The notion of the Arcticness is on the rise and increasingly influences strategic considerations of global and regional actors. During the last few decades the interests of many international actors in the Arctic region have significantly increased. In the last decades Arctic countries have been active politically and institutionally. However, not only the Arctic countries are interested in the region. Therefore, this research project intends to address all these questions and examine the developing perceptions and strategies of the Arcticness among the number of sub-Arctic countries. The publication is freely downloadable at www.liia.lv.

Editors: Andris Sprūds and Toms Rostoks
Project director: Mārtiņš Vargulis


English language editor: Emily Kernot
Cover photo: © www.shutterstock.com, photographer – Patrick Poendl

© Latvian Institute of International Affairs, 2014
© Authors of the articles, 2014
© Ieva Stūre (design), 2014
© SIA Hansa Print Riga (printing), 2014

ISBN 978-9984-583-51-8

Note: each author’s individual style has been preserved in the references.

This publication is supported by
## Contents

**Introduction**  
*Norbert Beckmann-Dierkes, Andris Sprūds, Toms Rostoks*  
. . . . . . . 9

**Why the Arctic matters for the rest of Europe**  
*Kristīne Bērziņa*  
. . . . . . . 17

**The development of an EU Arctic policy: interests, objectives, and initiatives**  
*Steffen Weber*  
. . . . . . . 43

**Iceland: small but central**  
*Alyson Bailes, Margrét Cela, Katla Kjartansdóttir, Kristinn Schram*  
. . . . . . . 75

**Foreign policy interests of Finland in the Arctic**  
*Lassi Heininen*  
. . . . . . . 99

**A slow train coming. Germany’s emerging Arctic policy**  
*Stefan Steinicke*  
. . . . . . . 119

**Poland in the Arctic: seeking the balance**  
*Piotr Kościński, Wojciech Lorenz, Lidia Puka*  
. . . . . . . 147

**Looking at northern lights: a (non)existent Arctic in Lithuania**  
*Mindaugas Jurkynas*  
. . . . . . . 169

**Latvia in the Arctic: a case study of risks and opportunities for a small sub-Arctic countries**  
*Mārtiņš Vargulis*  
. . . . . . . 193

**Conclusion: what role is there for sub-Arctic states in the Arctic’s future?**  
*Toms Rostoks*  
. . . . . . . 217
INTRODUCTION

Norbert Beckmann-Dierkes, Andris Sprūds, Toms Rostoks

The Arctic is on the rise. Despite the recent events in Ukraine and the Russian annexation of Crimea that have shaken the Euro-Atlantic security architecture, there is no denying that, even if temporarily sidelined, the importance of the High North in global politics is bound to increase. The Arctic is becoming ubiquitous and important by its ever-growing impact on global political and economic configuration. The continuous melting of the Arctic ice sheets has effectively placed the issues of the High North on the global agenda. The transformation of the Arctic’s ecosystem has created substantial concerns over the implications of climate change on the Arctic ecosystems. In the meantime, new windows of opportunities are opening. The Arctic is becoming increasingly accessible, especially for transportation and exploration of natural resources. Melting of the Arctic ice sheets is gradually opening new shipping routes that may have both global and regional significance. Although it is clear that natural resources are abundant in the Arctic, the exact potential for mining and hydrocarbon extraction is still unknown. In other words, the Arctic is becoming a regional and global “game changer”.

The Arctic is undergoing a rapid process of transformation that has far-reaching implications for both actors who are already active in the region and those who are in the process of defining their interests and still thinking about whether to become stakeholders or not. Unsurprisingly, the Arctic has become anything but another important chessboard for playing out and defending national interests. Both Arctic and sub-Arctic
actors are in the process of (re)discovering their Arcticness, and the presence of this notion increasingly influences strategic considerations of global and regional actors. During the last few decades the interests of many international actors in the Arctic region have significantly increased. This has gradually made the region an arena of both cooperative efforts and conflicts of geopolitical and economic interests. Obviously, the ambitions and interests to access the “Arctic pie” have motivated most of the Arctic countries to be active politically and institutionally. This has already led to cooperative efforts, but also conflicts over the perceived national interests and rights among the adjacent countries of the Arctic Ocean. International competition has gone hand in hand with an increasing Arctic awareness on domestic level and societal expectations that the respective national governments will pursue effective strategies with regard to the High North.

The Arctic’s “big five” - Canada, Denmark, Norway, Russia and the United States naturally are the most formative stakeholders in the Arctic. Agreements on the delineation of borders and transportation passages are on the agenda and pending. However, not only the Arctic countries are interested in the High North. Countries without a direct access to the Arctic Ocean - Sweden, Finland and Iceland are permanent members of the Arctic Council, a main body determining the future policy in the northern polar region. Other European countries, such as Germany, France, Netherlands, Poland, United Kingdom and even Spain and Italy have acquired permanent observer status. Moreover, membership bids of Asian countries such as China, Japan, South Korea, India and Singapore were successful in 2013. The Arctic increasingly features on the global rather than just regional political and diplomatic agendas. The traditional High North is effectively becoming a Wider North. Thus, Arctic issues may serve as a platform for building lasting cooperative efforts between the Arctic and sub-Arctic countries. Conversely, conflict over the access to the Arctic is also a possibility.

This far, the Baltics have remained outside formal Arctic-related institutional frameworks and diplomatic chessboards. Even more importantly, the Baltic States have formulated neither general visions nor detailed strategies with regard to the High North. But the transformation of the Arctic will continue and a number of developments may be expected. Two of them stand out as important for the Baltic countries in general, and Latvia, in particular. Firstly, the rapidly growing importance of the Arctic has not yet resulted in the common EU approach towards Arctic region. Most European countries perceive and act in the Arctic from the national point of view. Indeed, the number of Arctic adopted in recent years is impressive. However, the European countries increasingly understand the importance of joint activities. This raises questions of the future EU policy towards the Arctic region and Baltic contribution and role in this context. Secondly, the Baltic States have shown little interest with regard to the Arctic. Lithuania, Latvia and Estonia are clearly among the geographically most northern countries in Europe, yet the Baltic States lack awareness and strategies of Arcticness. This is surprising because there are both formative geopolitical challenges and windows of opportunities and potential gains from a deeper integration in and with the region. Baltic States have clearly formulated policies with regard to Eastern Partnership countries. Latvia has attempted to develop expertise on Central Asia and be active with regard to this region. Thus, the Baltic absence from the High North is intriguing. This publication effectively intends to place the Arctic on the Baltic agenda and beyond because it combines Arctic approaches and strategies of a number of Baltic Sea region countries, including Iceland. This volume aims to examine the developing Arctic perceptions and strategies among a number of diverse Baltic Sea region countries whom we dare to name as sub-Arctic countries: Finland, Iceland, Germany, Poland, Latvia and Lithuania.

The successful implementation of the current research project on the notions and strategies of Arcticness in sub-Arctic Europe was enabled by productive partnership between Konrad Adenauer Foundation and Latvian Institute of International Affairs. This reflects not only intensifying institutional cooperation but an increasing understanding and cooperation between the countries. Even if the trajectories and scope of the interests, policies and capacities of Germany and Latvia in the
High North are very different, a gradual convergence is observable. In the recent years, Germany has demonstrated a considerable and growing interest in the issues related to climate change, economic issues and diplomatic interaction in the Arctic. Germany has established itself as an observer state in the Arctic Council that reflects its understanding of regional presence. As explained at a later point in this book, German Arctic policy increasingly demonstrates the attempts to set a coherent strategy with regard to the High North.

The Konrad Adenauer Foundation has been among the pioneers and proponents of such coherent and comprehensive approach to the High North in Germany and beyond. The Foundation has stressed the geopolitical, economic and societal meaning of changes in the Arctic region since already a number of years by contributing to high-level conferences, discussions and publications on Arctic issues. There are many non-governmental organizations that deal with the Arctic in different fields but only few who are able to establish a linkage between political and economic expertise, intellectual undertaking and political practice. The Konrad Adenauer Foundation endeavors to serve as bridging agency to promote interconnection among variety of interests in different countries.

The Latvian Institute of International Affairs is more than happy to establish a productive partnership with the Konrad Adenauer Foundation to facilitate the debate on the High North issues in the Baltic countries and Latvia, in particular. The Latvian Institute of International Affairs since its establishment has aimed to provide Latvia’s decision-makers, experts, and the wider public with analysis, recommendations, and information about international developments, regional security issues, and foreign policy strategy and choices. The institute has focused on the issues important to the Baltic countries, and particularly Latvia, such as Transatlantic relations, developments of the European Union, Baltic and Visegrad regional dimensions, neighborhood policy and Eastern Partnership, relations with Russia, and energy security. The policy analysis on the Arctic becomes a natural step in the institute’s intention to widen and deepen the understanding among the Latvian public and decision makers of the issues that unequivocally will shape Latvia’s political and economic future. The new energy sources and supply routes through the Arctic may bring both challenges and opportunities to the countries of sub-Arctic Europe, including Latvia. The Arctic may provide substantial commercial opportunities – from the fisheries, use of biogenetic resources to the new shipping routes. It may also facilitate regional co-operation, including co-operation in high technology through EU research programmes, where Latvia already participates.

The current joint research project also takes a full advantage of the long tradition of prolific cooperation between the Latvian Institute of International Affairs and its international partner institutions in the region and beyond. The international body of researchers was deemed as imperative to achieve the objectives of the research project on the comparative analysis of the Arctic notions and strategies in the sub-Arctic Europe. The authors remained free to contribute their own idiosyncratic emphases and assessments and this diversity of approaches was essentially perceived as an important element in reflecting the plurality of opinions and the multifaceted nature of the Arctic agenda. sub-Arctic countries are different. Finland and Iceland are both Arctic and sub-Arctic. Both countries are permanent members of Arctic Council and both have adopted the national Arctic strategies. Germany and Poland have become observer states in the Arctic Council and have formulated rather elaborate Arctic strategies. Latvia and Lithuania have only recently become more aware of the processes taking place in the High North. This is also a reflection of a variety of foreign policy capacities. Iceland and Latvia suffered considerably during the recent economic crisis and this has clearly limited the scope of ambition, while Germany is the largest economy in Europe. Also, the European Union increasingly sees itself as an actor in the High North though the European Commission has not gathered unequivocal support from the member states to speak with one voice.

This diversity of authors with variety of national backgrounds also provides for the possibility to analyze the countries included in this study in comparative perspective. In this regard, the authors were encouraged
to write their country chapters in correspondence with the comparative analytical framework developed by the editors of this study. The each country chapter endeavors to address the four issues. First, the authors were asked to assess the presence of the notion of Arcticness and national Arctic strategies in a country’s foreign policy. Countries vary in terms of strategy formulation and perceptions but the trend is clear – the attention being paid to Arctic issues is on the rise. Second, the High North draws attention of political and economic decision makers, NGO’s, economic interest groups, science and think tank community representatives. Hence, it is important to understand the range of both domestic and international actors and stakeholders who are involved in shaping Arctic policies. Thus, the authors had to identify the range of domestic Arctic stakeholders shaping the Arctic policies. Third, the growing importance of the High North has resulted in Arctic issues being discussed in various bilateral and multilateral frameworks. The authors were asked to find out which countries have used which frameworks for dealing with Arctic issues. The UN negotiated Convention on Law of the Seas remains the major legal instrument of arbitration in the High North. The regional Arctic Council has been strengthened recently by the new permanent secretariat. Simultaneously, other initiatives exist: the Barents Euro-Arctic Council, the Northern Dimension with “Arctic window” element, the informal Arctic Circle whose first meeting took place in Iceland in 2013. Eventually, each country has its own set of preferences for initiatives and engagements. Fourth, the authors were encouraged to provide a forward-looking perspective and recommendations in the concluding part of each country chapter. Having identified national differences within national and multilateral policy and institutional toolboxes, recommendations for further steps and best practices might be helpful not least because similar approaches to the Arctic may facilitate development of a common EU approach toward the Arctic.

This publication does not engage with the Arctic directly, but it can still be perceived as an important addition to the existing literature on the High North because most attention until recently in academic literature has been paid to the Arctic strategies of the permanent members of the Arctic Council and other major players such as Japan and China. Approaches of sub-Arctic Europe’s countries towards the Arctic have received considerably less attention. This volume aims to fill that gap at least partially. The Arctic issues range from security (security architecture, maritime borders, military deployments) to economic (transportation, minerals and energy) and environmental (climate change, biodiversity) and indigenous people (culture, social issues). Countries in sub-Arctic Europe may not have a stake in all of the abovementioned issues, but it is hard to deny the existence of significant interdependencies between the Arctic and sub-Arctic actors with regard to at least some of these issues. One of the aims of this study is to raise Arctic awareness in the Baltic States where it has hardly been present, but this volume also provides a platform for interaction and dialogue between the Arctic and sub-Arctic countries.

The future scenarios of the developments in the High North may vary. Tension and conflict cannot be excluded, but for the time being, the Arctic, perhaps surprisingly, is a textbook case of international cooperation. The literature on High North is almost unanimous in stressing that currently cooperation prevails over conflict. Arctic cooperation may suffer, however, if relations among great powers, most notably, Russia and the United States deteriorate. Russian annexation of Crimea in the face of Western criticism is likely to result in less benevolent international environment with considerably less great power cooperation. The post-cold war international environment has turned out to be somewhat more fragile than expected. Although it is highly unlikely that Arctic cooperation will be the first victim of souring relations between the United States and Russia, it may turn out impossible to shield the Arctic cooperation from political fallout over the events in Ukraine. Interdependencies between the Arctic and sub-Arctic actors are not only economic and environmental. They are also political which means that political tensions may harm current cooperative efforts in the High North. Better understanding of the variety of Arctic stakeholders and their interests may not be enough to prevent conflicts from occurring, but it will definitely provide a better understanding of the present situation. Improved
understanding of Arctic issues and scenarios and stakeholders’ national interests may result in synergies. Also, building better and more efficient institutions in the High North may serve as a guarantee against conflict and tension. And this book is a substantial step in that direction.

WHY THE ARCTIC MATTERS FOR THE REST OF EUROPE

Kristīne Bērziņa

As temperatures rise in the Arctic, scientists, shippers, and military strategists are peering northward into what was, a few years ago, an inaccessible mass of ice. In the past, the international community associated the Arctic with wildlife conservation and indigenous peoples’ rights. But this decade has brought Arctic sea ice to record lows and opened the region to a broader range of interested outsiders. Scientists are focusing on the Arctic to measure the impact of increased greenhouse gas emissions, and businesses are pursuing economic activity once thought impossible in Arctic waters, such as maritime shipping and offshore oil drilling.

The eight countries with territory above the Arctic Circle are best positioned to manage the transformations coming to the region. But the Arctic states are no longer the only stakeholders involved. Changing climate conditions are making the High North an important area for global actors scientifically, economically, and strategically.

Europe is deeply tied to the Arctic. Three members of the European Union (EU) and two members of the European Economic Area are also Arctic states. Europe has made significant investments in scientific research and economic development in the region. From a security perspective, Europeans are becoming concerned about their own Arctic capabilities and are focusing strategic attention northward. Asian states
are gaining observer status in the Arctic Council and investing in mining and extractive industries, prompting further European anxiety. As a result, European countries far south of the Arctic Circle are increasingly involved in the region.

This chapter provides an overview of actors in the Arctic. It describes Europe’s engagement in the region and the drivers for the increased interest. These drivers fall into three categories: immaterial interests, material interests, and security concerns.

**Arctic actors**

The growth of interest in the Arctic has led to a proliferation of actors in the region. Traditional stakeholders – the Arctic states and the Arctic Council – remain the region’s primary players. This said, ever more countries, organizations, and private companies are seeking to shape its future. These new actors are geographically diverse and come from a broad spectrum of sectors and industries.

The main political players in the Arctic are the eight states with territory above the Arctic Circle: Canada, Denmark (including Greenland), Iceland, Norway, Sweden, Finland, Russia, and the United States. In 1996, these eight countries founded the Arctic Council, an intergovernmental organization, to address issues related to trade, environment, climate change, indigenous peoples, and natural resources. The Arctic Council often serves the function of an advisory body rather than a governing institution, since it was formed through a declaration (the Ottawa Declaration) rather than by an international treaty. It commonly issues non-binding recommendations instead of binding measures.  

The Arctic Council includes permanent representatives from indigenous communities and other residents of the region. Arctic indigenous groups were first invited to join the Arctic Environmental Protection Strategy, the predecessor of the Arctic Council, as observers. These groups, including the Saami, Inuit, and Russian indigenous peoples, gained the right to be consulted on decisions made by the Arctic states. Over the course of the 1990s, the number of indigenous peoples’ organizations in the Arctic Council doubled. As indigenous groups have attained broader rights of self-governance, they are playing an increasingly independent role in Arctic affairs.  

Although the Arctic Council is the main forum for Arctic questions, different groups of Arctic states also meet in other settings to discuss particular topics. For example, Iceland, Finland, and Sweden do not border the Arctic Ocean, so for issues pertaining to the Arctic Ocean the other five states may meet separately. In 2008, Denmark convened the five Arctic Ocean littoral states under its Ilulissat Initiative to sign a cooperation agreement. The agreement affirmed the validity of existing legal frameworks, expressed concern over the effects of climate change, and prompted efforts for greater cooperation on emergency preparedness, environmental stewardship, and scientific research in the Arctic Ocean.  

Non-Arctic states are playing an increasingly active role in the Arctic region. The Arctic Council permits certain countries to serve as observers, allowing these states to participate in working groups, attend Council meetings, and propose projects through Arctic states or permanent participants. As of 2014, seven European and five Asian countries hold observer status: France, Germany, Italy, the Netherlands, Poland, Spain,

---


the United Kingdom, China, Japan, the Republic of Korea, Singapore, and India. The European Union has applied for full observer status but only has ad hoc observer rights. This means that the EU is granted permission to attend meetings on a case-by-case basis.

Intergovernmental, inter-parliamentary, and non-governmental organizations play a significant role in both the Arctic Council and in the region more broadly. They are permitted to join the Arctic Council as observers with the same rights as non-Arctic observer states. In 2014, nine intergovernmental and inter-parliamentary organizations have observer status as do 11 non-governmental organizations. These include the International Federation of Red Cross & Red Crescent Societies, the Nordic Marine Mammal Commission, the United Nations Economic Commission for Europe, the United Nations Development Program, the International Arctic Science Committee, and the World Wide Fund for Nature’s Global Arctic Program, among others. Many of the non-governmental and inter-governmental observers focus on the environment, wildlife issues, and scientific pursuits. This interest group has expanded its activities in the Arctic over recent years as the influence of climate change has become especially pronounced.

Although it is not an observer of the Arctic Council, the International Maritime Organization (IMO) is playing a growing role in the region. The IMO, the United Nations agency responsible for maritime safety, is developing a Polar Code for ships traveling through challenging Arctic and Antarctic waters. The Polar Code will set newly binding standards for ship design, construction, operation, training, search and rescue, and environmental protection.4

The actions of nongovernmental organizations in the Arctic can catalyze change or heighten disagreements between state actors in the region. In 2013, Russia jailed 30 Greenpeace activists and journalists who were protesting oil and gas drilling in the Arctic and had attempted to climb an oil rig in the southeast part of the Barents Sea. Russian authorities threatened to charge the activists with piracy. The international reaction to the protest increased popular awareness of the presence of oil and gas companies in the Arctic.

Lastly, private sector actors also play a significant role in the region. The opening of the Arctic is attractive for a number of companies, especially those in the oil and gas, mining, and shipping businesses. Some of these private sector actors aim to extract natural resources from the Arctic or transport goods through Arctic waters. Others seek to take advantage of the Arctic’s unique conditions to pursue research and develop new technologies.

Arctic engagement and affinity in sub-Arctic Europe

Arctic engagement in sub-Arctic European countries varies widely. Some countries are permanent observers in the Arctic Council, while others have barely begun developing policies on the region. What is important, however, is not only engagement in the Arctic but also affinity for the region. In fact, Riga and Tallinn are closer to the permanent seat of the Arctic Council in Tromsø, Norway than they are to Brussels. Strong ties between sub-Arctic states and their northern neighbors can serve as a springboard to increased engagement.

Poland and Germany, two sub-Arctic European states featured in this book, have a formal method for interacting with the Arctic institutions. As permanent observers of the Arctic Council, the two countries can participate in Arctic governance through their attendance of Arctic Council meetings and detailed working group sessions.

For the three Baltic States, there is no institutional method for interacting with the Arctic Council. Instead, the Baltic States primarily act on the international stage through their membership in the European Union and NATO. These relationships are crucial to facilitating involvement in

---

the Arctic. As members of the European Union, sub-Arctic countries can take part in EU activities in the Arctic, including scientific research and work with indigenous groups. As NATO member states, the Baltic States can express their strategic concerns about the region through NATO discussions on the Arctic.

Institutional ties between the Nordic and Baltic regions create a sense of partnership that does not depend on formal Arctic Council status. Three Arctic states – Denmark, Sweden, and Finland – work with southern Baltic countries through the European Community’s Baltic Sea Region Program on issues of water, energy, transport and innovation. Five Arctic states – Russia, Norway, Denmark, Sweden, and Finland – use the forum of the Council of the Baltic Sea States to solve common issues of sustainability, energy, education, culture, trafficking, youth, and economic development alongside the southern Baltic littoral states. Similarly, the Nordic-Baltic Eight brings together Finland, Sweden, Norway, Iceland, Denmark, Estonia, Latvia, and Lithuania to cooperate on common foreign and security policy concerns. This format allows the region to cooperate on the basis of a common “northerliness”, rather than on the basis of NATO or EU membership.

The bilateral and multilateral ties that the Baltic States have already cultivated with their Arctic neighbors can help define the extent of their future actions in the region. Strong existing relations can prompt the Baltic States to participate in academic projects in the Arctic or to develop joint business ventures with Nordic companies.

Drivers for increased Arctic engagement by sub-Arctic Europe

The drivers for increased interest in the Arctic fall into three categories: immaterial interests, material interests, and security concerns. As sub-Arctic Europe looks towards greater engagement with the Arctic, their activities are likely to fall into these areas.

Immaterial interests

The Arctic is a region of tremendous ecological resources, rich in marine and terrestrial wildlife and diverse flora. It is also an area where the effects of climate change are being felt acutely. According to the Intergovernmental Panel on Climate Change (IPCC), “...in the Northern Hemisphere, 1983–2012 was likely the warmest 30-year period of the last 1400 years.” Not only has the rise in temperatures already profoundly affected the Arctic, more changes are likely to occur. In the future, the IPCC believes, “It is very likely that the Arctic sea ice cover will continue to shrink and thin,” and that “a nearly ice-free Arctic Ocean in September before mid-century is likely.”

In the Arctic both marine and terrestrial habitats have been significantly impacted by climate change. Ice has retreated dramatically. According to IPCC figures, the annual mean sea ice extent very likely shrank up to 4.1 percent per decade between 1979 to 2012. Summertime sea ice minimums decreased even more quickly, potentially up to 13.6 percent per decade. Conditions on land have also been changing, with permafrost warming up to 3°C in Northern Alaska and up to 2°C in the Russian European North.

Environmental conservation and concern over climate change are

---

9 Ibid, 22-23.
10 Ibid, 7.
strong drivers for European countries’ interest in the Arctic. The environmental impact of increased economic development in the Arctic is a special focus, with Europe fearing potential environmental destruction from increased hydrocarbon production and also habitat loss due to climate change.

For Germany, the overwhelming effects of climate change in the Arctic motivate greater climate action domestically. Germany’s Federal Foreign Office calls the Arctic “an early warning system” for climate change. The EU has invoked conditions in the Arctic as the impetus for more rapid and meaningful environmental action. The EU’s 2012 Joint Communication on “Developing an EU Policy towards the Arctic Region” maintains that “the rapidity of change in the Arctic provides a strong rationale for the EU’s commitment to environmental protection and the fight against climate change.” These policy areas, in turn, are important for European foreign policy because of the EU’s role as a champion for international action on climate change.

