments currently taking shape in the region. This is, among other things, because Russia possesses a relatively large icebreaking capacity as well as harbour and base facilities, primarily on the Kola Peninsula, which is still a focal point for Russia's military presence in the Arctic.

In 2011, international Russian news agencies announced that two 'Arctic brigades' will now be stood up within the Russian Armed Forces, tasked with protecting Russian interests in the Arctic region – news that was noted throughout the world. This is not the only example of a relatively aggressive rhetorical stance concerning military matters in the Arctic. This piece of news should be interpreted to the effect that Russia sees the Arctic as the key to its future growth and to signal that Russia will not accept any infringements upon Russia's sovereign rights in the region, including the Northeast Passage. This strategic message is therefore first and foremost addressed to external stakeholders in the Arctic, such as China and NATO, who could potentially diminish Russia's relative dominance in the region. It should be noted that Russia is the only Arctic coastal state that is not a NATO member and it is of paramount importance for Russia that NATO is kept out of the region. During missile defense negotiations between Russia and NATO in June 2011, Secretary General Anders Fogh

⁵ Russian Federation, 2008.

⁶ Barentsnova, 2013.

Rasmussen sent out an international press release, stating that 'NATO has no plans for Arctic'. This rather significant Arctic policy statement as a prelude to missile defense negotiations could suggest that it was the price NATO had to pay in order to get Russia to the missile negotiation table.⁷

However, Russia primarily needs the Arctic to remain a stable region that will be able to attract the long-term investment necessary to capitalise on Russia's natural resources. In this way, most Russian diplomatic actions can be seen to undergird the desire for peaceful development through cooperation.

Canada

Canada considers the Arctic an integral part of its national identity and an area of vital strategic importance; not least because the natural resources in the Arctic are viewed as decisive for the country's future. The Canadian Arctic strategy does not seek to hide the fact that the Arctic takes priority over all other security issues, including Canada's involvement in international missions.

The area that Canada is claiming, related to the boundary demarcation of the continental shelves is approximately as large as that of Russia. For Canada, this process does not immediately entail considerable boundary disputes. The Arctic, however, does constitute one of the few areas where the country has a conflict of interest with the United States. Canada, in fact, sees the Northwest Passage as a part of Canadian territorial waters in the same way as the Russians do the Northeast Passage. The United States, however, claims that the Northwest Passage is an international strait, to which it reserves the right of free and innocent passage without requesting prior permission.

Canada's incumbent government was elected to office for the first time in 2006, following an election in which the Canadian Arctic had been elevated to one of the election campaign's key issues. The Conservative Party criticised the then liberal government for being soft in relation to protecting Canadian rights in the Arctic. The Conservative election program underscored that Canada's interests in the Arctic can

⁷ [Interfax](#), 2011.

only be upheld if the world clearly perceives Canada's intent to defend its interests, with military power if need be.⁸ As a result of this domestic competition to be the most Arctic-oriented party, a short-lived diplomatic spat broke out between Denmark and Canada in the summer of 2005. To demonstrate national Arctic commitment, the then incumbent Liberal Minister of Canadian Defense personally took down the Danish flag on the very small *Hans Island* and hoisted the Canadian flag instead, declaring the island Canadian to an attentive national and international media. Until then, Denmark and Canada had, since 1973, agreed to disagree concerning the ownership of the island.

However, in the domain of foreign policy and diplomacy Canada, like Russia, has committed itself to support peaceful development of the Arctic through cooperation. Canada actively participates in the Arctic Council, which was established in 1996 upon Canada's initiative, and like Russia, Canada has signed the Illulissat Declaration. But even if Canada's actual interests lie in the peaceful development of the Arctic, the Conservative government is tied to a threat perception on the domestic stage that justifies the hard line in the Arctic. In the run-up to their first election term in 2006, the Conservatives pledged military procurements in the form of Arctic frigates, armed icebreakers, base facilities, etc. This was communicated intentionally in a manner suggesting a major military build-up. In real terms, however, Canada is more likely creating the necessary coast guard functions to ensure that maritime activities in the area can develop in a safe and regulated manner.

This demonstrates a two-level strategic communication, where one channel is tuned to a domestic audience, maintaining the national threat perception, and the other to the international media, supporting the diplomatic effort to seek cooperation and dialogue.

The United States

The United States' first National Strategy for the Arctic Region was published 10. May 2013. The strategy builds on the National Security Presidential Directive - 66/Homeland Security Presidential Directive-25 from January 2009 and is following

⁸ [Conservative](#) Party of Canada, 2006.

three lines of effort. The first is focused on US security interests, ranging from coast guard functions to national defense. The second line is focused on the responsibility to develop a regional stewardship and the third concentrates on international cooperation. The preservation of the 'Arctic Region Freedom of the Seas' is one of three focus areas related to the national security. This is of paramount importance for the US ability to deploy its military capabilities globally. From this perspective, US will never accept that the two 'straits' in the Arctic are considered national waters by Canada and Russia.

Although the new Arctic strategy is more nuanced than the underlying precedential directives, the Americans have a fundamentally different and far more security-oriented view of the Arctic than what is immediately reflected in the Arctic strategies of both Russia and Canada. Consequently, the Arctic is one among several US security challenges, all of which carry economic cost in an austere federal budget. The Arctic therefore has to measure up against American security challenges in the South China Sea, in Afghanistan and Pakistan, the Middle East, North Africa, etc. For this reason the Arctic may easily slip down the list of U.S. priorities when it comes to the funding of concrete operational initiatives. It will be interesting to see if the new Arctic strategy will change that.

The United States has operated in the Arctic over many years, with both nuclear submarines, early warning systems and aircraft. The new Arctic strategy, however, assigns considerable importance to a permanent maritime presence in the Arctic. But in reality neither the US Navy nor the US Coastguard has the surface units or infrastructure to make such a presence possible. Consequently, the implementation of the American Arctic strategy will demand large investments, and in an adverse economic environment this will require that the Arctic achieve a more prominent place in American political awareness than is the case today.

Norway

The Norwegian Arctic strategy makes it clear that strategically the 'High North' is top priority, and it is evident that the energy resources in the Norwegian and Barents

Seas hold great economic potential⁹. It is to be expected that the focal point of the Norwegian offshore industry will move from the fields in the North Sea to the northern parts of the Norwegian and Barents Seas over the course of the coming years.

Although the relationship with its neighbor in the north, Russia, has always played a defining role in Norwegian security policy, the prospect of extracting energy resources side by side with Russia means that the relationship plays a particularly dominant role in Norwegian Arctic policies. Since the 1970s, Norway has had a boundary dispute with Russia in the Barents Sea, which was recently settled in a mutual Norwegian-Russian boundary agreement, with the consequence that the opportunity now exists for both countries to begin energy extraction in the highly coveted area.

In recent years, Norway has concentrated large parts of its armed forces in northern Norway, referring to the important role that the area plays for Norwegian security policy. There can be no doubt that the need is primarily justified by the considerable Russian military presence on the Kola Peninsula. Interestingly, the strategy explicitly mentions that official Norwegian policy aims at implementing an increased level of military training maneuvers in northern Norway together with NATO, so that alliance partners can familiarise themselves with the area.¹⁰ This goal may prove hard to reach, however. For one thing, most of the allied nations in NATO have their attention directed toward more imminent trouble spots in the world; for another, many countries presumably find difficulty in identifying the relevance of 'familiarising' themselves with the operational area of northern Norway. Some might even claim that such activities may harm the intended cooperation with Russia, which is a priority in NATO's new strategic concept.¹¹

In other words, Norway finds itself in a dilemma regarding its security policy. There is a substantial desire for a national and international military presence in northern Norway to balance the Russian military presence. However, this might impact negatively on the country's efforts to create a 'marriage of convenience' with Russia,

⁹ For more info, see www.geopoliticsnorth.org/

¹⁰ Norwegian Government's High North Strategy, December 2006.

¹¹ NATO, 2010.

which could ensure that Norway can capitalise on its natural resources in the Barents Sea, side by side with Russia.

The Kingdom of Denmark

Denmark published an Arctic strategy, in August 2011. The document bears the title, 'Kingdom of Denmark – Strategy for the Arctic 2011-2020', and represents a joint strategy for the commonwealth comprising Denmark, Greenland and the Faroe Islands.