The Arctic is also a very important region for research and international scientific cooperation. European states and the European Union are active participants and funders of research, with EU contributions alone totaling more than €200 million since 2002. Key EU research projects have included ice2sea, a €10 million project spanning from


17 Alyson JK Bailes and Lassi Heininen, Strategy Papers on the Arctic or High North: A comparative study and analysis (Sigillum Universitatis Islandiae, 2012).
between sub-Arctic European states and the Arctic region. In 2013, the EU, Canada, and the United States started a research alliance in order to study the interplay of the Arctic and Atlantic Oceans. The alliance is particularly focused on climate change, and it has been given priority status within US-European research collaboration. This endeavor and other collaborative research efforts in the climate, marine, and atmospheric sciences give sub-Arctic European scientists a platform to contribute to innovative studies and access to new colleagues and future funding.

Material interests

A more open Arctic provides a range of economic opportunities for many European countries, which is particularly attractive in the context of economic downturn across the continent. For years the Arctic has proven an attractive tourism destination for Europeans, and new opportunities are emerging. An Arctic shipping route, the Northern Sea Route, reduces time and costs to ship goods to and from Asia, while open seas during summer months allow greater access to natural resources. In the long term, countries with fishing industries may be interested in pursuing increased access to fisheries in the far north.

Arctic tourism is a driver for increased engagement by non-Arctic Europeans in the Far North, and brings risks and opportunities. Local communities can gain a sustainable source of income while working to increase awareness of environmental issues. At the same time, imprudent development puts the Arctic environment and local culture at risk. In the late 1990s, the now discontinued World Wide Fund for Nature (WWF) Arctic Tourism Program supported sustainable tourism as a way to protect the Arctic environment and developed principles and codes of conduct to ensure best practices in the field.

Among the most common tourist expeditions are cruises to see wildlife – walruses, whales, reindeer, birds, polar bears, and Arctic foxes – in Svalbard, Norway. In 2003, nearly 30,000 tourists visited the northern Norwegian islands on these cruises. Russia offers similar expeditions to the ice base Borneo, about 100 kilometers from the North Pole, for more than 200 tourists each year. Although total Arctic tourism is hard to measure, some reports estimate that in the past year, more than one million tourists visited the Arctic.

Arctic tourism drives greater international engagement on Arctic governance issues. Increased ship and air traffic to the Arctic increases the risk of pollution in its natural habitats. Oil leaks from ships, litter, noise pollution from increased traffic, ballast water, and air pollution from boats and snowmobiles all put the local environment at risk. These risks need to be addressed in international forums because of the diverse origin of tourism operators and cruise ships, and because of unique territorial governance issues. European countries with a stake in Arctic tourism will need to work with other Arctic stakeholders in order

---

23 James Stavridis, “High North or High Tension? How to head off war in the last frontier on Earth,” Foreign Policy, October 21, 2013, http://www.foreignpolicy.com/articles/2013/10/21/high_north_or_high_tension_arctic_competition#sthash.B90IqI9E.dpuf.
to determine who is responsible for rescue operations and environmental monitoring.  

European companies across many sectors are taking advantage of better access to the High North, and shipping routes are attracting particular attention. Maritime shipping is crucial for trade in the European Union. Nearly 90 percent of freight into and out of the EU comes through maritime transport, and nearly 40 percent of intra-EU trade is also shipped by sea.  

Germany has the third-largest merchant fleet in the world, and the EU is home to three of the top 10 global merchant fleets. Germany has two major commercial ports, Hamburg and Bremerhaven, while Rotterdam, in the Netherlands, is the largest port in Europe.  

With the melting of Arctic sea ice, European ships are able to transport goods through the Northern Sea Route, which leads from the Atlantic to the Pacific Ocean through the Arctic, faster than ever before. The journey from Rotterdam to South Korea through the Northern Sea Route saves 10 days, shaving about a third off the traditional route taken through the Suez Canal. The popularity of this Arctic route has grown extremely quickly. In 2010 only four ships traveled between Asia and Europe through the northern route; by 2012 more than ten times the number of ships made the same trip. In 2013 approximately 50 ships traveled through the Northern Sea Route carrying vast loads of goods between the Baltic Sea and the Far East.  

The route is unlikely to bring about a shipping revolution. At best, ships can only use the Northern Sea Route for half the year and conditions can be unpredictable. But the new path is a significant development for European shipping companies seeking supplementary routes to the Far East and for those servicing oil, gas, and mining operations in the Arctic.  

The Northern Sea Route bypasses potentially risky areas. Existing shipping routes from Europe to the Far East pass through the Suez Canal and the Strait of Malacca. These routes can put ships at risk of pirate activity in the Gulf of Aden and throughout the Indian Ocean. In addition, traffic on the established routes is becoming ever denser as the Asia Pacific region develops. A more accessible Northern Sea Route gives ships an alternative passage during warmer months, providing greater security for shipping companies.  

If shipping is one major economic focus in the Arctic, the promise of riches buried beneath the sea and in melting permafrost is just as alluring. Changes in ice cover have allowed greater investments in oil, gas, and mineral extraction in the region. Already, the Arctic produces more than 10 percent of the world’s oil and over a quarter of the world’s natural gas. This will likely grow in the future. Twenty-two percent of the undiscovered reserves of both oil and gas are thought to lie north of the Arctic Circle. The Eurasian Arctic is rich in natural gas

resources, while the North American Arctic is endowed with greater oil resources.\textsuperscript{31}

Onshore oil and gas production in the Arctic began in Russia in 1962 and in the United States in 1967. Since then, 61 major oil and gas fields have been discovered in the Arctic on US, Canadian, Russian, and Norwegian territory. The majority of these fields are in Russia.\textsuperscript{32} The retreat of sea ice is increasing the feasibility of offshore oil and gas development in the Arctic. Norway has been producing natural gas in the offshore Snøhvit field since 2007, transporting the gas by pipeline to land to be liquefied and sold on global markets. Norway intends to start producing oil in the Goliath field in the Barents Sea in 2014. Rosneft, the Russian oil company, is seeking to develop offshore oil fields in the Barents and Pechora Seas. Russian companies plan to build two of their own Arctic natural gas liquefaction terminals, Yamal and Shtokman, to imitate Norway’s success in developing Arctic natural gas fields. Russia is especially interested in selling LNG from the Arctic to higher-paying markets in Asia and diversifying its customer base away from Europe.\textsuperscript{33}

Increased access to natural resources in the Arctic can benefit sub-Arctic European companies. Italy’s Eni and Anglo-Dutch Shell have already partnered with Russian companies to develop resources in northern Russia.\textsuperscript{34} German companies are working with Norwegian and Russian partners to develop northern reserves, using these partnerships as a way to develop German technical expertise in difficult conditions.\textsuperscript{35}

For example, Germany’s RWE and France’s GDF Suez and Total are partners in developing Norway’s Snøhvit offshore natural gas field.

But there are challenges for those who seek to explore and produce oil and gas in the Arctic. First, there is the issue of expense. The cost of building infrastructure is very high, making the development of certain large oil and gas fields economically prohibitive. In Alaska, for example, nearly one billion cubic meters of natural gas in the North Slope play are not being exploited because of a lack of infrastructure for moving the gas.\textsuperscript{36} Studies in the US have found that developing oil and gas in Alaska’s North Slope is 1.5 to 2.0 times more expensive than developing similar projects in Texas.\textsuperscript{37} At the same time, although there is a large potential for further hydrocarbon development in the Russian Arctic, Ekaterina Klimenko of SIPRI argues that global trends are slowing production: “The emergence of technologies to exploit unconventional hydrocarbon resources has significantly undermined the potential profitability of untapped Arctic shelf resources and diminished their investment attractiveness.”\textsuperscript{38}

The high cost of transportation will be a problem for the development of natural gas reserves in particular. The Arctic is rich in natural gas, accounting for 30 percent of undiscovered reserves. Natural gas requires extensive pipeline infrastructure or liquefaction to transport it to customers, and it is more expensive to transport than oil.\textsuperscript{39}

The second category of challenges to oil and gas exploitation in the Arctic are environmental. The environmental impacts and risks of exploration and production in the Arctic are significantly greater than in other areas. Weather conditions in the Arctic are extreme for onshore and offshore operations.


\textsuperscript{32} U.S. Energy Information Administration, \textit{Arctic Oil and Natural Gas Potential}.


\textsuperscript{34} Borgerson, “The Coming Arctic Boom: As the Ice Melts, the Region Heats Up.”

\textsuperscript{35} Federal Foreign Office, “The Arctic.”

\textsuperscript{36} U.S. Energy Information Administration, \textit{Arctic Oil and Natural Gas Potential}.

\textsuperscript{37} Ibid.


\textsuperscript{39} U.S. Energy Information Administration, \textit{Arctic Oil and Natural Gas Potential}.
shore exploitation of natural gas and oil reserves. Oil and gas rigs need to withstand plunging winter temperatures and storms, poor soil conditions for onshore production and transportation infrastructure, marshy tundra in the summer months, and difficulty accessing supply lines and emergency services. 40 The World Wide Fund for Nature argues that in case of oil spills, cleanup in icy conditions would be impossible. On land, the tundra would take much longer to recover than do warmer ecosystems. Even if it were possible to avoid accidents, the environmental group insists that the noise and traffic caused by oil and gas production would be very harmful for Arctic marine mammals. 41

The third obstacle is climate change. Evidence suggests that Arctic oil and gas development drives climate change locally. A recent study in Atmospheric Chemistry and Physics found that 40 percent of black carbon in the Arctic atmosphere comes from flaring natural gas in the region. When oil is drilled, natural gas is also produced. In the Arctic, where there is limited infrastructure for capturing oil and gas, natural gas is often burned off, or flared, at the drilling site. The study suggests that flaring and venting of natural gas during the drilling process is directly contributing to ice melt locally. The issue of black carbon production from flaring is especially relevant for the extractive industries in Russia. 42

Regardless of the level of development, Arctic oil and gas will influence energy availability for sub-Arctic European countries. If Arctic oil and gas reserves are plentiful and commercially recoverable, especially in areas where European oil and gas companies have purchased stakes, sub-Arctic European states will have greater energy security.

40 Ibid.
41 WWF Global, “Arctic Oil and Gas,” http://www.wwf.panda.org/what_we_do/where_we_work/arctic/what_we_do/oil_gas/.

If the oil and gas produced from Arctic projects is very expensive, or if Asian companies finance new natural gas projects, future Russian natural gas supplies may be sent to Asian markets where prices are 50 percent higher than in Europe. This could impact the security of European energy supplies. Two Russian oil companies have already signed agreements with the China National Petroleum Corporation (CNPC) to recoup the high costs of developing Arctic oil and gas infrastructure. Rosneft is partnering with CNPC to explore for oil in the Barents and Pechora Seas, and Novatek is working with CNPC on the Yamal LNG terminal. 43

Oil and gas are not the only extractive industries in the Arctic. The warming of the Arctic is also spurring economic opportunities in the mining sector. There are more than 40 active metallic mineral mines in Northern Russia, Finland, Sweden, and Norway, and a quarter of these have opened or reopened in the last decade. Increasingly, Greenland is opening itself up to mining as well. Greenland has one active gold mine, with two additional mines planned, as well as the second largest deposits of rare earth metals in the world. 44 Furthermore, Greenland recently voted to remove a ban on uranium extraction. 45 A warmer Arctic would benefit extractive industries throughout the region. Mineral mines producing zinc, nickel, diamonds, platinum and cobalt in Russia and Alaska will likely benefit from access to ports for exports. 46

Mining is an economic driver for greater involvement in the Arctic.

43 Klimenko, “Interdependence, Not Sovereignty, is the Key to the Development of Russia’s Arctic Region.”
46 Borgeson, “The Coming Arctic Boom: As the Ice Melts, the Region Heats Up.”
Rare earth minerals are currently largely sourced in China, which has the world’s largest deposits. Rare earths are crucial for new technologies, including smart phones and wind turbines.\textsuperscript{47} Having access to an additional source of rare earth minerals would help Europeans further secure access to materials required for innovative technologies. But at the moment, the biggest investors in Greenland come from China and Australia. China’s Sichuan Xinye Mining Investment Company has already partnered in a joint venture with a British company to mine iron ore in Greenland. China’s leaders have also visited Denmark, which is responsible for Greenland’s foreign and security policy, in the past year.\textsuperscript{48} For European mining companies, greater engagement in the Arctic could lead to increased profits and could also support European jobs. But as in the case of oil and gas drilling, mining comes with significant environmental risks.

Direct exports of Arctic resources may extend to the fishery industry as well. Commercial fishing may extend further into Arctic waters as seas warm and migratory patterns of fish change.\textsuperscript{49} The Arctic currently provides approximately four percent of all EU catches.\textsuperscript{50} Because of a collapse in fisheries due to past overfishing in the North Atlantic, Arctic fish populations could become a target of the European fishing industry. Populations of sockeye salmon, pollock, and Arctic cod could be particularly attractive for commercial fishing.\textsuperscript{51}

The expansion of Arctic fisheries is relevant for sub-Arctic European states. The fishery industry is a major employer in northern European countries and draws professionals from southern neighbors. Changing migratory patterns may also draw the international community into new negotiations on how to manage fisheries in the Arctic. But the biggest influence of sub-Arctic European states in Arctic fishery policy comes from the EU’s role as the primary market for fish exported from Arctic states. In 2008, 80 percent of Icelandic and 60 percent of Norwegian fish exports went to the European Union. This buying power illustrates the potential sway European countries can have on their northern neighbors in terms of fishery policy. This opens the door for Arctic fisheries to be subjected to European fisheries regulations and sustainable fishing standards.\textsuperscript{52}

Strategic concerns

The opening of the Arctic is geopolitically and strategically important not only for the Arctic States but for all of Europe. Greater access to the Arctic is driving foreign and security policies in two directions, forcing countries to cooperate in new ways but also creating fresh rivalries. Sub-Arctic European states, as members of international defense alliances, will need to respond to both trends.

Institutional and legal arrangements in the Arctic provide a model for addressing territorial disputes and sharing resources among potentially unfriendly neighbors. The eight Arctic states cooperate through the Arctic Council on issues of contaminants, monitoring and assessment, conservation, emergency prevention, marine environment protection, and sustainable development. All members of the Council have agreed to resolve conflicts through the UN Convention on the Law of the Sea (UNCLOS), although the United States has yet to ratify the convention. Norway and Russia recently used the existing framework of the UN convention and the Arctic Council in order to pass a treaty on Mari-
time Delimitation and Cooperation in the Barents Sea and the Arctic Ocean.\textsuperscript{53}

The UNCLOS does not eliminate all disagreement. Russia planted a flag on the Arctic seabed in 2007, and territorial disputes about Arctic maritime boundaries will continue in coming years. The signatories of the UNCLOS must claim territory on the continental shelf outside their exclusive economic zones (in areas beyond 200 nautical miles from land) within 10 years of signing the UNCLOS. Canada and Denmark are in the process of submitting claims to the continental shelf in the Arctic Ocean.\textsuperscript{54} It will take the UN Commission on the Limits of the Continental Shelf years to process the submissions, and even then, any dispute will have to be resolved bilaterally between the states. Disagreements are also likely, as Canada, Russia, and Denmark are all expected to claim territory in the Lomonosov Ridge.\textsuperscript{55}

Still, many scholars argue that even in the event of territorial disputes, the UNCLOS and diplomatic arrangements between Arctic States will provide adequate dispute resolution mechanisms. Russia may have put a flag on the seabed, but the following year it signed the Ilulissat Declaration, defining many legal and territorial questions in the Arctic Ocean, in order to preempt a scramble for territory.\textsuperscript{56} The Ilulissat Declaration and the Arctic Council’s commitment to the UNCLOS can provide a model for sub-Arctic European countries to address their own disputes. Latvia and Lithuania, for example, have not been able to finalize a sea border treaty between the countries because of concerns over dividing potential off-shore extractable resources. The Arctic Council’s model for problem solving and cooperation may provide insights for disputes like these.

Arctic foreign and security policy is also characterized by military build-up and concerns over aggression in the newly accessible territories. Russia and Canada are the two Arctic states most actively discussing the region in strategic terms. In Russia, state policy on the Arctic describes the region as “a zone for peace and cooperation” as well as “the sphere of military security” that requires “a necessary fighting potential.”\textsuperscript{57} Canada similarly stresses “exercising […] Arctic sovereignty” in maritime shipping in the Northwest Passage as a priority in its Northern Strategy.\textsuperscript{58}

Military involvement in the region is nothing new. The Arctic was a highly militarized region during the Cold War. Denmark and Iceland in particular are familiar with the Arctic as a realm for international security and power politics. The United States and Denmark signed an agreement on the “Defense of Greenland” in 1951 and updated that agreement in 2004. The US military’s northernmost base – the Thule Air Force Base and radar station – has operated in Greenland since 1941. The US military base in Iceland closed in 2006.\textsuperscript{59}

Today, the Arctic is not a focus of military posturing in the way that it was during the Cold War, but it is nonetheless a growing area of interest for the international defense community. NATO held a conference about the Arctic in 2009 and a seminar for the NATO Parliamentary Assembly on “Changes in the High North: Implications for NATO and Beyond” in 2011.\textsuperscript{60} These meetings did not lead to a defined role for NATO in

\textsuperscript{53} European Commission, “EU’s Arctic Policy: Questions and Answers.”

\textsuperscript{54} Canada submitted its claims to the continental shelf in the Atlantic Ocean in December 2013 but only fielded a preliminary claim to the Arctic Ocean. Canada intends to submit further information on the limits of its continental shelf in the Arctic Ocean at a later date.


\textsuperscript{57} Bailes and Heininen, Strategy Papers on the Arctic or High North: A comparative study and analysis, 51.

\textsuperscript{58} Ibid, 59-60.

\textsuperscript{59} Ibid, 40.

\textsuperscript{60} Irina Zhilina, “The Security Aspects in the Arctic: the Potential Role of NATO,” Nordicum-Mediterraneum 8, 1 (2013), http://nome.unak.is/nm-marzo-2012/vol-8-n-
the High North because of Canadian objections to the alliance’s involvement, but NATO is still concerned about the region. In an October 2013 op-ed in Foreign Policy, the former NATO Commander Admiral James Stavridis argued, “The likelihood of a conventional offensive military operation in the Arctic is very low, despite some commentators’ overheated rhetoric. [...] But there are issues that must be addressed as competition rises in the High North if we are to avoid high tension.” One of these issues is having adequate military capacity for Arctic conditions.

The Arctic littoral states are updating and strengthening military capabilities to be more effective in the High North. Norway has moved its Armed Forces and Army headquarters to north of the Arctic Circle. Canada is modernizing its military aircraft, including anti-submarine warfare aircraft, combat aircraft, and Joint Strike Fighters, to respond to Russia’s decision to start using long-range reconnaissance and bomber aircraft over the Arctic in 2007. Canada is also investing in search-and-rescue aircraft and improved Arctic surveillance systems. By 2014, Denmark will put in place an Arctic Military Command to oversee an Arctic Response Force prepared for operations in Greenland and other northern areas. And in 2009, Russia announced the development of a special military force for the Arctic, the first brigade of which became operational in 2011.

Still, it is unclear to what extent this militarization is an expression of strategic interest and aggression, and to what extent it is a natural outgrowth of increased activity in the High North. The Arctic states want to protect against piracy and illegal activity within the newly accessible region, and they also need to be able to conduct search-and-rescue operations. Siemon T. Wezeman of SIPRI argues that these military changes “have little or nothing to do with power projection into the areas of the Arctic with unclear ownership; rather they are for the patrolling and protecting of recognized national territories that are becoming more accessible, including for illegal activities” while increased investments in icebreakers support civilian research efforts. The growing number of joint military exercises in the Arctic supports this view. Norway and Russia have cooperated on joint military exercises, and Russia and Finland recently agreed on stronger military cooperation in the Arctic.

Regardless of strategic intention, increased military capabilities in the Arctic are relevant for sub-Arctic European states. For now, military exercises in the High North are conducted between Arctic States. But as military activities in the north develop, sub-Arctic partners may become involved in joint military exercises with Arctic states, either bilaterally or through NATO. In the past year, Norway’s Defense Minister Anne-Grete Strøm-Erichsen has called for more NATO joint exercises in northern Norway. Scholars Bernardo Pires de Lima and Erik Brattberg argue that NATO’s withdrawal from Afghanistan will signal a strategic reorientation with a greater focus on the Atlantic Basin rather than far-flung conflicts. In particular, NATO could focus on the Arctic to help secure increased commercial shipping. These kinds of activities, if opened for sub-Arctic partners, could help expand the military capabilities of those

61 Stavridis, “High North or High Tension? How to head off war in the last frontier on Earth.”
states, especially those who will need a strategic reorientation following their exit from NATO activities in Afghanistan.

Lastly, the increased role of Asian states in the Arctic provides sub-Arctic Europe with a new stimulus for greater engagement with the north. With five Asian countries, including India and China, already official observers in the Arctic Council, sub-Arctic European states are becoming ever more aware of the importance of the Arctic and their own insufficient involvement in the region. For some, Asia’s economic influence in the extractive and shipping industries in the Arctic is a worrying threat to their allies’ sovereignty. For others, China’s investments in Iceland have a strategic resonance. The United States closed its military base in Iceland in 2006. Chinese officials arrived soon after. They were interested in buying up territory on the small island state as a base for Arctic exploration.67

But sub-Arctic European states may also see the chance to work alongside Asian countries on Arctic issues as an opportunity to strengthen global ties. A recent study of China’s role in the Arctic suggests that the country is interested in gaining influence in the Arctic through the use of diplomacy, scientific research, and joint business ventures.68 Sub-Arctic Europe could benefit diplomatically and economically by taking part. At the very least, sub-Arctic European states will need to be aware of Asian states’ strategic interest in the region.

Conclusion

The Arctic is a fast-changing region of growing importance to sub-Arctic Europe in terms of geography, political ties, values, economics, and security. For now, few sub-Arctic European states have strategies directly addressing the Arctic, but Arctic awareness is growing alongside the region’s fast-opening waters. Seven sub-Arctic European states including Germany and Poland are observers in the Arctic Council, and the EU is seeking permanent observer status.

For countries that are concerned about climate change, the Arctic is a necessary focus of research and conservation activity. Funding for climate change research will benefit all of Europe, including sub-Arctic research institutions. There will be new opportunities for these institutions to contribute to major studies in the High North.

The melting of the polar ice cap is increasing access to the Arctic and will bring more economic activity to the region, which may benefit sub-Arctic Europe if it is ready to take advantage of the opportunities. More open seas enable quicker shipping between Europe and Asia, and maritime shipping will expand in the Arctic if current climate trends continue. On land and in the sea, the Arctic holds tremendous resources. The Arctic is home to vast oil and gas reserves, and warmer seas are permitting offshore drilling. Other parts of the Arctic support large mining industries. Greenland in particular is rich in rare earths and uranium, which are important for technological advancement and defense. Furthermore, as Arctic waters warm, fish populations may expand further north and create new opportunities for commercial fishing. The development of these industries in the Arctic needs to be balanced with other interests, especially environmental protection. Still, based on current momentum, economic development will grow in coming years. European countries south of the Arctic could benefit economically from new business ventures in the High North.

The Arctic’s economic promise drives much of the global interest in the region, and the area’s geopolitical significance will grow in step with economic developments. Arctic Ocean littoral states are increasing their military capacities in the region, with new icebreakers and aircraft patrolling seas and skies. Sub-Arctic Europe may become more involved in Arctic military exercises in the post-Afghanistan era if NATO takes its focus closer to home.

67 Bailes and Heininen, *Strategy Papers on the Arctic or High North: A comparative study and analysis*, 78.
With the Arctic quickly heating up as a focus of global economic, military, and environmental efforts, sub-Arctic Europe is already devoting resources to the region and will do so even more in coming years. Sub-Arctic European countries are proving that they need not have an Arctic border in order to have a stake in the region’s future.

**THE DEVELOPMENT OF AN EU ARCTIC POLICY: INTERESTS, OBJECTIVES, AND INITIATIVES**

*Steffen Weber*

Acknowledgements: The author would like to thank Prof. C. Pelau-deix and I. Romanyshyn for their very valuable cooperation and contributions to this and other articles; C. Roever for committed work on the first draft and preparations for this article; S. Perry and R. Deroo for continued support and assistance; N. Beckmann, country representative of the Konrad Adenauer Foundation, and his team, for energizing commitment and support to the theme of the Arctic, and the Geopolitics in the High North program for their support with research on which this article is also partially based.

**Introduction**

When and how did the Arctic become attractive for the European Union’s policy makers? The placing of the Arctic on the Union’s policy agenda was an incremental development, and the evolution of an Arctic policy is anything but a linear process. On the contrary, the shaping of an EU Arctic Policy (EUAP) can be best understood as the result and subject of a constant dialogue between a multitude of actors in and outside the EU institutional framework. Apart from some individual discus-
The Arctic as an emerging subject of the European Union’s policy agenda

From an international perspective, the “Arctic discourse” largely emerged outside the Arctic rather than in and from the region. Discourse before and during the Cold War was mainly based in natural sciences and drew from a traditional perspective of the Arctic as wilderness; a remote area with a hostile environment, characterized by perceptions of exploration, environmental concerns or national strategic interests.\textsuperscript{1} The Arctic was henceforth widely perceived as a harsh, but fragile natural environment, and during the Cold War, it was also of crucial strategic importance – the Arctic Ocean represented the shortest attack route between the two adversaries, and the US-built Early Distant Warning Line stretched 3,000 miles across the western Arctic.\textsuperscript{2} These preconditions led to a rather narrow and selective conception of the High North.

Following this fragmentary approach, a more holistic perception of the region, including the understanding of it as an area of everyday life for its estimated 4 million inhabitants, was largely missing in international discourse prior to the 1980s. The EU and its attitude towards Arctic issues was no exception from the general perception, and discussions on the circumpolar region in EU-framework gradually evolved from a narrow, topic-based perspective towards a more holistic one over the years.

Up to the 1980s and 1990s, the Arctic was mainly a subject of the natural sciences and Cold-War strategic considerations. In 1989, when the Member of the European Parliament (MEP) Ernest Glinne submitted a written question on the “State of the ozone layer over the Arctic” to the European Parliament (EP) in the 1990s and early 2000s, the main focus of this paper will be about documents and discourse during 2006-2014, as this is the period where an EU Arctic Policy was pursued in a more determined manner.

The challenge the EU faces is not only to reach coherence and consensus among its internal institutional bodies, but also to have its interests and position recognized and accepted by relevant Arctic actors outside the EU. Without an Arctic coastline, the EU lacks the legal authority to directly exert control in the region – however, its policies do affect the Arctic region. Continuous dialogue with non-EU partners, regulating market conditions for Arctic products or services as well as de facto shaping EU consumer behavior and its position as trading partner, are further means to assert influence.

As a first step, this article outlines the emergence of Arctic issues in EU discourse. The appearances of Arctic matters in internal discussions concentrate on specific case-to-case approaches. After outlining the historical background and context of emerging EU Arctic Policy, this paper briefly introduces major areas of concern and interests that have triggered a more active EU approach. Subsequently, key actors and decisive policy steps will be identified. This section seeks to shed light on the main objectives and interests of the EU, how they were expressed, and by whom.

As the perception of the EU as one single actor is oversimplified and misleading, the complexity and diversity of the institutions involved will be addressed as well. Each of these actors contributed, and continues to contribute, to ongoing EU-Arctic discourse with its own specific objectives, views and aspirations, and an understanding of these drivers helps to understand the evolution of the policy process itself.

Since the main objective of this article is to show the evolution of an Arctic policy in the European Union’s foreign policy framework, the nature of this paper will be largely descriptive. Due to the limited scope of this paper, focus will be on the EU institutions displayed in selected documents and discussions.

---

\textsuperscript{1} Cf. Keskitalo, Carina: Negotiating the Arctic. The Construction of an International Region, Studies in International Relations, ed. by Charles G. MacDonald, Florida International University, Routledge 2004, p.30-33.

earlier definitions of “the Arctic” as synonymous with the Arctic Ocean, but encompasses the whole region above 60° North latitude. This is especially noteworthy because earlier references to “the Arctic” only applied to the Arctic Ocean itself or, at the utmost, to the Arctic coastal states Norway, Russia, Denmark via Greenland, the US and Canada, also called the “Arctic 5” or “A5”. The 60° North latitude delimitation of what is understood as “Arctic” expanded this circle of Arctic states and included Sweden, Finland, and Iceland, now members of the “Arctic 8” or “A8”.

The notion of an existing “Arctic 8” institutionalized in the Arctic Council heavily influenced the notion of who counts as an Arctic actor. When the EU entered the circle of Arctic actors through the accession of Finland and Sweden, its policy approach was restricted to issues within these states - they were practically oriented (in this case mostly towards agriculture), and were not targeted at the Arctic region as a whole.

With the accession of Sweden and Finland, and in adherence to the Arctic Circle geographical delineation of the Arctic, the European Union’s sphere of influence was extended to the Arctic region in 1995, although it lacked coastal access to the Arctic Ocean. This step did not lead to the sudden development of an Arctic identity, but for the first time, the European Union was directly confronted with the exceptional environmental conditions of its Arctic member states; these conditions somehow became a domestic issue.

When the Arctic region emerged as region for international policy making, one issue that needed to be agreed upon was its geographical delimitation. With several existing physical and environmental definitions of what “Arctic” is or means, including the treeline-delimitation, temperature, marine delineations or the sun-height definition of the Arctic Circle, the latter prevailed as a political definition and became the most widely agreed delimitation of the region in the realm of political cooperation. The understanding of “the Arctic” was then not limited to

---

3 Written Question No 2616/88 by Mr Ernest Glinne (S-B) to the Council of the European Communities, European Communities, Official Journal of the European Communities, No C 174, 10/07/1989, p.42.
4 ibid., p.43.

---

7 Although Denmark is considered an Arctic state because of Greenland, Greenland itself is an autonomous region that does not belong to the EU.
ripheral location and centralized trade structures that lead to much higher agricultural production costs than elsewhere in the EU. Although the overall emphasis of the resolution lay on economic considerations, the resolution also stressed the importance of enabling the Sami culture and reindeer farming to develop on the Sami people’s own terms. Furthermore, the Parliament “considers it important to encourage and enable people to remain in the northernmost regions of Europe and hence stem population loss”, and it stressed its support for immigration facilitation and part-time farming concepts. These proposals exceeded classical economic considerations and touched upon social aspects of living in the Arctic. Referring to the Agenda 2000 proposals which include agricultural reforms, the Parliament forwarded the resolution to the Council and the Commission and called for the implementation of necessary adjustments to common agricultural policy.

The Parliament’s resolution on agriculture in the Arctic region epitomizes a first step towards a more comprehensive and systematic approach towards the Arctic, taking into account the socio-economic implications that come with an exposure of Arctic farming to the European Single Market. However, apart from the Parliamentary initiatives outlined above, discussions on the Arctic among Parliament, the Commission, and the Council still lacked momentum, and it took a few more years for Arctic affairs to gain greater attention.

Existing mechanisms like the Northern Dimension policy, coordinated by the Commission Directorate General for External Affairs (DG RELEX) could have been a tool to raising attention about the Arctic within the EU institutional framework. The Northern Dimension policy was established in 1999 and aimed to increase and coordinate cooperation between the EU, Iceland, Norway and Russia. Despite its link to the

Barents region which was supposed to serve as an “Arctic window”, it proved to be unsuccessful in engaging Arctic affairs and had “in so far not fulfilled the expectations.”

Following the European Parliament Resolution on the Northern Dimension in 2005, MEP Diana Wallis, Vice President of the European Parliament, submitted a written question to the Commission, asking “what steps it intends to take to be more active within the Arctic and the Barents Euro Arctic Council (BEAC) and in particular what initiatives it might consider taking in relation to the preparation for a possible ‘Charter for Arctic Governance’ to coincide with International Polar Year?”

The initiatives that emerged in the following years were, however, by far not restricted to the actions of the European Commission. After a long period of neglect, the EU became increasingly active in Arctic affairs after 2005/2006. In the past few years, several official EU documents were produced with the 2008 EU Commission communication, subsequent EU Council conclusions in following years, the pivotal 2011 report of the European Parliament, the Joint Communication of EEAS and EU Commission of summer 2012, and the latest resolution of the European Parliament in March 2014.

As these initiatives, policies and resolutions are always closely tied to the Union’s interests and objectives, the following section will address the main actors, their interests and motivations behind their actions. There is no such thing yet as just one single EU policy addressing the Arctic. The Council, Parliament, and the Commission, as well as individual DGs and working groups, worked intensively on the further development of

---

9 Ibid., p. 31.
10 This resolution also states that the EU’s arctic and sub-Arctic regions comprise Finland, the area of Sweden north of Stockholm, parts of Scotland and certain Alpine regions where the annual temperature sum lies between 1300°C and 400°C.
several policies and programs having an effect on the Arctic, and thus on EU-policy positions for the Arctic region on a multilevel approach.

Key areas of interest and concern in the EU’s Arctic policy development: climate change, resources, border disputes, and maritime transport

A rapidly increasing awareness of the implications of Climate Change in the Arctic, as well as entailing economic opportunities such as resource extraction and the opening of new transport routes, represent key concerns and interest areas of the EU Arctic Policy process. Multiple actors within the EU system address these issues in their communications, proposals and public debates. Climate Change, Resources, and Transport are major components of the Union’s Arctic Governance approach. As each of these components relates to one another and none of them can be examined in isolation, this section addresses their close entanglement that is mirrored in their recurrent appearance in various policy documents.

Although the dynamics of Climate Change have evolved over decades, the alarming news on drastic changes in the Arctic have pushed awareness of environmental change in the European Union and internationally. The Commission’s Green Paper “Towards a future Maritime Policy for the Union: A European Vision for the oceans and seas” calls attention to the warming of the Arctic with a 3°C increase over the past 50 years, a development from which flora and fauna may “suffer severe changes” and that will bear “severe consequences for indigenous peoples.” The paper further acknowledges that “Climate Change in the Arctic could become a major challenge for EU Maritime Policy”, as these changes are of a
global nature and would cause repercussions for European coastal areas and ports and many other areas as well. The Directorate General for Maritime Affairs (DG MARE) subsequently continued its work on an Integrated Maritime Policy that includes issues of the Arctic maritime environment and became actively involved in the EUAP shaping process.

The European Space Agency’s satellites recorded the lowest Arctic sea ice coverage in 2007, indicating that the Northwest Passage became fully navigable for the first time in September of that year. The Intergovernmental Panel on Climate Change (IPCC) report of that year noted that increasing emissions of Global Greenhouse gases (GHG), mainly due to human activities, have led to a marked increase in atmospheric GHG and thus to a strongly increased global warming potential. According to the Arctic Climate Impact Assessment (ACIA) report, temperatures in the Arctic have risen almost twice the rate as the rest of the world. Climate Change in the Arctic results in melting glaciers and melting ice sheets in Greenland, which in turn results in global sea level rises. Soil erosion due to melting permafrost, more frequent extreme

14 Ibid.
16 “Satellites witness lowest Arctic ice coverage in history”, European Space Agency’s website, available at: http://www.esa.int/esaCP/SEMYTC13J6F_index_0.html. Last November 10, 2013. The area covered by ice had shrunk to its lowest level since the beginning of measurements in 1978.
weather events and changes in the Arctic flora and fauna (such as biodiversity loss and the migration of fish stocks, and marine and other mammals), and entailing changes and impacts on indigenous livelihoods are further implications of the ongoing changes.19

Resources

As Climate Change in the circumpolar region and prospects of newly accessible resources and shipping routes go hand in hand, the economic implications of a warmer Arctic are often discussed in a dichotomy of risks and opportunities. Natural resources in the Arctic region, onshore and offshore, comprise of oil and gas, fish and other marine resources, and mining products like iron ore or rare earth.

As the EU is among the most important consumers of fish caught in the Arctic region, it could assert its influence as a key consumer in this field. What is of much more strategic importance to the EU, however, is the development of energy resources in the High North.

Resource assessments estimate that 13 percent of the world’s undiscovered oil resources and 30 percent of gas resources are found in the Arctic offshore region.20 Although there is much uncertainty attached to these estimates, they remain a driver for resource exploration and exploitation. The scarcity of resources (oil, rare earth) coupled with an increase in prices and global energy demand – by more than one-third in the period prior to 203521 – impact the geopolitics of resources. Since 2008, new national strategies are emerging to ensure control of resources. Russia, Canada and the US – who are exploiting oil sands - have started (or are planning to start) drilling operations for exploration of the continental sea shelves. Without respecting trade rules, China has put restrictions on its export of raw materials, and lost an appeal at the WTO in January 2012. China alone owns 50 percent of the known world reserves of rare earth, strategically important for the industry, and controls more than 97 percent of rare earth production in the world.22 This triggered the EU, US and Japan to elevate a trade complaint within the WTO over China’s protectionist measures.

The European Union currently receives 33 percent and 16 percent of its oil imports from Russia and Norway respectively, the share of its gas imports account for 21 percent (Russia) and 26 percent (Norway).23 In the face of rising global energy prices and an increasing energy demand, the Arctic in general, the Barents Sea in particular, becomes an area of growing interest for the EU’s aspiration to achieve long-term energy security and move towards a diversification of stable suppliers. The EU’s energy-import dependence is projected to reach a 84 percent dependence on imported gas and a 93 percent dependence on imported oil by 2030.24

These reservations notwithstanding, unresolved border issues in this resource rich area raised concerns over the potential for conflict. The most prominent case is the claims on the Lomonosov Ridge made by Russia, Norway, Denmark, and Canada.25 All Arctic coastal states except for the US have ratified the United Nations Convention on the Law of the Sea (UNCLOS) and agreed to adhere to decisions made by the convention.26 Each littoral state can submit claims to expand its marine exclusive economic zone (EEZ) within 10 years after the UNCLOS rati-

- 19 IPCC Fourth Assessment Report 2007, Working Group II.
As for transit shipping, ad hoc projections for the increase of transportation in the Arctic by 2050 rise to 2.5 million TEU (Twenty-foot Equivalent Unit) for trade potential, and a total number of Arctic transit passages (one-way) in the summer of 2050 to about 850. At the moment, shipping is of strategic importance for the EU: in terms of volume, 90 percent of the freight exchanges between Europe and the rest of the world are seaborne.

As potentially increasing shipping activities in the Arctic bears significant risks for ships and the fragile environment due to the extreme conditions in the region, DG MARE’s initiative for an Integrated Maritime Policy (IMP) especially emphasizes the need for disaster prevention measures and calls for efforts to diminish GHG emissions from ships. Furthermore, the European Commission is involved in the development of an international “Polar Code” through its observer status in the International Maritime Organization (IMO). Shipping represents one of Europe’s largest export industries, providing deep sea transport services between Europe and the rest of the world, as well as in cross trades between third countries. Furthermore, maritime transport services, including offshore activities, are essential for helping European companies compete globally. Maritime transport is key to Europe’s energy security and therefore is an important instrument of the EU energy policy.

Geopolitics of the Arctic and the EU context

Emerging states, mainly from Asia, show a great interest in the Arctic region where they strive to establish new economic and research partnerships. China has demonstrated great institutional power, being an influential member of the G-20, IMF, WTO and now an important

As for transit shipping, ad hoc projections for the increase of transportation in the Arctic by 2050 rise to 2.5 million TEU (Twenty-foot Equivalent Unit) for trade potential, and a total number of Arctic transit passages (one-way) in the summer of 2050 to about 850. At the moment, shipping is of strategic importance for the EU: in terms of volume, 90 percent of the freight exchanges between Europe and the rest of the world are seaborne.

As potentially increasing shipping activities in the Arctic bears significant risks for ships and the fragile environment due to the extreme conditions in the region, DG MARE’s initiative for an Integrated Maritime Policy (IMP) especially emphasizes the need for disaster prevention measures and calls for efforts to diminish GHG emissions from ships.

Furthermore, the European Commission is involved in the development of an international “Polar Code” through its observer status in the International Maritime Organization (IMO). Shipping represents one of Europe’s largest export industries, providing deep sea transport services between Europe and the rest of the world, as well as in cross trades between third countries. Furthermore, maritime transport services, including offshore activities, are essential for helping European companies compete globally. Maritime transport is key to Europe’s energy security and therefore is an important instrument of the EU energy policy.

Geopolitics of the Arctic and the EU context

Emerging states, mainly from Asia, show a great interest in the Arctic region where they strive to establish new economic and research partnerships. China has demonstrated great institutional power, being an influential member of the G-20, IMF, WTO and now an important

As for transit shipping, ad hoc projections for the increase of transportation in the Arctic by 2050 rise to 2.5 million TEU (Twenty-foot Equivalent Unit) for trade potential, and a total number of Arctic transit passages (one-way) in the summer of 2050 to about 850. At the moment, shipping is of strategic importance for the EU: in terms of volume, 90 percent of the freight exchanges between Europe and the rest of the world are seaborne.

As potentially increasing shipping activities in the Arctic bears significant risks for ships and the fragile environment due to the extreme conditions in the region, DG MARE’s initiative for an Integrated Maritime Policy (IMP) especially emphasizes the need for disaster prevention measures and calls for efforts to diminish GHG emissions from ships.

Furthermore, the European Commission is involved in the development of an international “Polar Code” through its observer status in the International Maritime Organization (IMO). Shipping represents one of Europe’s largest export industries, providing deep sea transport services between Europe and the rest of the world, as well as in cross trades between third countries. Furthermore, maritime transport services, including offshore activities, are essential for helping European companies compete globally. Maritime transport is key to Europe’s energy security and therefore is an important instrument of the EU energy policy.

Geopolitics of the Arctic and the EU context

Emerging states, mainly from Asia, show a great interest in the Arctic region where they strive to establish new economic and research partnerships. China has demonstrated great institutional power, being an influential member of the G-20, IMF, WTO and now an important
Climate change, pollution, and a higher pressure on the fragile Arctic environment, combined with the development of economic activities in the Arctic, have raised the issue of research cooperation and regulatory measures. The development of a mandatory Polar code under the auspices of the International Maritime Organisation is widely recognized as a priority, in particular regarding cruise ship tourism, although the drafting of the International code of safety for ships operating in polar waters is taking time. Regarding offshore activities, the European Commission published draft legislative proposals for offshore safety in October 2011 as it believes “the likelihood of a major offshore accident in European waters remains unacceptably high”, and set up the European Union Offshore Oil and Gas Authorities Group. Although the EU has no legislative competence on Arctic waters, this legislative move and subsequent debates in the European Parliament have underlined the commitment of the EU towards sustainable development in the Arctic.

Among the many changes introduced by the Lisbon Treaty, reform of the EU’s external affairs was one of the most significant. Aimed at providing better continuity, coherence, and visibility of the EU’s external affairs, the Treaty stipulated the creation of the European External Action Service. The idea was to bring the resources and expertise of the Commission, the Council, and the member states into a single diplomatic body chaired by the upgraded post of the High Representative of the European Union for Foreign Affairs and Security Policy. Yet, as it appeared later, the practical process of an institutional set-up, launched in December 2010, proved to be quite difficult in terms of organization, structure, and staff recruiting. Wearing a “triple hat” of the High Representative, as chair of the Foreign Affairs Council, Vice President of the Commission, and source of aid and development.

On the geopolitical level, changes are reflected in the evolution of institutions in the region. The Arctic Council’s traditional role in monitoring and assessing the domain of scientific research is extending to decision-making and limited regulatory functions, exemplified by non-legally binding Arctic Offshore Oil and Gas Guidelines. A search and rescue agreement on Cooperation on Marine Oil Pollution Preparedness and Response in the Arctic has been signed under the auspices of the institution, which is the first legally binding international instrument negotiated by the eight members of the Arctic Council. The primary intergovernmental institution in the region also strengthened the criteria for admitting observers and the rules of their participation and in May 2013, in its Kiruna meeting, included the Asian States China, India, Japan, Singapore and South Korea, plus Italy as observers. The EU’s application was “affirmatively received” and agreed on in principle, but deferred until the issue of the seal product ban would be resolved with Canada, although it was agreed the EU should continue to participate in the same way as until now as an ad hoc observer.

As a matter of fact, the European Commission is de facto already, present through participation in several working groups. Indeed, the EU intends to continue playing a positive role in the region in terms of cooperation and funding research. In addition the EU is involved in other regional cooperation bodies, most prominently the Barents Euro Arctic Council, of which the European Commission is a member, and has in the Kirkenes II declaration adapted its mandate to current challenges in the region.


main executor of the CFSP, observers started to raise questions of the impossibility of the job. In the end, beyond the institutional innovations, a challenge remains in that the truly common EU foreign policy requires 28 member states to agree on the same line and speak with one voice.

The Lisbon Treaty also places the European Parliament on an equal footing with the Council in the ordinary legislative procedure and in budgetary matters, and enhances Parliament’s role in the EU’s external policy, including the CFSP. The Parliament can use its budgetary power to impose priorities on the foreign policy agenda as well as co-decide the budget of the EEAS. Various committees in the Parliament are involved in discussing the evolving Arctic Policy: the Committees on Foreign Affairs, Environment, Transport, Industry, Research and Energy, as well as Development and Transport. Moreover, inter-institutional agreements, aimed at improving the functional relations between the Parliament and Commission, contribute to enhancing parliamentary power. The Lisbon Treaty encourages institutions to conclude such agreements, shifting political and legal institutional balance within the EU.

**Actors and initiatives**

The key concerns and interests outlined in the previous paragraphs fed into the development of policy documents at different EU institutional entities. The focus of this section will be on the European Commission, the European Parliament and the Council.

**The European Commission and the EEAS**

Until drafting work on the first “Commission Communication on the Arctic” started at the end of 2007, there were two broad trends of Arctic related activities within the EU. The first track was led by the Directorate-General on Maritime Affairs and Fisheries (DG MARE). In 2005 the European Commission under the new leadership of José Manuel Barroso declared as one of its strategic objectives “an all-embracing maritime policy aimed at developing a thriving maritime economy”. In subsequent years DG MARE initiated several consultations with a broad range of stakeholders leading to the launch of an integrated maritime policy (IMP) in October 2007. By its definition the policy was to spread geographically as far as the Arctic Ocean and the IMP Communication and Action Plan explicitly requested a “report on strategic issues for the EU relating to the Arctic Ocean”. It is interesting to note this was not the first time officials of DG MARE referred to the Arctic. A 2006 Green Paper on a future maritime policy had already mentioned the Arctic region in the context of climate change, but this had not been followed by any particular action. Requesting a specific Arctic related report one year later clearly signaled a different level of commitment.

During the preparations for the first Arctic Communication in the European Commission, DG MARE (which has launched the Integrated Maritime Policy) and DG RELEX (administering the Northern Dimension) became driving forces in initiating a Commission Communication on the Arctic. DG RELEX set up an internal body, the Arctic inter-serv-


ice group (AISG) that consisted of 20-25 officials of several DG’s. The AISG’s task was to draft a policy document addressing the entire Arctic region in a comprehensive approach. DGs actively involved comprised of DG Environment, DG MARE, DG Research and DG Energy, DG RELEX and, to a lesser extent, DG AGRI and DG SANCO. During the drafting process, the Commission officials also met and discussed with non-EU actors such as the WWF, Russian and Canadian representatives, and energy companies such as Statoil and Shell to exchange views.