The Faroe Islands and Greenland have had home rule since 1948 and 1979 respectively, with the two wielding independent political power in almost all administrative domains. The Danish government, however, retains the prerogative of conducting foreign and security policy. Hence it is the Danish Armed Forces that safeguard Danish sovereignty in all three parts of the commonwealth.

The Danish strategy is a type of 'national compromise' between three parties, facing very different realities, both politically and culturally. Since the management of natural resources is administered by Greenland and the Faroe Islands, the Arctic resources are not mentioned as part of a joint prospective strategy for the Kingdom as a whole; as is the case, for instance, with Norway and Canada. Instead, the emphasis is on the potential of Greenland and the Faroes to become self-sustainable, and thereby independent of the annual subsidies from Denmark.

The strategy is very explicit concerning resource expectations, not least for Greenland's part. The potential oil and gas findings around Greenland are estimated to amount to up to 50 billion barrels.¹² The United States Geological Survey ranks the area as 19th on a list of the 500 most important oil regions in the world.

Apart from promising oil and gas prospects, Greenland also possesses significant amounts of various minerals such as copper, iron, zinc, gold, molybdenum, uranium and *rare earth elements* (REE). The world's largest deposit of REE outside of China is located in the southern part of Greenland. REE are the foundation for all modern electronics production, including the production of military technology and generators

¹² Kingdom of Denmark – Strategy for the Arctic 2011-2020, August 2011.

for wind turbines. Over the past 15 years China has worked purposefully to gain control of the global production of REE, and today possesses a de facto monopoly in this vital resource area, controlling 97 percent of global production. REE are an undisputed priority on the EU's designated supply-risk list of critical strategic minerals, dated July 2010. In addition, the United States has expressed growing political concerns over China's monopoly in this area.

The strategic importance of some of the minerals in Greenland, such as REE and uranium, makes it increasingly visible that Greenlandic home rule administration of resources also has implications on Danish security policy. Consequently, this artificial division of responsibility between resources and foreign policy in the formal home rule agreement is a severe challenge to the relations between Nuuk and Copenhagen.

It is a widespread perception that Greenlandic independence from Denmark is imminent. It is however unlikely that the fundamental prerequisites for such a Greenlandic choice will be present in a foreseeable future. With a very small and wide spread population of 57,000, huge social challenges and only 41 professional politicians including mayors in a continental sized island, Greenland will more than ever need a partner with the required institutional resources. Whether this partner will be Denmark in the future is entirely up to the Greenlandic people, but being an independent nation in the traditional sense is not a realistic option and replacing Denmark with somebody else after more than 300 years is not something that will happen from one day to the other.

The Danish strategy also underscores the need for peaceful development in the Arctic through cooperation. The Arctic Council and the Illulissat Declaration are designated as central tenants of the strategy, and an overarching goal for the Kingdom is for the Arctic Council to be developed further in order for it to become the central forum for all matters concerning the Arctic.

China

In order to understand future perspectives in the Arctic region, it is necessary to take into account one of the great powers that is not an Arctic littoral state. With a fast

growing middle class, China has a virtually insatiable need for resources, with the consequence that the Arctic will become an area of increased interest for China in the coming years. China also sees the Arctic as a great opportunity for future sea transportation. New polar sea routes will have strategic importance in relation to China's considerable dependence on sea transportation, but also as a strategic alternative to the narrow Malacca Strait.

On the one hand, China is generally a strong proponent of sovereign state rights within its own land and sea boundaries. On the other hand, China's ambition to gain observer status in the Arctic Council must be seen as an expression of the country's wish to influence developments in the Arctic. This can also – as mentioned earlier – be viewed as an indicator of China's compliance with the rights that the five Arctic littoral states have invoked in accordance with the UN Convention on the Law of the Sea. Conversely, the same convention grants China the right of navigation through the international waters in the region.

Indeed, indicators seem to point toward China making use of this right. China possesses the world's largest non-nuclear powered icebreaker, and has stated publicly that it intends to build a new 8,000-ton icebreaker, which will be operational in 2013.¹³ Scientific interest in the area is the official driver of China's Arctic activities.