The resulting Commission’s first Communication on Arctic issues, “The European Union and the Arctic Region” was published on 20 November 2008 and describes the EU as being “inextricably linked to the Arctic region”. In the introduction Commission policy makers discussed “Arctic challenges and opportunities” and made a strong reference to EU citizens’ interest arguing that “[the Arctic] will have significant repercussions on the life of European citizens for generations to come”. The overall tone of the document was quite ambitious and forward looking: “This Communication sets out EU interests and proposes action for EU Member States and institutions”. Thus the Communication identified 49 proposals for action and put them under three core objectives.

The first objective, “Protecting and preserving the Arctic in unison with its population” focuses on the environment and climate change, as well as on support to indigenous peoples and the local population. It confirms support for multilateral environmental agreements in order to mitigate climate change and states its commitment for an ecosystem-based management of the region. Finally, it promotes research and monitoring activities in the High North and refers to the EU’s contributions to Arctic research.

“Promoting sustainable use of Resources” as a second policy objective touches upon the EU’s interest in a secure energy supply, but states Arctic hydrocarbon resources should be exploited in full respect of strict environmental standards. International cooperation with Norway and Russia is particularly highlighted in this objective. Further areas of interest in this field are fisheries, transport and tourism, and calls for a responsible conduct in each of these sectors.

The third policy objective, “Contributing to enhanced Arctic multilateral Governance” turned out to be the most controversial of the three target areas. It acknowledges the UNCLOS framework and work of the Arctic Council, but laments the “fragmentation of the legal framework, the lack of effective instruments, the absence of an overall policy-setting process, and gaps in participation, implementation and geographic scope”. Although it did not propose new legal instruments but full implementation of existing legal tools, this criticism was not welcomed by some Arctic states. Furthermore, this paragraph states it would not support “arrangements which exclude any of the EU Member States or Arctic EEA EFTA countries”. At the same time, Commission policy makers did not opt for replacing the existing legal regime with new instruments, an idea advocated by the EP in its October 2008 resolution. Despite the fact that environmental objectives were placed at the top of the hierarchy of priorities, Arctic policy emerged not as an “appropriate” response to developments in the High North, but rather because of a need to protect EU interests including the interests of its citizens.

In the following years the development of EU Arctic policy was more in focus in the other EU institutions, the Council - with its conclusions -

---

41 Ibid.
44 Ibid., p. 3.
and the European Parliament - with its elaborated work on The “Report for a sustainable EU Policy for the High North”.

Finally in 2012 the EU Commission, together with the then newly established EEAS published a long awaited Joint Communication, combined the several times postponed progress report with some additional papers and, with the primary goal to present its case to the Arctic Council, which was scheduled to decide on the status of observers, for which the EU Commission had applied.

In June 2012, the Commissioner for Maritime Affairs and Fisheries Damanaki, together with the High Representative Ashton, presented a new Joint Communication which, using an enlargement policy jargon, can be entitled as “a progress report” on the for EU Arctic policy. The drafting process started already in September 2010 in the DG RELEX and was carried on by the EEAS departments in cooperation with Commission’s DGs on the basis of the formerly established AISG mechanism. The Communication suggested an elaborated detailed summary of the EU’s contributions to the Arctic, varying from funding research, fighting climate change, supporting indigenous groups, to investing in sustainable development, shipping, and maritime safety. It is noted that the EU provided more than €1.14 billion in financial support for sustainable development of the Arctic region in from 2007-2013 and a €200 million investment into international research activities in the region.48 For the next financial period of 2014-2020, EU officials declared an intention to bring Arctic research to an even higher level through a proposed €80 billion research and innovation programme Horizon 2020.

With regard to the policy’s ends, the EU’s objectives toward the region remained unchanged in relation to the 2008 Communication. They included addressing challenges of environmental and climate changes in the Arctic; economic development based on sound environmental impact assessment and sustainable use of resources; and the constructive engagement and dialogue with Arctic states and indigenous people. Inter-

---

48 European Commission, High Representative of the European Union for Foreign Affairs and Security Policy, op.cit., p.4.

---
EU’s interest in the region and to discuss its application for AC observer status. Ashton’s personal commitment should be emphasized here, as the visit was organized against the background of the growing crisis in Syria and the wider Middle East. Apart from diplomatic instruments, the EEAS holds, either solely or jointly with the Commission, a number of financial tools that support the EU’s external action in the Arctic. It is responsible for programming the Instrument for Cooperation with Industrialized Countries which, as of 2014, is replaced by the Partnership Instrument (PI) covering, inter alia, Canada, Russia, and the US.

The Council of Ministers of the EU member states

Since the 2008 Commission Communication was addressed to the Council and the EP, they needed to come up with some sort of response to this “first layer of an Arctic policy for the European Union”. It was the Council who first adopted its elaborated conclusions on the Arctic on 8 December 2009.

Substantial discussions on Arctic issues within the Council started in the second half of 2009 under the Swedish rotating presidency as there was a need to respond to the Commission Communication of 2008. Nine EU member states – Finland, France, Denmark, Germany, the Netherlands, Poland, Spain, Sweden and the UK – declared different interests in Arctic issues by way of joining the Arctic Council as full members or observers. Yet, by 2009 only Denmark had in place a policy strategy that sought to address the entire circumpolar region in a systematic way. Not surprisingly, it was Denmark who pulled the strings during the Council negotiations, exploiting its status as an Arctic littoral state. Faced with uncertainty over the future status of Greenland and the increasing assertiveness of other Arctic states, Denmark became cautious about the EU’s intentions. It entered into a controversy with the Commission by criticizing the language used in the Communication. Finland and Sweden in Council debates made relatively focused and modest contributions, due to some extent to their preoccupation with ND policy and a traditional focus on the Baltic Sea, although Finland shared a larger interest in Arctic research and shipbuilding. The two countries, nevertheless, expressed their readiness to support the EU’s emerging Arctic policy. Other member states indicated or confirmed their specific interest in fisheries (Spain, UK), research (France, Germany, Poland), and maritime routes (Germany, Netherlands).

In a nutshell, the Council welcomed the Commission’s move to develop an Arctic policy. It declared its support for protecting the Arctic ecosystem, strengthening international efforts to mitigate climate change, expanding environmental impact assessments, and more active involvement of the European Environmental Agency (EEA). With regard to natural resources, the Council reiterated the idea of sustainable development and management of Arctic natural resources. It also supported a “gradual opening” of Arctic maritime routes for shipping activities based on the principles of innocent passage and freedom of navigation. In comparison to the Commission, the Council put stronger emphasis on maritime security, and the development of search and rescue capabilities. Most importantly, member states backed the Commission in its bid for AC observer status, but refrained from criticizing the existing legal and political regimes in the region.

As most Commission proposals were supported and replicated in Council conclusions, the logic of consequences seemed to steer Council vision as well. Indeed, while welcoming the Commission’s initiative, the

---

51 Although the Commission and the EEAS are in charge of the implementation of the foreign policy financial instruments, the Council and the Parliament co-decide on the formal adoption of these instruments.

52 Ibid., p. 12.

53 In fact, the Council adopted the first Arctic conclusions in December 2008, but it refrained from a serious debate and detailed comments leaving them off the table until the following year.

54 Heininen, op.cit.; N. Petersen, “The Arctic as a New Arena for Danish Foreign Policy: The Ilulissat Initiative and its Implications”, Danish Foreign Policy Yearbook 2009, pp. 35-78.
Council refers not only to the EU’s interests but also responsibilities, and ‘Member States’ legitimate interests and rights in the Arctic’. Further, according to the Council, EU Arctic policy should be formulated “with respect for its unique characteristics, in particular the sensitivities of ecosystems and their biodiversity as well as the needs and rights of Arctic residents”. Thus, in contrast to the Commission, the rationality of the Council as a collective decision maker actor, appeared to be already restricted by the logic of appropriateness.

The Council did not discuss the Arctic again until spring 2013, and then decided not to put forward any specific Council Conclusions relying to the recent 2012 Joint Communication of Commission and EEAS. It can be assumed the fact that EU member state Sweden was then holding the presidency of the Arctic Council, was responsible for organizing the Ministerial Meeting in Kiruna in May 2013 (at which the hot issue of observer status for the EU was to be decided), might have played a role in the Council’s decision not to come forward with Council Conclusions at that time. Instead it was the European Parliament, which took up the issue of the Arctic on its Agenda on several occasions.

The European Parliament

Despite a high institutional status in the Arctic, obtained through long-time membership in the Conference of Parliamentarians of the Arctic region, the European Parliament until 2008 was largely absent. Except for several parliamentary questions addressed to the Commission, there were no systematic discussions about the Arctic among the MEPs up to 2008.

In 2008-2011 the Arctic was discussed four times in plenary debates, meaning one discussion per year on average. While several attempts were made during 2008-2009 to address the Arctic region, such as the resolution on Arctic governance of October 2008 or the failed attempt to put forward a resolution on the Arctic treaty in March 2009, our focus lies in the drafting of the EP’s report on “A sustainable EU policy for the High North”; the first comprehensive document on the EU Arctic policy produced by European Parliament. The drafting process started just after the EP’s elections in June 2009, driven by an intention to promote a holistic vision of the policy and compensate for the EP’s previous shortfalls due to excessive focus on promoting new governance frameworks in the Arctic.

The report was launched as an initiative report in the Committee on Foreign Affairs (AFET) by the German member of the European People’s Party (EPP) group, Michael Gahler. There were several conditions in place that facilitated an emergence of the report in the AFET Committee. First, the AFET committee is the largest and, arguably, one of the more prestigious committee’s of the EP comprising of 150 MEPs (including substitutes). Apart from that, allocation of the Arctic report to the AFET and not to other committees can be explained by the higher legitimacy of the former: in comparison to “sectoral” committees representing specific interest, such as the Committee for Industry, Research and Energy, or the Committee for Environment, Public Health and Food Safety, AFET was perceived as more impartial and neutral.

It must be noted that during the drafting process all seven political groups participated with differing degrees of activity, and nearly all designated shadow rapporteurs to follow the process. The majority of political groups voiced similar concerns regarding the Arctic related to climate change, environment, indigenous populations, maritime routes, security, and stability. Yet, a slight cleavage emerged related to a per-

---

56 Ibid.
59 Council of the European Union, Summary of the plenary meeting of the European
ceived trade-off between environmental protection and economic development, with the Greens, the Left group and ALDE sharing the first side of the spectrum, while the two larger groups, the EPP and the Socialist & Democrats group (S&D) leaning towards the second side. Special concern was raised by the “Euro skeptic” EFD (Europe of freedom and democracy) group which “questioned the value of an autonomous EU policy on the Arctic”.60

On the initiative of the rapporteurs’ advisor, the EU Arctic Forum in the European Parliament (EUAF) was created as a cross-party and cross-issue platform and proved to be an important actor throughout the policy shaping process in the EP. The Forum represented a platform for meetings and exchange between different political groups and committees within the EP, as well as between MEPs and Commission officials. Moreover, it also performed outreach activities targeting external actors with a purpose of promoting their input into report preparations. Hence, several meetings and round tables were organized which attracted the attention of civil society and private stakeholders (Bellona, WWF, Statoil), state officials (Russia, Canada, Greenland and Norway), regional organizations (BEAC, the Barents Regional Council) as well as civil society and scientific institutions with some research organizations delivering several studies for the committee and holding discussions with MEP’s during Fora, which were organized by the EUAF.

Due to a broad consensus and the initial support of all key political groups, facilitated through the work of several politicians and stakeholders coming together in the EU Arctic Forum, the report secured overwhelming support in the committee, without a single vote against, and was subsequently adopted in the plenary in January 2011. Comprehensiveness became one of the cornerstones of the report, not least because it stressed “the need for a united, coordinated EU policy on the Arctic region”.61

It is interesting to note the EP placed provisions on maritime routes and natural resources ahead of those for climate change and environment. This stood out as a key difference in priority setting, contrasting with the other two institutions. The EP also added an extra resource related dimension referring to mining, forestry, agriculture and minerals, which were somewhat overlooked in other documents. At the same time, the substance of these provisions reflected the Commission’s and Council’s approach in their highlighting a need for high safety, social and environmental standards, and ecosystem based principles in the management of natural resources. Furthermore, the MEPs capitalized on the Council’s contribution related to search and rescue capabilities in the Arctic and suggested the European Maritime Safety Agency (EMSA) take account of this issue. On governance, the MEPs mostly reiterated what their colleagues in other institutions had previously stated but also recommended the Commission complement a multilateral approach in the Arctic with a bilateral track, working directly with the Arctic states and indigenous groups.

The European Parliament acknowledged more than the others the EU’s contribution to air pollution in the Arctic, as well as the indigenous people’s legitimate right to intervene in Arctic governance processes. By emphasizing the EU’s moral duty and responsibility to combat climate change for the sake of the region, and indeed the whole globe, the EP fell into the constructivist line of argumentation. On the other hand, the logic of consequences featured even more prominently in the EP’s document. The MEPs were quite upfront in highlighting EU economic and geopolitical interests in the region originating from a need to secure access to offshore and onshore natural resources and maritime trade routes. This came as no surprise against a background of rising economic powers elsewhere in the world, and the EU’s aspiration to boost the competitiveness of its own economy. An explanatory statement from the EP’s report suggested putting cost-benefit calculations at the center of the EU’s dealing with the Arctic: “The EU must acknowledge the need to adapt


---

60 Council of the European Union, op.cit., p. 6.
61 European Parliament, Report on a sustainable EU policy for the High North
to the unavoidable changes as well as have a rational assessment of the risks, threats, challenges and opportunities those changes entail".\(^6^2\)

Following a debate in April 2013, prior to the Kiruna Ministerial of the Arctic Council, the European Parliament on 12 March 2014 voted a new resolution on an "EU strategy for the Arctic"\(^6^3\). In its resolution the EP requested development of a proper EU strategy for the Arctic. Michael Gahler, German MEP of the EPP and Rapporteur on the Arctic, stated that: "The EU must address its interest and responsibilities towards the Arctic which is a region facing not only drastic changes and challenges, but also increased engagement of new political and business actors, not least from Asia."

Gahler’s office, which was responsible for drafting the 2011 EP report and who together with other colleagues formed the circle of politicians being co-founders of the EU Arctic Forum in the European Parliament, again coordinated negotiations for an updated EP Resolution. The European Parliament after rejecting an alternative resolution by the Greens, adopted the Joint Resolution agreed upon by major political groups the EPP, S&D, ALDE and the ECR, while the Greens, although part of the negotiation process, opted to table their own resolution. The overwhelming majority with which the Joint Resolution was adopted gives it considerable political weight, albeit its legal nature expresses the opinion of the European Parliament which will, after reconstituting itself after elections in May, soon faces the task of approving a new Commission and in this process no doubt will put forward specific political issues.

The Resolution reiterates the base of the 2011 report of the European Parliament, aimed at reassuring partners in the Arctic, but also lists numerous aspects needing to be included as the Commission develops an EU “strategy”, and thus encourages the Commission to prioritize Arctic policy development to a greater extent than in previous years.

Through reiteration of the 2011 policy wording, combined with specific criticism towards the Commission, the EP explicitly uses the term “strategy” to suggest the EU deals in a prioritized and coherent way with Arctic related policies. Detailed reference is made to numerous EU policies and programs relevant to the Arctic.

The European Parliament highlighted both the EU’s ambitions on a diplomatic level with participation in the Arctic Council, but also to the significant amount of European engagement in the Arctic and resulting European interests contributing to sustainable development, environmental protection, and cooperation in research and development. The support expressed for the Arctic coastal states initiative on “the development of a network of Arctic conservation areas and […] the protection of the international sea area around the North Pole”, should not be misread as the EP pushing a moratorium on industrial exploitation for the Arctic Ocean,\(^6^4\) but as a signal of respect for those nations’ rights and duties, and an expression of support for the cautious way in which they approach this development.

In a separate part, possible tools for EU policies and for EU policy makers are referred to with formulations hinting at the EU Arctic Forum, and “the need to maintain a special interface with EU Institutions, connecting Arctic stakeholders from politics, science, civil society and business”, as well as the support expressed for an EU Arctic Information Centre, a network of science institutions to be established.

The 2014 resolution focuses specifically on the various economic opportunities in the Arctic referring to related opportunities for European businesses. The European Parliament requested that the European Commission and Member States ensure European business and science can contribute to balanced and sustainable development with high European environmental and socio-economic standards, in particular in view of increased activities of Asian nations like China and South Korea. Explicitly, Michael Gahler emphasizes the EU’s need to “stake its claims”.


\(^{63}\) European Parliament resolution of 12 March 2014 on the EU strategy for the Arctic (2013/2595(RSP)).

\(^{64}\) As interpreted in the commentary by Kevin McGwin: EU pushes Arctic sanctuary, in: Arctic Journal, March 13, 2014.
especially in order to distinguish itself from increasingly announced Arctic-related interests by Asian states.\(^{65}\)

Before heading to the election polls in May 2014 the MEP’s managed to make a clear statement and put the Arctic back on the EU’s agenda with some clear suggestions and requests towards the Commission, which is already considering its next steps, and towards the Council, scheduled to debate the Arctic in the near future. No matter to what extent those issues will play a role in the fairly different constituencies in upcoming elections, one can assume that returning and new MEP’s will take those issues forward when faced with the task of approving the next European Commission. In the context of recent developments in EU-Russia relations however, its is difficult to foresee how that will play out.

**Conclusions: implications for the development of the EU Arctic policy?**

First and foremost, one must realize the great number of various actors participating at different stages of policy making. It is important that all voices are heard and all interests are accommodated in order to find optimal solutions to growing challenges in the Arctic, with a sufficient level of support and legitimacy. This explains the EU’s somewhat ambiguous call for protecting the Arctic environment and promoting the region’s development at the same time. Policy inclusiveness is also inline with the EU’s general conviction for a comprehensive approach to its foreign policy,\(^{66}\) e.g. making full use of political, diplomatic, economic, and financial instruments and tools. It also corresponds with a specific character of the Arctic arena as an intersection for environment, climate change, energy, transport, development, and other issues.

Policy coherence is a generic problem of EU foreign policy. Suffice to say, a coherence deficit was among the major driving force behind the reform of the EU foreign policy institutions brought about by the Lisbon Treaty. The lack of vertical coherence between the national and EU level of Arctic policy making may lead to certain implementation gaps and opportunity losses. First, such incoherence risks ending up with a multiplicity of voices and messages in the AC and related forums, just as it is often a case in many international institutions where the EU and member states sit at one table. Second, by failing to coordinate with Brussels, interested member states miss out on opportunities to fully benefit from the EU’s bilateral dialogues with Arctic states, many of which are the EU’s strategic partners. Such coordination could lead to a better channeling of national interests as well as reinforced EU clout over individual Arctic states.

The EU Arctic policy is a moving target. Indeed, it is hard to believe that the policy – together with its actors – has already passed an internal period of self-reflection given that just six years ago there was no single official EU document specifically targeting the Arctic region.

In terms of policy areas, priority is likely to be given to those elements of the Arctic policy which are perceived to be less controversial (environment, climate change, research, indigenous populations) and those that are being understood as being of strategic importance to the EU, its Member States, and its economies (as mentioned in the 2014 European Parliament resolution: sustainable development, resources, energy, transport, navigation, and communication etc.).

In the context of recent developments in EU-Russia relations subsequent to the Crisis in Ukraine and Crimea, it will be of major importance for the EU and its member states to find the right balance between clearly stating their position in “high politics” of security and international politics, and issues usually perceived as “low politics”. No less important to the long term strategic interests of Europe, is that which requires cooperation in dealing with adaption to climate change, develop-

---


ment of strategic resources, energy or minerals, and new global shipping routes – issues which can easily turn into factors of security of supply and thus “high politics”.

Without a doubt the EU will need more and more specific think tank- and other additional tools to advice on the development of its policies for a more strategic, longterm perspective and to make sure it’s several Arctic related policies are developed in coordination with decision makers of the most relevant pillars of European power in the Arctic; in economy and businesses, in science, and in cooperation with its lively civil society.

**ICELAND: SMALL BUT CENTRAL**

Alyson Bailes, Margrét Cela, Katla Kjartansdóttir, Kristinn Schram

**Introduction: Arctic or sub-Arctic?**

If asked whether Iceland should be considered an Arctic or sub-Arctic state, the best answer would be ‘both’ – depending on the context. Geographically, Iceland lies outside the North polar zone proper, with its Northernmost island of Grimsey just grazing the Arctic Circle. Settled around 1000 years ago, it has no ‘indigenous peoples’. Its vegetation is mostly sub-Arctic, although 11 percent of the land is covered by ice-sheets. However, in the work of the Arctic Council, such as the preparation of Arctic Human Development Reports (ADHR), Iceland and other territories even further South have been included¹ as they are seen as part of a single environmental and economic complex. Iceland’s economy is still heavily dependent on fishing and more generally on natural resources, which it exploits both for hydroelectric and geothermal power generation and to attract tourists; this gives it more in common with North Norway, Greenland and the Faroes than, say, mainland Denmark.

---

In terms of conscious identity-framing and policy positioning, Iceland has stressed its Arctic credentials not only by becoming a founding member of the Barents Euro-Arctic Council (1993) and the Arctic Council (1996), but by asserting that it is just as much a High Northern ‘littoral’ (coastal) state as are the ‘Big Five’ who actually own land above the Arctic Circle. Overall, Iceland’s attitude is well summed up by its claim to be the only sovereign state lying entirely within the Arctic zone.

This chapter starts by identifying some basics of Iceland’s external orientation as a ‘small state’, then traces the development of its official Arctic policies, and the external relationships and institutional frameworks in which the nation pursues its interests. The full range of Icelandic stakeholders and shapers of Arctic strategy is then reviewed, from ministries and academia, to private corporations from major economic branches with additional details about the issues at stake. Finally, we stand back from day-to-day politics to consider the nature of Arctic discourse(s) in Iceland, and the (sub) Arctic as a factor in Icelandic identity. A short conclusion speculates on the way ahead.

**Arctic issues in Icelandic policy: the starting-point**

With 320,000 inhabitants, Iceland is by far the smallest of the Arctic sovereign states, and its international position and policies are significantly shaped by size as well as location. ‘Small state’ studies are a branch of International Relations, pursued in Iceland and elsewhere, that focus on the limitations and vulnerabilities of such small entities and on their special opportunities. After the Cold War, for instance, some writers saw Iceland and similar small economies as smart, innovative, resilient and more flexible in responding to global competition. The economic crisis which began in 2008 has however shown how exposed they are to global fluctuations, especially when pursuing high-risk policies in the search for profit. Small societies can also be disproportionately damaged by ‘transnational’ threats of human origin (terrorism, crime, and smuggling) and of a natural character (pandemics, natural disasters and climate change). Most obviously, small states can be hit hard by the cross-fire when the larger powers surrounding them are in a state of rivalry, destructive competition or even conflict. For a small state positioned as close to the action as Iceland is in the Arctic, avoiding such confrontations in the region (and defending itself against possible consequences) becomes a prime imperative of policy.

A small state with limited resources cannot afford to just observe such first-order threats, however. Like any modern polity, it needs to be aware of all the different aspects of security – military, political, economic or functional – that are crucial for its survival. Since it can rarely find the answers on its own, and its limited internal market also makes its prosperity highly dependent on outside relations, it needs a conscious national strategy to find the external support (or ‘shelter’) and the openings required at the most reasonable price.

---

2 The reference is to Canada, Denmark (by virtue of Greenland), Norway, Russia and the US who held two high-level meetings ‘at five’ in 2009 and 2011 respectively. Iceland has strongly criticized this inner grouping and insists the Arctic Council should remain the central forum for Arctic governance. Also see below.

3 See e.g. the speech ‘Icelandic Perspectives on the Arctic’ made by then Foreign Minister Össur Skarphéðinsson at Tromsø, 24 January, 2011, available at http://www.utanrikisraduneyti.is/media/nordurlandskriftstofa/Icelandic-Perspectives-on-the-Arctic-Tromso-24-jan-2011.PDF.


winning the full attributes of a sovereign state in 1944, Iceland has tended to favour relying on US/NATO strategic cover, good relations with other large powers, and Nordic cooperation rather than fully joining in with the European integration process. While participating in EFTA, the European Economic Area and Schengen, it made its first application for EU membership as recently at July 2009. That application was ‘frozen’ by a Euro-sceptic government who took office in May 2013.6 We shall see below how this pattern of national and international relationships is applied or adapted in the special context of Iceland’s Arctic policy.

Iceland’s Arctic objectives

The early 2000s have been a period of change for Iceland’s foreign policy overall driven by shocks such as the US closing its military bases in the country in 2006 (despite lengthy attempts by the Icelandic government to convince them to stay), and the economic crash already referred to. Following these events Icelanders had to redefine their priorities and responsibilities, and sought a new overview inter alia through a comprehensive, independent risk assessment published in 2009. When addressing the High North, this noted not only new economic developments, but challenges related to climate change and threats to the environment resulting from increased ship transport, oil and gas extraction, threats and risks linked with increased cruise shipping, military developments in the Arctic, and the importance of increased cooperation with neighbouring states.8 In another report from 2009 dealing specifically with

7 Bjarason, Gunnar Þor. Óvænt áfall eða fyrirsjúanleg timamót (Out of the blue, or a predictable challenge). Reykjavik: University of Iceland press, 2008.
8 Ministry for Foreign Affairs. Áhættumatsskyrsla fyrir Island, Hnattrænir, ‘Iceland and the High North’, Iceland’s interests were explored in a broad perspective looking at international cooperation, security and defence, natural resources and environmental protection, transportations, culture and society, science and monitoring.9 This balanced approach was duly reflected in the resolution for an Icelandic Arctic policy, adopted in 2011 by the Icelandic parliament (Althingi) on the basis of proposals from the then Foreign Minister.10

The resolution establishes the following objectives for Iceland’s Arctic policy, which are still in effect as of 2014:

1. Promoting and strengthening the Arctic Council as the most important consultative forum on Arctic issues.
2. Securing Iceland’s position as a coastal State within the Arctic region.
3. Promoting understanding of the fact that the Arctic region extends both to the North Pole area proper and to the part of the North Atlantic Ocean closely connected to it.
5. Strengthening and increasing cooperation with the Faroe Islands and Greenland with the aim of promoting the interests and political position of the three countries.
6. Supporting the rights of indigenous peoples in the Arctic.
7. Building on agreements and promoting cooperation with other States and stakeholders on issues relating to Icelandic interests in the Arctic region.
8. Using all available means to mitigate human-induced cli-
mate change and its effects in order to improve the well-being of Arctic residents and their communities.

9. Safeguarding broadly defined security interests in the Arctic region through civilian means and working against any kind of militarisation of the Arctic.

10. Developing further trade relations between States in the Arctic.

11. Advancing Icelanders’ knowledge of Arctic issues and promoting Iceland abroad as a venue for meetings, conferences and discussions on the Arctic region.

12. Increasing consultations and cooperation at domestic level on Arctic issues.\textsuperscript{11}

Under the coalition government of Social Democrats and Left Greens that held office until May 2013, the opening of accession talks with the EU gave cause for a separate Foreign Ministry report on what the EU’s Arctic policies meant for Iceland. The report noted that should Iceland become a member of the European Union, it would be the Union’s northernmost state and should have new chances to benefit from Arctic-related European investments in research, energy and shipping.\textsuperscript{12} After the May 2013 elections, the High North was again given priority status in the coalition platform of the Progressive Party and the Independence Party, which stated that Iceland should become a leading power in Arctic and West Nordic cooperation, and should act upon possible opportunities relating to oil and gas in the High North.\textsuperscript{13} While halting EU membership talks, as already noted, this government intends to continue European cooperation through the EEA and Schengen.\textsuperscript{14}

Throughout this period, the steadily rising profile of Arctic as well as West Nordic issues (see below on the latter) has been and continues to be marked in the annual statements made by the Minister of Foreign Affairs to the Parliament. The 2013 report claims the High North is no longer on the edge of international politics, but plays an important part in the discourse on climate change, utilization of natural resources, environmental protection and shipping. This document confirms the Arctic’s key status in Icelandic foreign policy.\textsuperscript{15} Detailed steps taken by the government to back up their strategy include the establishment of an Icelandic consulate at Nuuk, Greenland, in 2013\textsuperscript{16} and a statement of interest by the Foreign Minister in increasing cooperation with the Faroe Islands\textsuperscript{17}. It is noteworthy that despite the major disagreements between parties over this period on general Icelandic strategy and especially the EU factor, the nation’s emergent Arctic policy has at all times enjoyed broad (if not universal) cross-party and elite support, and the mainstream focus has been more on the opportunities related to Arctic developments\textsuperscript{18} than the challenges. Where disputes have arisen they

\textsuperscript{11} The Ministry for Foreign Affairs, \textit{A Parliamentary Resolution on Iceland’s Arctic Policy}. See http://www.mfa.is/media/nordurlandaskrístofa/A-Parliamentary-Resolution-on-ICE-Arctic-Policy-approved-by-Althingi.pdf.

\textsuperscript{12} Ministry for Foreign Affairs. \textit{Pýbing norðurslóðastefnu ESB fyrir Island}. See http://www.utanrikisraduneyti.is/media/PDF/nordurslodastefna_ESB.PDF.

Arctic issues in bilateral and multilateral relations

As stated earlier, the theory of small states stresses their need for protection by larger powers and/or effective institutions. When complex, transnational challenges are involved, small players may especially favour the latter as offering the hope of formal ‘equal’ status and a regulated environment. This model fits well with Iceland’s recent Arctic diplomacy. The country’s traditional strategic protector, the US, is less prominent today in the North Atlantic not just because of its Icelandic base closures, but because of its Arctic interests in Alaska. This has shifted Iceland’s focus towards NATO as an institution, and to other interested Allies, when looking to stabilize ‘hard’ security conditions in its region. Since, however, Iceland rates the military risk as slight and sees more immediate challenges in ‘soft’ security fields, it leverages a number of other institutions, groupings and individual partners to cover the full range of its interests. These will be identified below, after covering the military issues in more detail.

In January 2009 Iceland hosted NATO’s first ever high level conference on the Arctic, which explored the constructive roles the Alliance could play in monitoring, analysis, search and rescue – in partnership with Russia. In the face of Canadian objections, Iceland failed to have the

Ísinn brotinn, Próðan norðurskautssvæðisins og sjóflutningar...Áhrif og tækifæri (Breaking the ice, developments in the Arctic and shipping....Implications and opportunities), published in 2007,http://www.utanrikisraduneyti.is/media/Ulgafa/Isinn_brotinn.pdf


have been connected with Icelandic policy choices that go wider than the Arctic context: notably the pros and cons of further commercial development of natural resources.

Arctic mentioned in the new NATO Strategic Concept of 2010. The latter did, however, re-emphasize the ‘core task’ of collective defence, thus encouraging Nordic and Baltic Allies to review their needs for protection and update relevant NATO plans. Iceland for its part was granted periodic air and sea deployments by other member states to practise defending its air-space, on top of regular US reinforcement exercises (‘Northern Viking’), and other NATO activities including search and rescue (SAR) simulations. Since 2006 Iceland has also made bilateral defence cooperation agreements with Norway, Denmark, the UK and Canada, amongst others. The resulting modest, largely over-the-horizon, NATO profile is quite a comfortable solution for Iceland as it reduces the risk of actually provoking Russia, not to mention aggravating internal friction with the anti-military Left. It allows Reykjavik to maintain its traditionally relaxed political/economic relations with Moscow and to act, if needed, as something of an East-West bridge.

Like other Arctic Council (AC) members Iceland values the UN-negotiated Convention on the Law of the Sea (UNCLOS) as the legal frame for maritime regulation and peaceful settlement of territorial claims, and in 2013 proposed its own candidate, for the first time, to join the Law of the Sea Tribunal. Like the others, however, it rejects the idea of a comprehensive ‘Arctic Treaty’ or of transferring Arctic governance in general to a global forum. Iceland prefers to use the Arctic Council itself as an egalitarian, inclusive, non-legalistic framework for joint analysis and policy discussions, whose conclusions if necessary can be implemented through other channels. Reykjavik accordingly opposes any inner Arctic grouping such as that of the five littoral states who held separate Ministerial meetings in 2009 and 2011. Within the AC, Iceland hosted the workshop meetings that reached final agreement on both of the Arctic states’ legally binding agreements (on SAR, 2011, and oil-spill response, 2013); and it provided the first Secretary-


21 Iceland does appreciate the value of the global International Maritime Organization (IMO) for shipping regulation.
security cooperation, Iceland has pushed for joint risk analysis and response planning to be directed specifically at incidents in the Arctic seas. Meanwhile, ‘West Nordic’ cooperation allows Iceland to consult with Greenland and the Faroes on societal and civil security concerns, and on economic opportunities (notably for hydrocarbon exploitation), without Denmark or the other larger Nordics peering over their shoulders. Iceland’s new government has highlighted West Nordic cooperation in its policy platform.

The present government also advocates cooperation with BRICs and other Asian powers for diversifying Iceland’s trade relations, investment sources and economic base. Iceland has not only supported several nations’ wishes to become AC observers, but was one of the first OECD states to conclude a Free Trade Agreement with China, and recently gave one seabed exploration licence to a part Chinese consortium. As noted below (under ‘Tourism’), however, actual Chinese investment in Iceland is slight so far and has evoked some internal opposition.

Research, educational, and tourism relationships have shown more dynamism. Iceland has also welcomed some major Indian investments (in the hotel sector) and has increasing contact with South Korea. Overall, speculation about China making Iceland a special protectorate or strategic base – often floated by media in Canada where the Arctic is generally seen in a more competitive and militarized light – should be taken with a large pinch of salt.

Stakeholders and shapers

As Arctic issues have grown in importance for Icelandic foreign policy, participation has stretched far beyond the diplomatic establishment.
While the Foreign Ministry remains in the lead, Arctic challenges and possibilities have become a focus point for different policy agencies in Iceland, including most other ministries, as well as the agencies and services dealing with emergency management and environment protection. In October 2013, the Prime Minister announced that to improve consultation and coordination, a ministerial committee had been established with himself in the chair and otherwise consisting of the four ministers of foreign affairs; the interior; industry and innovation; and environment and natural resources, respectively. Further, Iceland's President Ólafur Ragnar Grímsson (in office since 1996) has long campaigned for more international attention to Arctic issues and, as an example, promoted the first large-scale ‘Arctic Circle’ meeting at Reykjavik in autumn 2013.

**Academia**

When identifying key actors within Iceland’s Arctic initiatives one cannot exclude academia. Iceland has had a strong presence in the EU’s and other international organisations’ scientific and educational networks. During Iceland’s successful chairmanship of the Arctic Council, from 2002-2004, Iceland saw the launch of two important reports: the Arctic Climate Impact Assessment (ACIA) and the Arctic Human Development Report (AHDR). Akureyri in North Iceland hosts the offices of two working groups of the Arctic Council, CAFF (Conservation of Arctic Flora and Fauna) and PAME (Protection of Arctic Marine Environment), as well as the Northern Research Forum secretariat. Akureyri University also runs an International Polar Law LLM and MA programmes, and regularly hosts international Arctic conferences.

Ranging across such disciplines as Environment and Natural Resources, Geology, Engineering, Geography, Humanities and the Social Sciences, the University of Iceland hosts a dynamic group of researchers focused on Arctic issues. In 2013 it established a new Centre for Arctic Policy Studies providing a forum for interdisciplinary collaboration in the field of Arctic research, with emphasis on governance and society. Iceland’s universities also cooperate with its West Nordic counterparts through exchange and course development. Recently a joint West Nordic Master’s program has been developed, focusing on sustainable management and governance. It encourages and facilitates the mobility of students and staff within the region.

**State owned enterprises and the private sector**

Just as the Arctic has been growing in importance for the public sector, so it has for the private sector. Much has happened in the last few years. In 2013 the Icelandic Arctic Chamber of Commerce (IACC) was established with nine companies represented on its board: Arctic Services, Eykon Energy, Eimskip (shipping company), Icelandair, ÍAV (construction company), Íslandsbanki bank, Mannvit (engineering company), Norðurflugs (airline), and Samskip (shipping company). The IACC’s main purpose is to create a business environment in the Arctic where Icelandic companies can compete for the emerging commercial opportunities. All the companies mentioned above have taken a leading position within Iceland’s private sector as regards actual and potential Arctic business and have shown willingness to act upon actual and potential opportunities. That is not to say they are the only companies looking for Arctic openings: on the contrary, a rapidly growing number of private companies in different sectors are starting to show interest, ranging, for example, from Efía (an engineering consultancy firm) to the fast growing tourism industry as outlined below.

Aware of their relatively small size, Icelandic enterprises have created specialized platforms to advertise their Arctic offerings such as, the

---

27 Prime Minister’s Office. Forsætisráðherra ávarpar röðstefnu um þróun orkumála á norðurslóðum - Ráðherranefnd um nógrafa norðurslóða sett á fót (Prime Minister addresses conference on Arctic energy development – Ministerial Council for Arctic affairs established). See http://www.forsaetisraduneyti.is/frettir/7729.

28 Ólafur Ragnar Grímsson, Speeches, see http://www.forseti.is/Raedurogkveldur/Raedur2013/.

Akureyri-based Arctic Services group who combine industrial and technical service providers, research facilities, engineering companies, aviation services and public utilities to offer high-quality services and infrastructure for those involved in exploration, oil search and mining in the Arctic.\textsuperscript{30} The Icelandic Arctic Cooperation Network was established in 2013 to facilitate cooperation amongst Icelandic public and private organizations, institutions, businesses and other actors involved in Arctic issues.\textsuperscript{31}

**Shipping**

Private sector roles can be more fully appreciated by looking at the Icelandic angle on some specific Arctic opportunities. In the shipping sector, Fáfnir Offshore has invested more than 4.6 million Euro in a vessel specially equipped to service the offshore oil industry to the North and East of Iceland.\textsuperscript{32} Maritime service-related opportunities have been discussed in Iceland since early 2000, notably the idea of building a transshipment port, which private sector and local municipalities are exploring in cooperation with Icelandic and foreign investors.\textsuperscript{33} In 2012 the Parliament adopted a resolution tasking ministers of foreign affairs and the interior, in cooperation with the rest of government, to explore the viability of the idea.\textsuperscript{34} However, there are also sceptics who question whether the new ice-free sea routes likely to open in the foreseeable future will actually include Iceland. Service harbours seem more feasible, especially in the context of plans for rapid extractive development in Greenland, where Iceland can offer the nearest ice-free locations. One such project became reality in 2013 when several private companies signed an agreement to invest some 51 million Euro in building a service harbour in the North-East of Iceland, at Dysnes in Eyjafjörður.\textsuperscript{35}

**Oil exploration**

The chances of Iceland becoming an oil producer are gaining increased attention. The Icelandic government have issued three licences for explorations in the Dreki area of the seabed to the North-east of Iceland.\textsuperscript{36} Interestingly, one licence was issued to a team of companies from Iceland (Eykon Energy), Norway (Petero), and China (China National Offshore Oil Corporation, CNOOC) - making Iceland the first state to open the door to a CNOOC stake in the Arctic.\textsuperscript{37} The Icelandic government has shown great interest in the development of this field, and the establishment of a state owned oil company has been up for discussion, together with the idea of a Norwegian-style, oil-powered ethical investment fund.\textsuperscript{38}

**Tourism**

The geopolitical relevance of Arctic tourism rivals even resource extraction and may prove crucial for the self-sufficiency and economic

\textsuperscript{30} Arctic Services, see http://www.arcticservices.is/en/our-service.

\textsuperscript{31} Icelandic Arctic Cooperation Network, see http://nordurslodanetid.is/en/adhdragandi-og-stofnum.

\textsuperscript{32} Viðskiptablaðið (business news), ‘Fáfnir Offshore kaupir skip fyrrir 7,3 milljarða’ (Fafnir Offshore buys a ship for 7.3 Billions). See http://www.vb.is/frettir/82143/.

\textsuperscript{33} Unnarson, Kristján Már. Kínverjar vílja fjártesta í umskipunarskotn á Íslandi (Chinese investors interested in a transhipment port) see: http://www.visir.is/kinverjar-vila-fjarfesta-i-umskipunarhafn-a-islandi/article/2012121129606.

\textsuperscript{34} Tillaga til þingsályktunar um umskipunarskotn á Íslandi vegna siglinga á norðurslóðum. (Parliamentary resolution on a transshipment port related to Arctic shipping). See http://www.althingi.is/altext/140/s/1149.html.

\textsuperscript{35} Unnarson, Kristján Már. Dysnes við Eyjafjörð verði þjónustuhöfn Nordurslóða (Dysnes, Eyjafjord will become a service harbour for the High North) See http://www.visir.is/dysnes-við-eyjafjörð-verði-thjonustuhofn-nordursloda/article/201310529582

\textsuperscript{36} Fá leyfi til olíuleitar í næstu viku (Will be granted licences for oil exploration next week) See http://www.mbl.is/vidskipti/frettir/2014/01/17/fa_leyfi_til_oluleitar_i_naestu_viku/.

\textsuperscript{37} Askja Energy THE INDEPENDENT ICELANDIC ENERGY PORTAL. China and Norway Team Up on Iceland’s Continental Shelf and CNOOC on the Icelandic Continental Shelf. See http://askjaenergy.org/category/oil-and-gas/.

\textsuperscript{38} Icelandic Energy Agency. Stofnun ríkisolíufélags (The establishment of a state oil company) See http://www.okustofnun.is/orkustofnun/frettir/nr/1224.
security of smaller nations there. The promotion of Iceland as an Arctic destination and gateway is expressed unambiguously in terms of celebrating its wilderness, cold climate and northern landscapes. The increased use of the adjective ‘Arctic’ in tourism companies’ names (e.g. Arctic Sea Tours, Arctic Comfort Hotel, Arctic Experience etc.) attests to Icelanders’ adaptation to the outer world’s Arctic appetite. However, tourism also rivals oil extraction in its double-sided nature, given the dynamic interplay between producers and consumers, not to mention its environmental impact. The capacity to receive growing numbers of tourists and yet preserve the very thing drawing them - Iceland’s pristine nature – has become increasingly a point of contestation. Also contested are concessions to foreign-controlled tourism development. A case in point was the proposed purchase of a farmstead in a peripheral region in Iceland, Grimstaðir á Fjöllum, later reduced to a leasing request, by Chinese investment group Zhongkun. The company’s tourism concept, a golf resort, was met with skepticism that some might see as linked simply with the ethnicity of its owners (the notion of ‘polar orientalism’). Others saw reason for legitimate concern over China’s growing worldwide power and its widely attested, dubious envidronmen-

tal/societal practices. The former government may have eventually rejected the Chinese proposal, but the current government has signaled a more positive inclination.

(Sub-)Arctic discourses and Icelandic identity

Besides drawing on the image of untouched nature, public representations of Iceland have also been based on discourses and identification. With growing practical involvement in the Arctic, the question of Iceland’s Arctic identity has come to the fore – and not only among officials trying to bolster its claims for participation. In the wake of fading militarized, bipolar paradigms and a growing awareness of common ground with its geographical neighbours, one could expect a strengthening awareness in Iceland of a Northern Atlantic or Arctic identity. Indeed, while Iceland’s official Arctic strategy with its emphasis on Arctic coastal status and Nordic/West Nordic cooperation has only recently been formalized, actors in the fields of advertisement, arts and popular culture have cultivated and capitalized on the aesthetics and discourses of the High North ever since the turn of the century.

Discourses on the High North are rooted in historical mythologies, with the past being used to create political narratives in the present. Historically the concept of the North is full of extremes and ambiguities. Throughout modernity, the ‘fringes of the north’ have retained much of their dual character as “a place of darkness and dearth, the seat of evil”, or alternatively “a place of austere felicity where virtuous peoples live behind the north wind and are happy”. Perpetuated by exotic travel writing and fiction (one often indistinguishable from the other), a cer-


\footnote{Davidson, Peter, The Idea of the North (London: Reaktion Books, 2005), 21.}


\footnote{Davidson, Peter, The Idea of the North (London: Reaktion Books, 2005), 21.}


\footnote{In 2009, the share of tourism in Iceland’s GDP was 5.9%, while in 2008 it was 4.6%. Since 2008, the proportion of tourism in Iceland in total export revenue has been around 14%, rising to 19% if activities of Icelandic tourism companies outside Iceland are included. \textit{Tourism in Iceland in figures, April 2012}. Report by Oddný Póra Óladóttir. Icelandic Tourist Board.}


\footnote{See e.g. Huebert, R., \textit{Managing Polar Orientalism: East Asia, Euro-Asia and the Arctic Region}. University of Calgary, Canada, 2013.}

tian Arctic awareness was thrust upon the otherwise European-oriented population of the Danish Crown’s Icelandic dependency. Nineteenth and early twentieth-century Icelandic nationalists rejected this exotic image of themselves, stressing their modern Europeanness, sophistication, and developed – albeit deep-rooted – literary culture. In turn, they expressed abhorrence for the allegedly primitive nature-folk they saw on the other side of the culture-nature dichotomy.

Today, by contrast, representations of cultures in the North Atlantic have again become increasingly infused with images of “nature folk” rather than of “culture nations”. Images of the primitive survival of the Icelandic nation in a harsh and barren land, simultaneously preserving an ancient culture of language and literature, are commonly conjured up. Examples of this abound in visual images, especially in advertisements, film and art, centering on and manipulating an iconography of rugged northernness. A popular book, and exhibition, Icelanders and Faces of the North, have juxtaposed rural Iceland with its Greenlandic and Faroese counterparts. In contemporary times marked by international market forces, tourism and global media, Icelanders are no longer simply the reluctant receivers of exotic representations but have become, to an extent their active performers. The remoteness and ‘arcticness’ of the West-Nordic region has thus become increasingly visible in representations of Iceland both in promotional material and performative spaces, including museums and cultural institutions where North Atlantic or West Nordic identities are both expressed in a variety of ways.

---

45 See for example Ísleifsson, Sumarliði, Iceland: Descriptions of Iceland and Icelanders Written by Foreign Writers of Previous Centuries (Reykjavík: Landsbókasafn Íslands, 2003); and edited by the same author, Iceland and Images of the North, Quebec: Presses de l’Université Québec og ReykjavíkurAkademían, 2011.


---

**Arts and culture**

A number of Icelandic artists have played with both national and regional themes related to the North in their work. Two examples are musical artist Björk Guðmundsdóttir and visual artist Ragnar Kjartansson. Although a cosmopolitan performer, Björk has put Iceland on the cultural map to the extent of becoming its best-known spokesperson. The image of Björk, presented in international media and video performances, is very much related to Icelandic nature and she rarely gives an interview without mentioning her strong emotional connection with nature and affection for her homeland. Björk has made various overtures to other North Atlantic countries, for example including a Greenlandic choir in her musical performances. Another example is the rising and internationally acclaimed visual artist Ragnar Kjartansson who also plays with themes and threads of the North, such as masculinity, heavy drinking and melancholia related to the dark winter months. Ragnar engages with both the Scandinavian and North-American notion of “arcticness”, but also evokes provocative images of colonialism and Iceland’s subjugation by the Kingdom of Denmark.

Iceland’s colonial history and the relationships involved are, however, rarely dealt with head-on in Nordic cultural centres. While this may change with growing ties to the Danish Kingdom’s remaining West Nordic dependencies, joint North Atlantic efforts such as the North Atlantic House in Copenhagen - housed in an 18th century warehouse at the former ‘Greenland docks’ that stored West Nordic products such as fish, whale, skin etc. on their way to the European market - have hitherto approached their cultural common ground with relative subtlety. Interestingly the same

---

47 ‘Kolonisering’ (Colonialization) at Stalke Gallery, Kirke Sonnerup 2003 and Ny lendorf the Colony 2003 Kling og Bang, Reykjavík.