However, as mentioned, the prospect of new and shorter sea routes through the Arctic hold great interest for China; something that Iceland has already recognised. Collaboration between China and Iceland has accelerated considerably in the wake of Iceland's economic collapse in 2008, and China seems very interested to get a foot hold in the Arctic through Iceland. The polar connection between the two countries was highlighted when the huge Chinese ice breaker visited Reykjavik after a trip across the Polar Seas. Chinese interest in Iceland is underscored by the fact that the Chinese embassy in Reykjavik is allegedly the largest diplomatic representation on the island.¹⁴

¹³ china.org.cn, 2011.

¹⁴ Jakobson, 2010.

Conclusion

Global demand for the world's resources has never been greater than it is today. Economic growth and rapidly expanding middle classes in countries like China and India point toward a continual increase in demand. As outlined above, the Arctic region contains a considerable amount of the world's remaining unexploited resources.

According to the Convention on the Law of the Sea, the Arctic coastal states have the right of exploitation of the resources in their respective exclusive economic zones, and there can be no doubt that the states will exercise these rights. They simply cannot afford not to. Neither can there be any doubt that the shipping industry will avail itself of the opportunity to transport goods through the Northern shipping routes as this becomes technically feasible and economically viable. Probably much sooner than most people realise.

As with most areas containing huge natural resources, the Arctic also holds the potential for conflict and tension. However, it is precisely the economic interests mentioned above that represent the greatest stabilizing factor in the region. The immediate opportunities associated with resource extraction and shipping in the Arctic require large, long-term investments, which will only come about if stability is the prevailing characteristic of the region.

The on going demarcation of the outer boundaries of continental shelves is primarily a process driven by the vision of future, long-term opportunities. Although this process will lead to overlapping claims in certain parts of the region, it is probable that differences will be handled in accordance with international legal principles. Also the potential 'triple claim' for the North Pole will eventually be solved through peaceful international principles. However, this does not exclude the possibility that one or more of the Arctic coastal states will use the demarcation process – through vociferous political rhetoric – to favor domestic and foreign policy agendas.

It is precisely this equivocal type of strategic communication, which several of the Arctic coastal states employ, that may prove to be problematic. If statements justifying military presence and citing the need for defending national interests in the region are pronounced with subsequent media exposure, this will, all other things being equal, undermine the credibility of the many diplomatic declarations concerning

peaceful development through dialogue and cooperation. In the worst case scenario, this type of ambiguous communication can lead to misunderstandings that may trigger an unintended, albeit incremental, militarisation of the region.

The fact that no formal forum exists where Arctic security issues can be addressed may result in such matters being suppressed or ignored, thereby running the risk that problems grow larger and less manageable. Professional network amongst member nations Chiefs of Defence might be a way to create confidence and trust. It is however important that the Coast Guard expertise of the eight countries are included, as most challenges at hand in the Arctic is related to coast guard functions such as Search and Rescue, oil spill response and regulation of fishery.

As a major consumer of energy and mineral resources, China will prefer the Arctic to remain a stable region where it is possible to conduct business. Consequently, China will not have any immediate interest in being militarily present in the region. However, if the relationship between China and the U.S. deteriorates as a result of differences in the South China Sea for instance, it cannot be ruled out that this would provoke a Chinese military presence in the Arctic. By invoking the same principles of freedom of navigation as the United States, China will, when it becomes technologically and operationally ready, be able to deploy nuclear submarines to the Polar Seas, thus becoming a member of a very exclusive group of nations.

Seen as a whole there is much to suggest that developments in the Arctic will take place in a peaceful manner. There is, however, so much at stake for the respective actors that it will be hard to avoid differences regarding demarcation lines and resources, including fishery rights, which might consequently lead to actual tension or even harassment. Militant 'eco-activism' is also to be expected from some of the more radical NGOs, which would escalate in the event of large environmental disasters in the region. This relatively stable projection of security policy developments in the Arctic may, however, be replaced by a more classic 'Cold War scenario' also involving Russia, should the relationship between China, Russia and the United States deteriorate in other parts of the globe.

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