48 Iceland was technically a dependency rather than a colony. Such ambiguities of sovereignty, or what might be called Iceland’s cryptocolonial status, are increasingly being dealt with within academia.

looking for opportunities during the economic crisis in Iceland. Recent ethnographic research in Greenland has found, interestingly, that despite their disparate cultural backgrounds, many Icelanders and Greenlanders speak of their mutual affinity while feeling separate from Danish or other ethnic groups within the country. Incorporating themes of shared colonial history; close ties with nature; and initiation rights through hunting trips, and shared narratives show how any ethnic rift between Icelanders and Greenlanders is bridged through “West Nordic” identification.

Where next?

Our analysis suggests the key lines of Iceland’s policy are logically suited to its position as a small state in a sensitive and geographically central setting. They also benefit from wide cross-party support and from synergy with non-state efforts, including academic and other independent research, and the bottom-up as well as constructed framing of national/ethnic identity. Further, while Iceland is a Euro-sceptic nation and generally cautious about binding commitments, in this particular field it has made good use of formal multilateral cooperation and has done especially well in leveraging the Arctic Council and Nordic frameworks to its advantage.

At the same time, Iceland can be argued to show some of the more ambivalent and disputable features of a typical small-state approach. Its strategy and behaviour seek to evade responsibility for larger issues that more powerful actors are expected to decide. A more critical observer could call this free-riding, and it may also amount to double standards when the small actor feels free to take actions exacerbating problems it blames others for. A well-known example in Iceland’s case is its uniquely high per capita carbon emissions, caused by the installation of large industrial plants the present government would like to see further expanded. Again, while opposing Arctic ‘militarization’ Iceland has been rather inactive in terms of specific proposals for arms control or demili-

---

Building accommodates the representatives for Greenland and the Faroe Islands, and the Icelandic Embassy, as well as the purported centre of new Nordic cuisine: Noma. A further North Atlantic culture house located at the harbour of Ólafsvík, was designed to “embody the significant assembly point for the culture of Greenland, Iceland and Faroe Islands.”

**Mobility in the West Nordic region**

Whether driven by the acquisition of routes, markets, territory and natural resources, or the pursuit of social capital within new communities, mobility is a crucial factor in Arctic self-awareness and identification, and provides an important component of what might be called globalization “from below.”[^50] The issue is of growing importance considering movements within the zone that may be forced by climate change, and the expected influx of people and resources into the region in the foreseeable future. Workforces for large-scale projects will form a significant part of this, but no less important are the professional and creative classes who are influential in structuring and sustaining the region both socio-economically and culturally.

While Icelanders are few in number, they are generally mobile people both within and beyond the Nordic context. National origin, cultural heritage and national identities play a significant part in the everyday power relationships of groups and individuals. Exotic images of the North have played a considerable part in the everyday life of Icelanders abroad – not least during the period of global expansion and booming Icelandic business ventures around 2000–2008, known as the ‘Icelandic raid’ (íslandska útrásin). Today Icelanders form, for example, the largest expatriate group – aside from Danes - in Greenland.[^51] Many of them went there looking for opportunities during the economic crisis in Iceland.


Foreign Ministry has so far avoided cutting the Arctic affairs team as such. The new government’s latest steps, which include plans for more active promotion of Icelandic interests in Brussels and a new consulate in Greenland’s capital, as well as the new Arctic coordination committee, may imply a positive shift in resources allocation but this needs to be carried through in all relevant branches including monitoring and emergency management services, and fundamental and applied research and education. To some extent, the increased Icelandic emphasis on cooperation with Greenland and the Faroes can be seen as relevant and sensible here: the small entities cannot solve each other’s resource gaps, but they can benefit from shared information, shared solutions, and where appropriate a common stand vis-a-vis with other actors and institutions.

Last but not least, the new resolve on improved coordination needs to be carried through. This is not an easy matter at the practical level, even in the smallest of states, and Icelandic culture tends more towards independence and competition than cohesion among ministries, agencies and economic branches. However, it also demands a coherent strategy and goals towards which all can align themselves, and which help to keep Iceland’s wishes clearly in view for outside partners. The Icelandic Arctic strategy has so far fulfilled this need reasonably well; but it has yet to be embedded within an overall security strategy for Iceland which would show how the Arctic factor can be made to serve the nation’s other needs and goals. Political agreement on such a broader strategy might not be easy; but it is something that most of Europe’s other small states have achieved. It could be an important part of Iceland’s prescription for coping with smallness in the middle of a great Arctic game.

 tarization. While relying strongly on the support of international structures including those linked to the EU, it frequently acts unilaterally and against the letter or spirit of common rules – as seen in the current mackerel dispute – when national profits are at stake.

Similar ambiguities could be detected in Iceland’s ‘Arctic’ and ‘West Nordic’ identification and especially, in the conscious use of identities. We have seen that there is a cultural basis for these facets of identity and for the behaviours and relationships that draw on them, reflecting inter alia, a shared colonial history, exoticized representations of the North as periphery/extreme, and the affinities among a diverse and increasingly mobile West Nordic population – as well as environmental and economic realities. Stressing such factors can often serve Iceland’s practical interest in establishing its distinctness and ‘branding’ itself as a material and cultural producer. On the other hand, Iceland’s non-state actors are also thoroughly engaged in the dynamics of globalized market forces and geopolitics. Like business and governmental players, they emphasize different identities and credentials when it suits them; but sometimes they may also be ahead of the tide and can offer counter-narratives to official discourse.

Such larger issues aside, three aspects of Iceland’s Arctic role may require special attention in the future: strategic/political balance, resources, and overall strategy. Iceland cannot expect to dictate any of the main parameters or dynamics of Arctic development. It must therefore remain agile and flexible, friendly with all major players and open to all possible twists and turns in the development process, without becoming over-dependent on any one actor or any one road to profit. We have seen that excessive reliance on China (or anyone else) is not really an issue at present, but Iceland’s leaders, public and commercial, must ensure this remains the case. Strong anchoring in Western institutions, including the EEA and Schengen, together with financial prudence and strong enforcement of societal and environmental standards for sustainable solutions, should provide the best guarantee in this context.

Iceland’s diplomatic resources and its government machinery in general have been severely trimmed since the crash of 2008, though the
FOREIGN POLICY INTERESTS OF FINLAND IN THE ARCTIC

Lassi Heininen

Introduction

Finland is geographically a northern European country and an integral part of the Nordic region. Culturally and geopolitically Finland is located between the East and the West. Finland is also a country with territories above the Arctic Circle, though without an access to the Arctic Ocean. Following from this, it has had cultural, environmental, economic, political, and security interests in the Arctic region. However, Finland to a greater extent used to be a Nordic country with clearly formulated interests within the Nordic region and the Baltic Sea region, as well as having good relations with neighbouring Russia. These elements and aspects comprised the so-called 'de-facto' Northern dimension policy, based on Finland’s entire foreign policy and activities in North Europe in the Cold War period. During the Cold War the official foreign policy of Finland, led by the President, and for a long time President Urho Kekkonen, was supported by all political parties in the Parliament, as well as the influential metal, paper, and pulp industry, the science community and many civil society organizations. The above mentioned elements and aspects also guided Finland to launch a Northern Dimension policy after joining the
This chapter discusses Finland as a Northern country and an Arctic state, and describes and analyses Finland's foreign policy interests in the Arctic region and the entire North, particularly the Finnish Arctic strategy, as well as its initiatives for Northern and Arctic cooperation.

Finland’s ‘de-facto’ Northern dimension

Finland does not only have a northern identity, the country is also culturally and geopolitically located between East and West. Indeed, the Finns have long been influenced by a diversity of eastern and western cultures and it is difficult to understand Finland without reference to this history. Although, the Finnish foreign policy toward the Soviet Union during the Cold War was referred abroad with negative connotation to as ‘Finlandization’, it provided enough room for Finland to have good relations with West Europe as well as the United States, and to join European economic integration. Though the collapse of the Soviet Union and the end of the Cold War were a surprise to the Finnish political elite as well as to the majority of Finnish people, these events made it possible for Finland to establish a deeper European integration with European Communities in 1995. This policy was well supported by most of the political parties, several civil society organizations, and partly by the science community, although among the latter one there was some scepticism about the real influence of the initiative.

Europeand Union (EU) in 1995. This policy was well supported by most of the political parties, several civil society organizations, and partly by the science community, although among the latter one there was some scepticism about the real influence of the initiative.

Finland did not formulate its own national Arctic strategy or policy before 2010 and has at times lost its interests toward the entire North. Finland is, however, an Arctic state, and a forerunner of current international Arctic cooperation, most notably the AEPS initiative. According to official statements, “Finland has a primordial interest toward Arctic issues. Our geography and history make us an Arctic state.” Due to the significant and multi-faceted change of the Arctic in the early 21st century, and after the five coastal states of the Arctic Ocean held their meeting in Ilulissat in Greenland in May 2008 when the first modern Arctic strategies were adopted, Finland ‘woke up’ and again became active in Arctic cooperation and issues. This renewed interest toward the Arctic was supported by the report on the region by the Finnish Parliament in November 2009. Furthermore, it was emphasized by the statement of Finland’s first national Arctic Strategy that: “As an Arctic country, Finland is a natural actor in the Arctic region.” According to the Strategy, which was adopted in 2010, Finland’s political objectives are in substantial sectors of the environment, economic activities and know-how, transport and infrastructure, and indigenous peoples. It also emphasizes the Arctic as a stable and peaceful area, the importance of international cooperation there, and the Arctic Council as the main international cooperative entity in the region.

2 Mäkeläinen-Buhanist, Soili. “Finland’s approach to the Arctic; The past and the future”. Statement by Ms Soili Mäkeläinen-Buhanist, Ministry for Foreign Affairs of Finland (Ottawa, Canada: May 27, 2010).
3 Prime Minister’s Office, Finland’s Strategy for the Arctic Region. Prime Minister’s Office Publication 8/2007.
5 However, in the post-Cold War the term has been deeper analyzed and partly re-evaluated to mean a wise policy by Finland and its political elite, also in the West.
In the wake of these pivotal events, Finland's geopolitical and security-political positions are much changed, although Finland is still militarily non-aligned and maintains its own independent army – this is much supported by majority of the nation – but also cooperates closely militarily with NATO and its member-states. Finland also has good cooperation with the Russian Federation, and has revitalized its bilateral relations, for example in trade, tourism, culture and science (e.g. the Finnish-Russian Arctic Partnership), with Russia and its president and government. Finally, Finland has its ‘Northern’ identity and a natural interest toward the entire North, as the Finnish-Karelian national epoch, The Kalevala indicates.

Taking into consideration Finland’s foreign policy and its activities in the Nordic region and northern Europe more generally, it can be argued that Finland has since long ago had somewhat of a ‘de facto northern dimension’ to its foreign policy. For example, as a reflection to growing concern over the state of the Northern environment, particularly nuclear safety by the Saami and Northern European environmental organizations, Finland made an initiative for international cooperation on environmental protection in the Arctic. This was the Finnish response to President Mikhail Gorbachev’s speech, which included six proposals for international cooperation in the Arctic including environmental protection, in October 1987 in Murmansk, the Soviet North. The Murmansk speech was analysed and the Finnish initiative was supported, and partly contributed to by the Kuhmo Summer Academy, an international and annual academic forum run by the Tampere Peace Research Institute’s international Arctic research project (from 1987 to 1995). That led to the Arctic Environmental Protection Strategy (AEPS), which was signed by ministers of eight Arctic states in 1991 in Rovaniemi, Finland. Also, Finland is a founding member of the Barents Euro-Arctic Region, established in 1993.

In general, the North has been a rather delicate issue for Finland, both in terms of domestic policy, as indicated above, and foreign policy. Even though Finland had been active in international northern and Arctic undertakings since the late 1980s, and successfully initiated the Arctic Environmental Protection Strategy, it did not have an official Northern policy as part of its foreign policy until the launch of the Finnish initiative on a European Union’s Northern Dimension in the 1990s.

The Finnish initiative on a Northern dimension

The Finnish government made an initiative for a Northern Dimension of the European Union in September 1997. It was further developed by

---


7 Heininen, Lassi, Jalonen, Olli-Pekka and Käkönen, Jyrki. Expanding the Northern...
the EU Commission (see the Chapter of EU Arctic Policy). The Northern Dimension policy placed Northern, and in part, Arctic issues on the political agenda of the European Union, and further, it led to the EU’s Northern Dimension policy as stated by the European Council in 1997-1999. As an EU external policy, the Northern Dimension was approved and implemented by the 1st Action Plan in 2000 and a second one in 2003. The new Policy Framework Document of the Northern Dimension, which was adopted in 2006, has emerged as a common policy of the EU, the Russian Federation, Iceland, and Norway for North Europe.¹⁰

Originally, the Northern Dimension policy was primarily defined to be one of the external, foreign policies of the European Union in North Europe, particularly toward (Northwest) Russia, but also including an Arctic aspect. The mainstream interpretation was, however, that it is an EU policy toward Russia, when Russia was very much seen as an ‘other’, or even the ‘other’. Consequently, the main aims of the 1st Action Plan of the Northern Dimension were to increase stability and societal security, to enhance democratic reforms, and to create positive interdependence and sustainable development.¹¹ Although not always explicitly mentioned, the European Arctic has been an approach, or a cross-cutting issue, within the Northern Dimension policy.¹² Correspondingly, the Policy Framework Document of the EU’s Northern Dimension is rhetorically a strong statement to promote dialogue and concrete cross-border cooperation, and strengthen stability and integration in the European part of the Arctic region.¹³

From the point of view of Finland, an initiative in the context of the European Union was to make sure that the EU did not move only geographically toward the North, but that Finland would be taken seriously as a European country among the established EU member-states. Membership of the EU with a focus on deeper political cooperation and integration was perceived by Finland as an ultimate security measure against any future threat from Russia, at the same time when new kind of bilateral relations with the Russian Federation were formulated. Finland positioned itself as a key player in Europe’s Arctic issues. All this is mostly according to the long-term interests and aims of Finland and its ‘de-facto’ northern dimension policy. Thus, the Finnish initiative on the Northern Dimension as well as the concept behind it not only serves Finland’s interests (and those of the other Nordic countries), but also fits well with the post-Cold War state politics in North Europe, and consequently supports the EU as an international actor and its Common Foreign and Security Policy.¹⁴

All in all, the aim of the EU’s Northern Dimension defined by the Finnish government and Finnish policy-makers, though less so by Finnish civil society, was to earn Finland a place at the EU table where decisions on issues pertaining to Europe’s northern areas were made. Though the Northern Dimension is not always taken within Finland to be a success, from the point of view of Finland’s foreign policy it, maybe, should be interpreted to be. However, in spite of the ND policy and establishment of the Arctic Council based on the AEPS, Finland has neither shown great or continuous interest at all times toward the entire Arctic region, nor


has it had a national Arctic strategy or policy of its own before the first Arctic strategy was adopted in 2010.

### Finland’s Arctic Strategy

During the first decade of the 21st century, due to significant and multi-faceted change(s) in the Arctic, and after the five coastal states of the Arctic Ocean had their first ministerial meeting in May 2008 and adopted their respective Arctic strategies or state policies, Finland realized there is a new state of the Arctic and became more interested in Arctic issues.

This sparked a growing interest in Arctic issues within the political elite and on the part of industry in Finland. The Finnish science community was already integrated in growing international scientific cooperation on the Arctic, such as the International Arctic Science Committee, and Lapland and Oulu universities were involved in establishing the Northern Research Forum and the University of the Arctic. This emerging interest was especially evident among stakeholders in businesses and organizations involved in the pursuit of regional development, economics, and trade. This growing interest toward the Arctic was accelerated and supported by a report on “Finland and the Arctic Regions” issued by the Foreign Affairs Committee of the Finnish Parliament\(^\text{15}\), as well as by general discussion of Finland’s activities in the Arctic at Parliament in November 2009, where all the political parties showed clear support to make and adopt the first Finnish national strategy on the Arctic region. The Ministry of Foreign Affairs began a process of developing Finland’s Arctic agenda with the objective of creating a policy or strategy. An ambassador for Arctic issues was named as Finland’s “own northern envoy” in the summer of 2009.

A seminar for a Finnish research network on Northern Politics and Security Studies took place in Helsinki in February 2010 to produce material for a working group representing all the ministries, appointed by the Prime Minister’s Office in February 2010, “to prepare a report on Finland’s policy review for the Arctic region”.\(^\text{16}\) This kind of procedure, to have an academic seminar as a pre-activity of an official document adopted by the Government, is a very Finnish way to implement interplay between science and politics, which the Northern Research Forum has done in the Arctic, and also globally, within the last 15 years.\(^\text{17}\)

“Finland’s Strategy for the Arctic Region” was adopted by the Finnish Cabinet Committee for the European Union (of the Government) in June 2010.\(^\text{18}\) It is based on proposals made by the above mentioned working group of civil servants from different ministries (appointed by the Prime Ministers’ Office). The issue re-emerged on the agenda of the Foreign Policy Committee of the Finnish Parliament in autumn 2010, when the Committee had its hearings and discussion on the Strategy. The Strategy defines Finland’s objectives in the following substantial sectors: the en-

---


18 Prime Minister’s Office, Finland’s Strategy for the Arctic Region. Prime Minister’s Office Publications 8/2010. The Strategy was first published in Finnish in June (Valtioneuvosto 210) and in Englishin September 2010.
When analysing the 2010 Finnish Strategy there are eight relevant and interesting findings which characterize Finland as an Arctic as well as (Northern) European state: First, the Strategy is comprehensive and ambitious, and reflects great efforts in preparing and outlining Finland’s first Arctic strategy, clearly asserting itself as an Arctic state while referring to the European Union as “a global Arctic player”. The document was prepared by a working group appointed by the Prime Minister’s Office consisting of civil servants rather than a broader advisory board representing different stakeholders. A working group with broader representation and a mandate with a mission of follow up for the Strategy was appointed two months later. However, the whole process was greatly accelerated by the Finnish Parliament and promoted through its Foreign Policy Committee’s statement.

Second, the four main sectors and related objectives are according to Finland’s long-term national, political and particularly economic interests in the Arctic and generally in northern regions; they were also mentioned in the Statement by the Parliaments’ Foreign Policy Committee. It is not, however, entirely clear if they are meant to be priorities or priority area(s), or whether they are mostly objectives supported by strong economic and business lobbies. In any case, the Finnish Strategy document strongly emphasizes economic activities, as do most of the other Arctic states’ strategies. For example, it supports increasing marine traffic and transport, and better infrastructure, and there is a

environment, economic activities and know-how, transport and infrastruc-
ture, and indigenous peoples. These are followed by a list of different levels of means with which to achieve Arctic policy goals. Additionally there is a chapter on the European Union and the Arctic Region. Finally, the Strategy offers conclusions and proposes further measures.

The Strategy document states that Finland is one of the northernmost nations of the globe, and an Arctic country. The Arctic region is a stable and peaceful area, but, it adds, significant changes are taking place in the region, including climate change and increased transportation. As global interest toward the region grows, so does its global significance. The Strategy has a specific focus on external relations. The four most substantial chapters are titled: “Fragile Arctic Nature”, “Economic Activities and Know-How”, “Transport and Infrastructure” and “Indigenous Peoples” and define Finland’s political objectives in those important sectors. They are followed by a chapter on “Arctic Policy Tools”, which includes policy activities at global and regional levels, bilateral cooperation, and funding. The next chapter, “The EU and the Arctic Region” deals with Finland’s policy objectives on the European Union’s activities in the Arctic, and to make the EU a relevant, perhaps even global, actor in the Arctic was per se one of Finland’s objectives.

The updated version of the Strategy was adopted as government resolution by Government in August 2013. It is based on the 2012 vision of the ‘Arctic’ Finland and consists of the four pillars of policy outlined by the Government: An Arctic country, Arctic expert, Sustainable development and enviromental considerations, and International cooperation. It also includes four substantial sectoral chapters on education and research, business operations, environment and stability, and international cooperation. In addition, the strategy includes objectives and detailed actions to attain them.

Analysing Finland’s Arctic strategy and policy

19 Prime Minister’s Office, Finland’s Strategy for the Arctic Region 2013. Government resolution on 23 August 2013. Prime Minister’s Office Publicatios 16/2013.

20 This chapter is strongly based on my comparative study on Arctic strategies including the Finnish strategy (see Heininen, Lassi. Arctic Strategies and Policies: Inventory and Comparative Study, Akureyri: Northern Research forum an University of Lapand, August 2011).

21 The Statement received great interest and cross-party support in general discussions on Finland’s interests at the Assembly o the Finnish Parliamnt in Noveber 2009.
perceived need to develop transport and other logistical networks in both the Barents region and North Finland. This is clearly indicated by a list of five transport networks and corridors of Northern Finland which are under discussion; in reality only one or two of those may be implemented in the near future.\textsuperscript{22} On the other hand, some of the objectives, particularly those dealing with the drilling for oil and gas in the Barents Sea, can be seen as hopeful expectations rather than realistic goals, although a Finnish company Steel Done Group is involved in the Shetland gas field project.\textsuperscript{23} The same applied when the Snöhvit gas field in the Barents Sea was developed by the Norwegians; expectations among Finnish companies, particularly in North Finland, were high, but very little was gained by them from that project.

Thus, the Strategy is business-oriented with a strong emphasis on economic activities, coupled with expertise, or know-how, particularly the utilization of natural resources, such as oil and gas reserves in the Arctic region. To a certain extent this is understandable, since this is a national report reflecting strong national interests and expectations of stakeholders in both business and organizations engaged in the pursuit of regional development and economic interests. This is also in line with a strategic point of view which emphasizes the importance of the High North's strategic position in (global) energy security, and economically, due to its rich natural resources and potential for transportation (new global sea routes and air routes).

Third, the Strategy reflects the desire to promote and strengthen Finland’s position as an international expert on Arctic issues with know-how in the fields of ice-breaking and other winter shipping (e.g. by the state company \textit{Arctia Shipping}), sea transport and special shipbuilding technology (e.g. by the planning company \textit{Aker Arctic}), expertise in forest management, mining and metals industry, and cold-climate research. This is sensible and may be the case in terms of some fields of research, but is not necessarily the case when generally evaluating Finnish research in the context of international scientific cooperation.\textsuperscript{24} Taking this into consideration, the Strategy’s proposal to launch a study program with interdisciplinary and international cooperation on northern issues was very welcome and led to establishing the Arctic Research Programme 2014-2018 by the Academy of Finland.

Fourth, the Strategy also emphasizes special features of, and risks to, fragile Arctic ecosystems; importantly the term “fragile” has re-emerged, but of even greater importance is the protection of ecosystems. Climate change, pollution, and biodiversity receive considerable attention. A need for safe navigation in the Arctic Ocean is of great importance, in terms of physical impacts of climate change and of general increase in sea transports. Increasing sea transport is being defined as “the biggest threat to Arctic marine ecosystems”\textsuperscript{25}, despite the fact there are heavy impacts from long-range air and water pollution, and mass-scale oil drilling. Furthermore, it says that Arctic research, regional climate models, and long-term monitoring of the state of the environment should feed into decision-making processes, clearly indicating the importance of the interplay between science and politics. Interestingly the uncertainty related to climate change is not emphasized (as a challenge), but nuclear safety at the Kola Peninsula is, though this problem has been under control for a few years now.

Although protecting Arctic ecosystems is prioritized, in seems somewhat short-sighted not to give greater emphasis to the promotion and export of Finnish know-how and expertise in environmental technology. Furthermore, here the Strategy has at least one internal contradiction: It

\textsuperscript{22} This was already seen in October 2010, when the mining company Northland Resources decided to transport iron ore mined in Pajala, just beside the Finnish border, to the port of Narvi in Norway instead of the port of Kemi which is much longer.

\textsuperscript{23} The company, Steel Done Group has signed a contract of 10 million Euro with the Russians (Helsigin Sanomat 27.1.2008, A8).

\textsuperscript{24} The latest Finland’s Strategy on Arctic Research was published in April 1999 (Kauppa- ja teollisuusministeriö, \textit{Suomen arktisen tutkimuksen strategia}. Kauppa- ja teollisuusministeriön euvottelukuntaraortteja /1999).

\textsuperscript{25} Prime Minister’s Office, \textit{Finland’s Strategy for the Arctic Region}, Prime Minister’s OfficePublications8/2010: 28.
states that: “(I)ncreased human activity in the region also raises the risk of environmental pollution”\(^{26}\), but then later in the text it states that: “(F) rom the perspectives of Finnish – especially Northern Finnish – industry and employment, it is important that all types of economic activity increase both in large seaports and in land-based support areas of oil and gas fields in Norway and Russia”.\(^{27}\) Which of these is the first priority? Is there a greater emphasis on more strict environmental protection, or is it mass-scale utilization of natural resources? These questions indicate criticisms against the main content of the first Finnish national strategy on the Arctic region.\(^{28}\)

Fifth, likewise, the Strategy is somewhat short-sighted to claim a focus “on external relations” instead of a more holistic approach. For example, though somewhat abstract, it seems logical to give the highest priority to protecting Arctic ecosystems which are threatened or at risk due to rapid climate change, by promoting and exporting Finnish know-how and expertise in environmental technology. Or, at the very least to identify more clearly links between different sectors, i.e. the interactions of economic activities with both ecosystems and peoples, as is actually done later in the document when the ‘Arctic Window’ of the Northern Dimension is introduced.\(^{29}\) This would establish a more global perspective and invite an alternative interpretation as to why the Arctic region plays such an important role in world politics.

Sixth, the Strategy includes objectives concerning Indigenous peoples, particularly those of the Barents Region such as the Sámi, and their active participation in international cooperation. Absent, however, is a clear objective to ratify the International Labour Organization’s 169 Convention, although it is very timely and relevant for the Sámi and their self-determination. Furthermore, Finland believes that the UNs’ Convention on the Law of the Sea (UNCLOS) is, and will be, a sufficient framework and tool to resolve Arctic issues, and that there is no need for a new international, legally-binding agreement or regime. Although this shows political realism, it is a rather traditional and narrow state-oriented approach. The real challenges are comprehensive and global, and request the attention and participation of a global community including a discourse on the global commons, coupled with a desire to engage in new ways of thinking.

Seventh, the Strategy succeeds in emphasizing that the Arctic region is a stable and peaceful area - “High North – low tension”, and that Finland supports “non-confictual rules”.\(^{30}\) Further, in recognizing that significant changes are taking place when, for example, the importance of the Arctic climate globally is obvious, and consequently, the global significance of the region is increased. This is a clear statement in support of both the main discourse of the Arctic being a stable and peaceful region in spite of its challenges, and a recent and emerging discourse on globalization.\(^{31}\)

In declaring that the Arctic Council is, and should remain as, the main forum on Arctic affairs and policy, “Finland strives to increase international cooperation in the Arctic” at many levels and bilaterally.\(^{32}\) This statement is very important and timely, and shows clear and definite support of the Arctic Council and its work by Finland and its Parliament, Government and Saami Parliament, as well as the science community.

\(^{26}\) Prime Minister’s Office, \textit{Finland’s Strategy for the Arctic Region}, Prime Minister’s OfficePublications8/2010: 15.

\(^{27}\) Prime Minister’s Office, \textit{Finland’s Strategy for the Arctic Region}, Prime Minister’s OfficePublications8/2010: 18.

\(^{28}\) Heininen, Lassi. \textit{Arctic Strategies and Policies: Inventory and Comparative Study}, Akureyri: Northern Research forum ad University of Laland, Augst 2011.

\(^{29}\) The fragile natural environment, long distances, indigenous peoples and the economic potential of the regions are tied together as the first requested element of the Northern Dimnsion’s ‘Arctic Window’.


\(^{32}\) Prime Minister’s Office, \textit{Finland’s Strategy for the Arctic Region}, Prime Minister’s OfficePublications 8/2010: 52.
and several Finnish NGOs. It was, and still is, imperative that the mandate of the Council be renegotiated and broadened so that it may move away from its current state, which is some sort of political ‘inability’. The Finnish proposal to organize a Summit of the Arctic states should be seen in this context.\textsuperscript{33} It is there that challenges of the future, such as the interrelationship between the utilization of natural resources and the fragile environment, as well as the mandate of the AC and its further development, would be discussed. In the meantime, a more important and necessary prerequisite would be to have enough political will among the eight Arctic states to broaden the AC mandate and working methods to include discussion on the utilization of natural resources, security and security-policy.\textsuperscript{34} Furthermore, the Arctic states are ready for a deeper cooperation with all relevant non-state northern actors, such as Indigenous peoples, academic institutions, environmental organizations and other NGOs. The Kiruna Ministerial meeting of the Arctic Council in May 2013 at least showed that Arctic states are willing to enhance interactions with non-Arctic states interested in Arctic issues and allow interested Asian countries to become observers of the Council, and present their vision regarding the future of the Arctic.\textsuperscript{35}

Finally, the Strategy emphasizes the importance of the European Union’s role in the Arctic region, referring to “The EU as a global Arctic player”\textsuperscript{36}, and that the EU’s Arctic policy should be further developed.


\textsuperscript{36} Prime Minister’s Office, Finland’s Strategy for the Arctic Region, Prime Minister’s Office Publications 8/2010: 45.
cooperation which positions Finland clearly as an Arctic state in the Arctic region. Now the EU’s role in the Arctic is described much less and is a sub-chapter unlike the whole chapter in the 2010 strategy, although Finland still supports a stronger presence of the EU in the Arctic and the Arctic Council.

All in all, Finland’s Arctic Strategy covers most of the features of a modern strategy document in adopting a holistic approach. It can be seen as reflecting and responding to recent significant and multi-faceted environmental and geopolitical change(s) in the Arctic and in its worldwide approach to the Arctic. It also clearly states the “Arctic dimension” is an important part of Finland’s foreign policy in the 21st century. The Strategy has not one clear priority or priority area, though there is an apparent preference for economic activities including transport, infrastructure and know-how, supported by the Finnish maritime and shipping industry, as well as economic and political elites, and, on the other hand, general objectives for international cooperation on Arctic issues based on international treaties.

Conclusion

In the early-1990s, Finland’s geopolitical and security-political position fundamentally changed due to the collapse of the Soviet Union and the end of the Cold War. Finland keenly embraced the idea of political and economic (Western) European integration, although it is still militarily non-aligned and maintains its own independent army. One thing, however, did not change - the Finnish ‘Northern’ identity and the surrounded ‘Arctic ambience’, which is a fundamental part of the Finnish nation.

The North has, however, been a rather delicate issue for Finland in terms of domestic policy and foreign policy. Finland is not a littoral state of the Arctic Ocean and has not shown great and continuous interest at all times toward the entire Arctic region. Neither did it have an (official) Arctic strategy or policy of its own as a part of its international, European or Nordic (foreign) policy, before the Arctic strategy of the 2010s. Finland is, maybe, more a Nordic and (Northern) European country, located geopolitically in the middle of North Europe and neighbouring Russia, and has strong interests within the Baltic Sea region. Taking all this into consideration, its foreign policy and activities in the Nordic Region and in northern Europe as a whole, Finland had a ‘de facto northern dimension’ in its foreign policy. The relevant parts as well as the results of this were Finland’s two successive initiatives in the 1990s: First, the initiative for the Arctic Environmental Protection Strategy, which initiated current intergovernmental cooperation in the Arctic and promoted the foundation for an Arctic Council. Second, the Finnish initiative on a Northern Dimension of the European Union, which brought Northern, and partly Arctic, issues on the political agenda of the European Union and led to its Northern Dimension policy as one of the external, foreign policies of the EU in North Europe.

Finland’s first strategy for the Arctic region in 2010 and its updated version in 2013 is comprehensive and ambitious, and clearly asserts Finland as an Arctic as well as (Northern) European state. The Finnish Strategy covers most features of a modern strategy document in adopting a holistic approach and responding to recent significant and multi-functional (global) changes in the Arctic Region. It does not have clear priorities, although there is an apparent preference of economic activities, transportation and know-how, as well as an emphasis on the environment. Finally, the Strategy strongly supports international cooperation on Arctic issues and emphasizes the importance of stability based on international treaties. This is in line with long-term national interests and long-term foreign policy of Finland.

---

A SLOW TRAIN COMING. GERMANY’S EMERGING ARCTIC POLICY

Stefan Steinicke

Introduction

Whilst being an already established player in polar research, for a long time Germany has seen the Arctic primarily as a regional determining factor for global climate change developments. Germany’s political engagement with the Arctic region, however, is a relatively new phenomenon. It was only in October 2013 that the government published its Arctic policy guidelines, thereby acknowledging the growing strategic relevance of the region for German interests.¹ The main driver for this more active engagement seems to be changing perceptions about the opportunities and challenges deriving from transformative developments underway in the Arctic that influence German strategic interests.

In the first part of the chapter an overview of different developments that led to the country’s current policies is given. This includes a brief

overview of Germany’s Arctic roots, namely its polar research activities. Then the link between polar research activities and the government’s assumed environmental responsibilities will be analyzed, followed by an overview on the country’s political engagement. The first part ends with an analysis of the government’s increasing awareness of the Arctic’s role as a threat multiplier in global security challenges.

The second part then analyzes in more detail the country’s emerging geo-economic interests in the region, namely energy and mineral resource exploration, shipping routes as well as the development and supply of Arctic related technologies, knowledge and services.

The development of Germany’s Arctic policies

Germany’s current Arctic policy is the result of different ministerial and agency-based initiatives. For most of the time the primary focus has been on polar research and environmental protection. More recently the political engagement has been stepped up, also because of an increasing awareness of the opportunities and challenges a changing Arctic presents, not only for Germany but the entire world.

A strong polar research tradition

According to public statements and official documents Germany has an environmental interest in the Arctic because of immediate concerns about the region’s role in global warming and potential future strategic consequences of this interdependence between regional and global environmental processes. As one of the leading advocates in the fight against global climate change, Germany is strongly interested in Arctic environmental affairs. In order to better understand environmental change in the Arctic and its implications for global climate change Germany invests heavily in polar research. According to the Federal Foreign Office only a solid scientific understanding of the transformational processes underway in the Arctic can form the basis of effective political action. It is against this background that Germany is interested in scientific exploration of the region.

Guided by the Alfred-Wegener-Institut (AWI), Germany has a long polar research tradition and is today acknowledged as an ‘Arctic player’ in scientific research. With its two research stations in Svalbard (German-French cooperation) and Samoilov (Russian-German cooperation) and its polar research vessel Polarstern, Germany possesses an important research infrastructure.

In 2012 AWI had a total budget of more than 100 million Euros for all its polar research activities. Another important polar research player in Germany is the Federal Institute for Geosciences and Natural Resources (Bundesanstalt für Geowissenschaften und Rohstoffe). The institute investigates the geological composition of the


Arctic and evaluates polar resources. Several other federal and private funded research institutes play an important role in Germany’s polar research and connected disciplines (e.g. climate system research or global climate change impact analysis) offering fundamental insights into the complex interrelationships between the Arctic and global climatic and environmental processes.

Former minister of Foreign Affairs Guido Westerwelle highlighted the importance of polar research for the government during a conference organized by the Ministry of Foreign Affairs in 2011, titled *Arctic Science, International Law and Climate Change. Legal Aspects of Marine Science in the Arctic Ocean* in which he advocated for free and open research activities in the region, as “the challenges of climate change affect us all.” According to the Ministry for the Environment, Nature Conservation, and Nuclear Safety’s Arctic strategy: “ensuring sustainable development requires comprehensive basic knowledge and a deep understanding of the key processes at work. This is critical since the risks for the Arctic ecosystem and society arising from climate change and commercial exploitation are largely unknown. The same applies to the feedback effects on the global climate.”

Besides scientific research activities Germany has various other interests in the Arctic, too. Broadly speaking these interests reside between the environmental protection of the pristine Arctic ecosystem on the one side and geo-economic opportunities on the other. This dualism of interests can be seen in the sub-title of Germany’s Arctic policy guidelines: “assume responsibility, seize opportunities.”

**Environmental responsibilities**

Even before the Arctic directly became a prominent topic on the German agenda, the fight against global climate change and its interrelationship with the region have been discussed in Germany. Closely linked to the government’s prominent role in its fight against global climate change are concerns about possible negative security implications as a result of global warming. This nexus between climate change and security developments is linked to the Arctic, too.

The government anticipates global climate change and an increasing demand for natural resources, mainly the result of a global population increase coupled with ongoing economic growth in emerging countries, call for a transformation of the global economy towards a less carbon-intensive and resources efficient model.

---


Today government funded institutions like AWI acknowledge in their reports the link between changing climatic conditions in the Arctic and the feedback mechanisms of these developments for the rest of the globe. The government’s Arctic policy guidelines underline the Arctic region’s role as the earth’s “early warning system” further note: “Already now, atmospheric circulation over the northern hemisphere is changing, and this is affecting the weather patterns of Northern Europe. Not only the shrinking sea ice in the Arctic Ocean but also the increased melting of the Greenland ice sheet and the thawing of the permafrost that covers a considerable area of the Arctic, have a global effect. This will also directly impact Germany.”

It is against this background Germany initiated a number of national and international programs and initiatives aimed at fighting global climate change. In 2007 the government adopted the integrated climate and energy program, aimed at reducing consumption of conventional energy resources thereby protecting the environment and slowing down global warming. In 2008 the government launched the national climate protection initiative and the international climate protection initiative. From 2008 to 2012 up to 12,300 projects have been funded in the framework of the national climate protection initiative. Figures

The political engagement

Germany became a permanent observer in the Arctic Council (AC) in 1998. However, its political engagement in the region is a rather new phenomenon. Against the background of stronger inter-dependencies between the Arctic and other world regions, however, it can be expected that German political engagement will increase, too. The German government supports peaceful development of the Arctic region and the rights of the indigenous population. Its political engagement is based amongst others on the following international treaties and declarations: United Nations Convention of the Law of the Sea (UNCLOS), International Convention for the Prevention of Marine Pollution from Ships (MARPOL), the Convention for the Protection of the Marine Environment and Biodiversity, and the Spitsbergen Treaty.

In the coalition agreement of 2009 topics regarding the fight against global climate change, environmental protection and sustainable economic development are prominently placed not only in the preamble, but also in a separate chapter of the agreement. However, the Arctic has not been mentioned directly. This has changed in the most recent coalition agreement of 2013. This document mentions the Arctic explicitly and calls for the establishment of environmental protection zones in both Antarctica and the Arctic.

show 310 million Euro has already been provided and additional investments of 809 million Euro have been released within this initiative. Also starting in 2008, the international climate protection initiative is a financial instrument fostering closer cooperation between the government and developing countries in areas of climate protection and climate change adaption. Since its inception, 365 projects have been funded with about 1.15 billion Euro. In 2011 the Federal Foreign Office created a climate fund aimed at supporting more ambitious climate protection programs in the respective host countries. More than 100 projects have already been funded. This two-pillar approach of climate protection and adaption underlines the government’s awareness of global climate change related challenges and the responsibility it takes to slow down these processes.

---


As the Arctic region changes, so does the AC. During its 2013 meeting in Kiruna six countries were granted observer status. Against the background of a changing political and institutional situation Germany intends to enhance its role as a permanent observer within the AC, too. Amongst others it pleads for enhanced speaking time and aims to ensure its permanent participation in AC working groups. Based on its expertise in research, technology, and environmental awareness the government intends to use this knowledge as a way of growing engagement within the AC and its member states. So far, German delegates can only use informal contact during AC meetings to discuss Arctic issues with their counterparts of the AC member states.

Possible security implications in the region, as a result of global climate change, are taken seriously by the government (see chapter 2.4). Thus, since 2008 Germany participates on a regular basis in the U.S. EUCOM founded Arctic Security Forces Roundtable (ASFR). It is an informal meeting structure for senior officials of all AC member states (Canada, Denmark, Iceland, Finland, Norway, Russia, Sweden, and the United States) and interested non-Arctic countries like France, the Netherlands, the United Kingdom (UK) and Germany. It is an bi-annual meeting format where discussions so far have focused on Search and Rescue (SAR) and Maritime Domain Awareness (MDA) issues. As security related topics are explicitly excluded from AC discussions the ASFR, so far, is one of the most prominent settings to discuss Arctic security affairs. It remains to be seen whether it will develop into a more concrete governance mechanism related to regional security issues.

In addition, Germany actively supports the European Union’s (EU) Arctic engagement and supports the EU’s application to become a permanent observer in the AC. As the Arctic forms a central element in the global environmental system, the government also sees a link between the Arctic’s environmental transformation, its role in global warming and possible global security challenges resulting from this interplay, as the following chapter shows.

**Global security challenges**

The government acknowledges that transformation of the global environmental system might result in geopolitical turbulence. This nexus between climate change and security was first recognized in a 2007 report of the German Advisory Council on Global Change titled World in Transition: Climate Change as a Security Risk. Whilst not agreeing with every aspect of the report the government supports many of the main findings.

---


The government recognizes the effects of global climate change aggravates conflict and competition for natural resources like water and food. More extreme weather patterns may dry up entire regions, and rising sea levels may force people to leave their homes. All these developments could further destabilize conflict ridden and unstable countries and entire regions.

Based on the report’s findings, Germany under its chairmanship of the United Nations Security Council (UNSC) in July 2011 successfully set the agenda and lobbied for global acknowledgment of the close connection between global climate change and possible negative implications for peace and stability worldwide. In its statement during the Security Council’s session United Nations Environment Programme (UNEP) then chief Achim Steiner underlined the strong connection between climate change and geopolitical risks: “There can be little doubt today that climate change has potentially far-reaching implications for global stability and security in economic, social and environmental terms which will increasingly transcend the capacity of individual nation states to manage.”

According to the government, “a stable climate is indispensable for global prosperity, for food, water and energy security as well as for an open world economy, cross-border cooperation and the rule of law. To tackle man-made global warming on a long-term basis, it is crucial to achieve “stabilization of greenhouse gases in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system”.” Otherwise global climate change can have disruptive consequences for millions of people, for example with regard to access to food and water or the flooding of huge areas. This, in turn, can also have an impact on German and European security interests thereby negatively affecting European stability. It is also against this background that Germany has strong and multiple scientific research interests in the Arctic region as new findings may help to better understand the complex interdependence between the Arctic and the global ecosystem and its possible implications for peace and stability across the globe.

The public discourse

As the Arctic gets larger international attention, non-governmental organizations (NGO’s) like Greenpeace and the World Wildlife Fund

---


Against the background of an increasing global demand for natural resources and a shift of the world’s economic centre of gravity from West to East the government sees an increasing interdependence between Arctic development and the country’s economic direction. Based on long-standing and close bilateral relationships with Norway and Russia, Germany’s economy is already interlinked with Arctic developments. There are signs that point to even closer future cooperation.

New economic opportunities do not only include the consumption of Arctic natural resources and the use of Arctic maritime transit routes towards Asia but also the supply of high-technology products, services and knowledge needed for sustainable development of the region.

**German interests in energy and mineral resources**

Germany is Europe’s biggest exporter, the EU’s largest economy, and has the largest population within the EU. Its economy is extremely dependent on imports of energy resources, minerals and raw materials. In 2011 Germany imported natural resources (energy resources, metals, and minerals) amounting to 137.6 billion Euro. This is an increase of 24.8 percent compared to 2010. In the coming years Germany and EU member states will become even more dependent on energy imports, thus affecting their security of supply. The EU’s import dependency on energy resources is expected to increase from 50 percent today to 65 percent in 2030. One of the main reasons is the decreasing reservoir

---

48 Kreft, Heinrich. “Die geopolitische Dimension der Energiesicherheit aus deutscher und europäischer Sicht.” In: Energieversorgung als Sicherheitspolitische
energy cooperation with both countries, German energy imports from the Arctic can be expected to increase in coming years, too.

Russia is a key partner in terms of security of supply of these resources. In 2006 Germany already imported 37 percent of its oil and 34–41 percent of its gas resources from Russia. From 1997 to 2008 Russian energy exports (oil and gas) to Germany have increased from 26.9 percent to 32.5 percent. In 2011 Russia and Norway supplied about 40 percent and 34 percent respectively of Germany’s imported gas consumption. In 2011 Russia supplied 31 percent of Germany’s imported oil.

Germany’s import dependency of natural resources (oil, gas and raw materials) is increasing, too. On a value basis oil and gas imports formed 10.7 percent of total German imports in 2012. Since 2001 (6.1 percent), this amount has almost doubled. Imports of fossil sources of energy are expected to rise to 85 percent of Germany’s overall energy requirements by 2030. Already today two Arctic coastal states, Russia (44 billion Euro) and Norway (14.5 billion Euro), are by value the most important energy suppliers. As both countries move their production capacities further north, the countries’ share of Arctic resources in their total energy exports will increase. As Berlin intends to continue or even to strengthen its


energy cooperation. In March 2013, Germany and Norway held their first workshop in Berlin on closer cooperation in the Arctic. This workshop was the result of a decision taken by both countries’ foreign ministers in August 2012 as political decision-makers in both countries seemed to see an increasing relevance of bilateral cooperation in the Arctic. Thus due to the large share of German energy imports from Norway and Russia, the country’s energy security is influenced by developments in the Arctic region.

Besides oil and gas, Germany’s economy is also highly dependent on imports of minerals. In 2011 Germany imported raw materials amounting to 109.3 billion Euro. Among others, rare earth minerals are needed for the development of “green technologies” (e.g. the production of wind turbines). As a “high tech” producing nation Germany is extremely dependent on a sufficient supply of raw materials.


67 Heitzer, Bernhard. „Im Interesse einer sicheren Versorgung mit Rohstoffen. Die Umsetzung der deutschen Rohstoffstrategie.“ Zeitschrift für Außen- und Sicherheitspolitik 5 (January 2012): 42

However, due to economic development of emerging countries, the government sees an increasing shortage of resources in the markets and a growing global competition for natural resources. According to the German Resource Agency, in the Arctic region lie important mineral resources, amongst others proven Greenlandic rare earth mineral deposits could supply the current global demand for these minerals for the next 150 years. As traditional mineral markets have crashed, rare earth and other raw materials located in Arctic territories could become more important for the German economy. In order to better coordinate its import capacity of these and other mineral resources the German government in 2007 initiated a dialogue between economic interests and political representatives. The aim was to develop elements of a resource strategy. In addition, an inter-ministerial committee for resources has been founded. This is led by the Federal Ministry of Economics and Technology which has the leading political competence for the security of supply of natural resources. It is coordinating its activities with the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, the Federal Ministry for Economic Cooperation and Development and the Federal Foreign Office.

In 2010 Germany adopted its national resource strategy and launched the German Resource Agency (Deutsche Rohstoffagentur, DERA). The Resource Agency is affiliated with the Federal Agency for Geosciences and Natural Resources. The aim of the strategy is to offer a regulative framework as well as scientific support (via the Federal Agency for Geosciences and Resources) for the German economy. Based on the gained scientific knowledge the government is able to participate in the development of international legal rules concerning the resource exploitation in frontier areas like the circumpolar shelf areas.

German shipping interests

Being the world’s third largest shipping nation in terms of the owner’s nationality, the world’s largest shipping nation in terms of container ships and their commercialization, and one of the major export oriented economies, Germany’s economic development is to a large extent dependent on the maritime domain and maritime trade routes. About 60 percent of

---


76 Flottenkommando. „Kennzahlen zur maritimen Abhängigkeit der Bundesrepublik Deutschland.” http://www.marine.de/portal/a/marine/ut/p/c4/04_SB8K8xLMM9MSzPy8xBz9CP3I5EyerpHK93Mqvdz5nqL3MNSuES9IPzy-vJz8xJRivbTE7JLUPP2CbEdFA1s5uRYV [accessed December 28, 2013].
of Germany’s traded goods (imports and exports) are transported via sea. The GDP share of these goods is 70 percent.77 Altogether 400,000 people work in the maritime industry, which generates around 50 billion Euro per year.78 Against this background the Arctic might become even more important for Germany in coming years within the realm of global shipping routes for transport of goods and natural resources.79

When regular traffic along the Northern Sea Route (NSR) becomes possible, Germany may be interested to use the NSR to connect with the fast-growing Asian economies as its growing trade with East-Asia could significantly profit from shorter transit times. In 2012 non-European trade counted for about 30 percent of Germany’s imports and exports.80 The trade with Asia accounts already for 16.3 percent of exports and 18.3 percent of imports, contrasted with 11.7 and 8.8 percent respectively for trade with the American continent.81 From 2009 to mid-2010 German exports to China grew by more than 70 percent.82 In 2012 already 6.1 percent of its global exports went to China. Likewise 8.5 percent of Germany’s global imports came from China.83 As 50 percent of Germany’s GDP and two-thirds of its GDP growth are provided by exports, the possibility of open and shorter Arctic sea routes towards Asian boom regions could be of particular importance for Germany.84 Stronger integration with this region could offer new economic dynamics for Germany and Europe.85 Against this background it comes as no surprise that two German vessels (MV Beluga Foresight and MV Beluga Fraternity) were the first non-Russian ships allowed and able to navigate the NSR in August and September 2009, transporting heavy plant modules from South Korea to Arkhangelsk (Russia) and then further on to Rotterdam. The new passage shortened the distance for 3,000 nautical miles and reduced fuel consumption by 200 tons per vessel, resulting in savings of 600,000 US dollars.86

86 Norton, Jerry. „German Ships succesfully make „Arctic Passage“.“ http://
The nexus of maritime trade and security of SLOCs has become more important in the German security and defense discourse in recent years. The White Paper on Defense, published in 2006, stated the importance of free and secure maritime trading routes for the country’s economic security. This acknowledgment was underlined again in 2010 by former defense minister zu Guttenberg, who stated: “The protection of trade routes and the energy infrastructure need to be seen from a military and global strategic viewpoint”. This position has been reiterated in the country’s latest Defence Policy Guidelines (DPG) published in May 2011. Due to the country’s heavy reliance on free and secure trade routes for the import of raw materials and export of commodities, transport and energy security related questions will play a much bigger role in German security policy in coming years.

The role and interests of the German industry in the Arctic

Besides shipping and natural resource interests, it is also the government’s aim that German industry becomes a more important supplier of high-technology products, services and knowledge needed in the Arctic to ensure the highest environmental protection standards for sustainable economic development of the region. The government anticipates the maritime economy to become one of the country’s future high-technology industries. Therefore in July 2011 the government published its National Masterplan Maritime Technologies (NMMT). Among the 10 identified areas of application are fields of ice and polar technology, deep sea energy resources exploration technology, underwater technology, and marine mineral resource exploration technology. In its Arctic Policy Guidelines the government expresses hope that “there is great potential for German maritime technologies, due to the increasing importance of the sea in the development of raw materials. The NMMT aims to help unlock the full potential of these technologies. By driving forward these cutting-edge maritime technologies that meet high environmental standards, high-quality jobs are being created and secured in a key future market that is of great strategic importance”.

Today the German industry is already quite active in the region with regard to supplying technology and infrastructure components needed for energy exploration and exploitation. In addition German shipping companies are among the world’s leading producers for ice-breaking ships. German company Linde was crucial in supplying state of the art technology for the construction of the development of the Snohvit field, the Arctic’s first Liquified Natural Gas (LNG) offshore production facility, located in the Barents Sea. In addition, Germany’s biggest oil and

---

gas producing company Wintershall cooperates closely with the Norwegian energy company Statoil in the Arctic. Already today half of Wintershall’s overall exploration budget is linked to activities in Norway.93

Wintershall also cooperates with Russian energy giant Gazprom in the exploration of several gas fields in the region and E.ON Ruhrugas, another major German energy company, is strongly engaged in the gas field Yuzhno-Russkoye, located in the Krasnoselkupskey District of the Yamal-Nenets Autonomous Okrug.94

The Wismar-based company Nordic Yards offers a large portfolio of ice-breaking vessels for year-round operations in the Arctic.95 In recent years Nordic Yards developed several Arctic vessels for Russian mining giant Norilsk Nickel and the Russian Ministry of Transport.96 Financially supported by the Federal Ministry of Education and Research Nordic Yards and 14 other German companies created the Production, Operation and Living in Arctic Regions (POLAR) alliance. The aim is to develop system-based solutions to economic activities in harsh Arctic climatic conditions.97


**Conclusion**

With the opening of the Arctic, Germany intends to become more engaged in the region. The publication of Germany’s Arctic policy guidelines is only the latest indicator of the country’s aim to expand its Arctic engagement. Polar research will likely continue to form the base of its engagement. Against the background of the country’s efforts to fight global warming, research findings are then used to guide policies aimed not only at fighting climate change on a global level, but also at mitigating changes in the fragile Arctic eco-system.

The realization of growing geo-economic opportunities in terms of resource extraction or shipping routes, is a more recent development that drives the government northwards. As economic activities in the region have to be as environmentally sensitive as possible the government also sees the potential to combine its environmental protection efforts with its export oriented economy. Therefore, one of the country’s main efforts might be the export of German technology, knowledge and services into the region, aimed to not only develop new markets for German products but also ensure the environment’s protection. To sum up, the government’s policies will continue to aim at finding a balance between environmental responsibility and geo-economic opportunities.
Introduction

Poland has many reasons not to develop the Arctic policy. It is geographically distant from the Arctic. Moreover, for the time being, the country has very limited directly economic, or strategic interests in the region. The national business players in extractive sectors, sea trade, and fisheries are too small to exert influence on developments in the Arctic, and are not present in the regional business fora. Hence it can come as a surprise that the country has a long established presence in the region on an expert and political level. Polish scientists have been conducting climate and environment research for half a century, some of this done at the Polish Polar base in Svalbard.

Although the country is an Arctic Council observer, political interest in the region has developed quite recently. In Poland’s foreign policy the Arctic is often linked with cooperation in the Baltic Sea Region, as a part of the “Northern dimension” policy. Still, popular knowledge about the region remains scarce.

At the same time, its distant geographical location has positive implications. It enables Poland to look from a certain perspective at chal-
lenges the Arctic faces. It actively engages in the discussions that range from climate, through to crisis management, exploitation of the resources and usage of the new transportation routes, to hard security. Poland also supports multilateral solutions to problems, and underlines the role of international law. Dynamic developments in the High North pose various additional questions that Polish policy makers need to address, such as how to adjust to changing governance structure in the Arctic. And is there a role for the European Union (EU)? Or how to create balance between the security interests of Russia and NATO? Not least, how to stimulate political, business, and social interest in the Arctic on a national level?

This paper seeks to address these questions by analysing the conditionalities of policy development in the first part and secondly the Arctic’s role in the foreign policy of Poland. The third part aims to identify the interests and actions of the main non-governmental actors, while the fourth looks at the role of Arctic Poland’s international organisations’ membership and bilateral relations. The final, fifth part, comprises of conclusions and policy recommendations.

**Conditionalities: expertise in blossom, actions still frozen**

The Arctic is neither the most obvious, nor the most developed dimension of the policy of Poland. A population of 38 million people makes it a much more active player in multilateral organisations such as the European Union, NATO, or in regional policy for the Visegrad Group, and around the Baltic Sea Region.

Nevertheless, due to historic developments, Poland has played the role of “one of the most active outside actors” in the Arctic. The achievements in the Arctic’s scientific research legitimised the actions of Polish diplomacy and gave the country a certain standing in regional affairs. As a result, Poland was included in a group of primary countries to receive the status of permanent observers on the main regional political forum, the Arctic Council (together with Germany, Netherlands and the United Kingdom). In this way it participated in the political developments of the region. This is important due to the security implications; any destabilisation in the European part of the Arctic may have a negative effect on Polish security. Hence it is in the country’s interest to influence the processes of the governance and economic development of the Arctic, while at the same time limiting possibilities for negative security scenarios.

Geographical conditionalities have been reflected in Polish foreign policy where the Arctic is often treated as a part of a broader, Northern macro-region, together with the Baltic Sea Region. Progressing geopolitical and environmental changes in the area will likely trigger new political, industrial, and social developments, but also challenges. Poland has tried to address these challenges by getting involved in the reform process of governance structure in the High North. As a country with no direct interests in the region it attempts to make a positive contribution to Arctic affairs by raising topics of the Arctic on the fora of international organisations like the EU and NATO, by developing polar research and engaging in initiatives towards implementation of safety and security in the region, including the necessity for better exploration and regulations on trade and sailing routes, and crisis management etc.

The expertise and scientific research regarding the Arctic and its environment remains a major Polish strength. Polish scientists benefit from the freedom of research, derived from the provision of Article 3 of the Svalbard Treaty, ratified in 1931. The scope of research that

---

1 Piotr Graczyk, “Poland and the Arctic: Between Science and Diplomacy”. *Arctic Yearbook* 2012: 139.


3 Graczyk, “Poland and the Arctic: Between Science and Diplomacy”: 140.
Poland belongs to a group of pioneering countries which tried to use the Northern Sea Route more than half a century ago. In July 1956 seven ships, built by the Polish shipbuilding industry on request of the Chinese government, operated by Polish crews, flying the Polish flag and filled with cargo, embarked on a journey from Gdansk to Murmansk and along the coast of Siberia to China. Unfortunately, the convoy, due to the heavy ice conditions, had to turn back.7

At the same time, the prospective new, shorter sailing routes through the Northern Sea Route to the Baltic Sea, create the necessity to improve regulations on trade and sailing routes, and increase the significance of safety and security in the region.

Foreign policy: renewed interest

So far, formulation of Polish policy towards the Arctic has remained a challenging task. The distance to the region seems to not only be geographical, but also mental. The policy focuses on two major questions. Firstly, how to increase the stability of the region, and involve, rather than antagonise, Russia? Secondly, what is the optimal governance structure in the Arctic to provide security, safety, and sustainable development? Increased industrial activities, together with the Asian and Arctic countries in the region, create a necessity for strong and balanced governance structure, which foresees roles for international organisations.

Still, despite the historical engagement on Svalbard, and post-1990 interest to engage in various Western fora of cooperation, the process of formulation of Polish policy began only in 2006.8 The formulation of the national Arctic policy goals has been a top-down process, and to some extent been triggered by external events, such as the planting of the

---

7 "ObserwatorMorski" nr 11(54) November 2012.
granting permanent observer status to the EU at the Arctic Council and underlines the importance of developing a coherent EU Arctic policy. Greater presence of the EU in the Arctic gives an additional leverage for Poland to express interest in the region. Third is co-operation with the Arctic Council. Poland is determined to maintain permanent observer status within the organisation, and to act as a mediator between Arctic states and other observer countries. Since 2010 it has been developing pragmatic dialogue and contact between representatives of the observer states with the chair of the Arctic Council (called “the Warsaw Format”).

Fourth, Poland wishes to support public diplomacy related to Arctic issues and has already done so by organising international conferences: in Warsaw in March 2011, in Zieleniec, Sopot, Lublin and on board the Horyzont II vessel in 2012, and in April 2013 at the Arctic Science Summit Week in Cracow, which gathered about 500 participants from around the world. At the same time, building on the experiences of Baltic Sea Region cooperation, Poland advocates for cooperation in the domains where consent can be reached. At the same time, it is vital to progress in other domains, including hard security. The country sees it necessary to implement trust building measures between parties and increase the role of international fora. Therefore Poland – a NATO member - advocates for a strong and reliable NATO, able to protect its members in the High North, and at the same time support implementation of trust-building measures with Russia. The conclusions of the Draft Report of the Sub-Committee on Transatlantic Relations “Security in High North: NATO’s role” advocate for a greater presence from NATO in the Arctic. The report underlines that “with four of the five Arctic littoral states being member of the Alliance, NATO has been an instru-

9 Graczyk, “Poland and the Arctic: Between Science and Diplomacy”: 143-144.
10 Information on the policy priorities are based on interviews at the Ministry of Foreign Affairs of Poland, in September 2013.
12 Document retrieved from the MFA of Poland, September 2013.

Russian flag on the sea bottom of the North Pole in 2007, and the EU’s renewed interest in the Arctic since 2008. On a governmental level, the main actors which actively participate in defining the challenges and interests in the Arctic include the Ministry of Foreign Affairs, and to a lesser extent the Ministry of Transport, Construction, and Maritime Economy.

More recently, in an answer to the geopolitical shift of power in the Arctic, the MFA of Poland established a Polar Task Force in May 2011, and has begun working on the comprehensive Polar Strategy of Poland. Outlines of the policy were defined as a response to the European Commission and European External Action Service joint Communication from 2012. The priorities of the Polish policy towards the Arctic were adopted on November 15, 2012 based on the position of the government of Poland on the Joint Communication of the European Commission and the EEAS: Developing a European Union Policy towards the Arctic Region: progress since 2008 and next steps. The document establishes a pragmatic policy framework, based on the rule of law, and underlining the need for sustainable development. It highlights possible spheres of regional cooperation between countries, while not referring to controversial issues, like hard security.

As such, the Polish Arctic policy is based on four pillars. First is the observation of existing international law. The country underlines that the UN Convention on the Law of the Sea is vital to solve the territorial claims of the Arctic countries and the disputed status of the Northern Sea Route. Second is EU policy towards the Arctic. Poland supports...
mental player in Arctic security since the Cold War” and that “NATO and NATO member states can ill afford to neglect the region’s renewed strategic importance”.

**Actors and interests: science before business**

Even if one bears in mind differences of the scale and potential between Poland and Arctic countries, like Russia, the USA and Canada, the number of Polish actors and their interests remain limited. The prominent exceptions are researchers and scientists. They remain traditionally important players in the process, vitally interested in developing the expertise on climate and environmental changes. The freedom of research in the region remains Poland’s main priority. Since 1957 the Polish Academy of Sciences has maintained a polar research station in Hornsund on Spitsbergen island in the Norwegian Svalbard archipelago. In 1978 it was changed into a permanent, year-round facility, and is now recognised as a European Marine Biodiversity Flagship Site. It is also an important European asset, being one of the two permanently manned stations out of the EU states.

There are also four more seasonal stations. Since January 2012 Poland has participated in the Sustaining Arctic Observing Networks, sitting on its Board. A number of different Polish universities and institutions are involved in research in the Arctic region, and Polish scientists carry out regular research in the Arctic regions of Iceland, Greenland, Alaska, Canada and Russia. They are also taking part in numerous maritime polar expeditions organised by research units from Canada, USA, Norway, Denmark and Germany. Poland operates two research cruise ships in the Arctic: Oceania and Horyzont II. Polish scientists also participate in the International Arctic Science Council and European Polar Council. As recently as 2012 238 Polish scientists were involved in Arctic research for around 9,000 person-days and published more than 100 papers. Most of them worked at the Hornsund Polar Station, or on board research vessels. Additionally, the University of Poznań established a new base in Petuniabukta, the University of Lublin held two projects in Bellsund and the University of Toruń held a field activity in Kaffioeyra and PrinsKarlsForland. Moreover, between 2014 - 2016, together with Norway, Russia and Germany, Polish institutions will conduct the largest multidisciplinary project to be held at Svalbard, called POLARPROG.

In the private sector, resource exploration and production companies are mostly interested in resource management and extraction in the High North. So far, however, none of the companies has extracted minerals in the Arctic. Investments are limited by technological and financial constraints. Relative to their scale of operation, companies have a robust investment portfolio elsewhere (including the exploration and production of conventional and unconventional shale gas and oil in Poland).

Only one company aims at operating in the Arctic. KGHM International Ltd, the subsidiary of KGHM Polska Copper S.A., is planning operations with its license in Greenland (Malmbjerg). After taking over Canadian business Quadra FNX Mining Ltd in March 2012, the company now has operations in some Arctic states. It also has mines and exploration activities in Canada (McCreedy West, Levack, Podolsky and Victoria), and in the US (Robinson and Carlota).

---

15 All the detailed information on the activities of the Polish scientists has been retrieved from the MFA of Poland in September 2013.
16 Graczyk, “Poland and the Arctic: Between Science and Diplomacy”: 145.
17 At the Werenskiold Glacier (Wroclaw University), Oscar II Land (Torun University), Bellsund (Lublin University) and Billefjorden (Poznan University).
18 e.g. University of Silesia, Institute of Oceanology of the Polish Academy of Science, University of Gdansk, Maritime Academy in Gdynia, maritime Academy in Szczecin, National Marine Fisheries Research Institute, North Atlantic Producers Organisation, Committee on Polar Research Polish Academy of Sciences, and Academy of Mining and Metallurgy in Cracow.
The remaining state owned oil and gas companies develop their operations on the Norwegian Continental Shelf, though not in its northernmost part of the Barents Sea. The Polish Oil and Gas Company (PGNiG) is the largest national gas exploration and production company. In 2007 it established its subsidiary, PGNiG Upstream International AS which carries out research, exploration and production on Norwegian Continental Shelf (NCS). It has shares in 10 licenses for the Norwegian Sea. For three of them, in Skarv field, production started in December 2012. Gas was found on another licence, and on another licence drilling is planned. Nevertheless, for half of the PGNiG licences (including the one where PGNiG is an operator) there are, as yet, no plans for drilling.\(^{20}\)

Another Polish company which operates on the NCS is Lotos, with seven licences for the Norwegian Sea and North Sea.\(^{21}\) The company is determined to proceed with exploration, despite failure of production at the Yme field in 2013 caused by technical problems with the platform. Nevertheless, the company plans to use Norwegian tax benefits and to invest in the purchase of 14 new licenses.\(^{22}\)

The transportation and marine sector in the north of Poland is also a prospective interest. Polish interest in sea routes is expected to rise and therefore the Northern Sea Route may be important. The main reason for that is growing trade with Asia. It is confirmed by data at Polish seaports, especially Gdynia, Gdańsk and Szczecin. Cargo turnover at ports in 2012 amounted to 58.8 million tonnes.

Cargo turnover of European countries accounted for 80.8 percent of turnover for international (European Union countries - 57.2 percent), Asia - 6.6 percent, Africa - 4.6 percent, North America - 4.3 percent, and Central and South America – 3.6 percent. This means the Arctic (Northern Sea Route) has the potential today to take over close to 7 percent of cargo coming to Poland, shipped from these ports.

Although the overall scale is dominated by goods shipped to and from Russia (15.5 percent), Sweden (14.2 percent) and Germany (11.4 percent), in the case of containers the import from China is 19.7 percent of the total cargo shipped this way. Currently the number of containers shipped to and from Poland is steadily growing. The forecast for container handling in Polish sea ports\(^{23}\) by 2020 is expected to rise from 60 percent to 80 percent. In 2011, Polish ports handled 94 000 tonnes of containerised cargo, and in 2020 there will be an estimated 21-28 000 tonnes (an increase from 1330 to 3000-4000 TEU\(^{24}\)), including those from Asia and especially due to increased trade with China.

In 2012, Polish container terminals documented a record 1,658,100 TEU of containers. Compared to 2011 (1,341,000 TEU) this represents an increase of 23 percent. Such a performance is possible thanks to investments which repeatedly increased handling capacity at Polish container terminals. The most significant increase of reloading was reached by the newly built Deepwater Container Terminal (DCT) at Gdańsk. In just four years since its establishment, it has become the largest terminal in Poland in terms of the volume of reloaded containers. DCT does not only support the domestic market – the containers are also discharged into smaller vessels which go to ports in Russia and Finland. Thus, Gdańsk serves as a transshipment hub terminal to other ports of the Baltic Sea. Some cargo from the Gdańsk terminal also goes by land rail and road to Ukraine, Belarus and Russia.

Moreover, there are plans for further expansion of the container terminals at Gdańsk, Gdynia, and Świnoujście. The completion of the planned


\(^{22}\) Hilde Øvrebekk Lewis, “Lotos spends NOK 1 billion on the NCS following Yme delay”, Aftenbladet, Nov 6, 2013.

\(^{23}\) http://morzaioceany.pl/inne/archiwum/14-porty-morskie/1450-ro%C5%9Bnie-znaczenie-polskich-port%C3%B3w.html.

\(^{24}\) The twenty-foot equivalent unit (often TEU or teu) is an inexact unit of cargo capacity often used to describe the capacity of container ships and container terminals.
expansion of the Gdańsk terminal will likely increase the importance of this port. According to an announcement by the DCT board in 2013, the terminal has achieved throughput capacity of 1.5 million TEU per year.

Poland's oldest container terminal - Baltic Container Terminal (BCT) in Gdynia, was built in 1979, and reached a 750 000 TEU capacity. Ultimately, the capacity of the terminal is to increase to 1.2 million TEU. The new 2012 Gdynia Container Terminal handled more than 267 000 TEU. In April 2012 a new container terminal was opened in Szczecin. Its maximum capacity after all the investment is estimated at up to 200 000 TEU per year. Soon the Commercial Port of Świnoujście OT Logistics plans to begin construction of a container terminal. Work is scheduled for late 2013 or early 2014, and the government's estimate of its capacity is 200 000 TEU.

As shown in the report of Jones Lang LaSalle, published in August 2013, the growing level of cargo handling in container ports and the ability to handle the largest ships (in the case of DCT Gdansk ships of 18 000 TEU) makes possible a re-routing to Poland of the flow of goods transported by sea, currently handled in Western Europe. Thereafter, improvement of port infrastructure may lead to strategic changes in the supply of goods by companies within Poland and region; they can guide these goods to Polish terminals.

Outside the expert community, public and social awareness on changes and developments in the Arctic remain negligible. “The North Pole seemed to be as far as the moon,” commented Marek Kamiński, the first person to reach the two Poles of Earth in one year. This happened in 1995 and not much has changed since then in Poland with popular perception of the Arctic. This situation, however, might gradually change with Polish citizens migrating to Northern countries and gaining greater awareness of developments in the Arctic. Today Poles have already become the largest group of immigrants in Norway (120 000) and in Iceland (9300). Although the topic of the Arctic hardly makes it into news headlines, the case of the Arctic Sunrise ship and the Greenpeace protesters arrested in Russia's Barents Sea in September 2013 hit the headlines as one of the activists, Tomasz Dziemanczuk is a Polish citizen. Environmental issues in Poland are considered increasingly important, and although did not play a particular role in Polish politics (the Green Party obtained in the general elections less than 1 percent of the vote, however, Greenpeace Poland is a very active organisation, engaging more and more volunteers. The COP 19 (19th session of the Conference of the Parties to the UNFCCC), organised in Warsaw, November 2013, might also contribute to discussions about Arctic issues.

**International cooperation: towards multilateralism**

In an effort to strengthen its voice on Arctic matters, Poland in recent years has increased its diplomatic presence on the international stage for dealing with the region. The country gives a priority role to the Arctic Council, and international law, and supports the view that the United Nations’ Convention on the Law of the Sea should be the act to regulate existing border disputes in the region. Poland actively participates in the reform of management model in the AC, trying to secure better dialogue with observer countries, and advocating for greater participation of the EU within the organisation. As an observer country it has tried to act as an intermediary and bridge dialogue between observers and the AC Presidency in a “Warsaw Format”. The dialogue with observers also takes place alongside meetings of the under secretaries of states (Tromsø 2009, Copenhagen 2011).

Poland actively supports activities of the Arctic Council and supports current Canadian Presidency efforts in presenting indigenous peoples’ needs and protecting their rights. Poland participates in Senior Arctic

---

25 “Polish container ports: a multipurpose logistics market developments.”

26 [http://www.mojanorwegia.pl/polacy_w_norwegii/liczba_polakow_w_norwegii_zestawienie_danych_i_lu_tak_naprawde_nas_jest.html](http://www.mojanorwegia.pl/polacy_w_norwegii/liczba_polakow_w_norwegii_zestawienie_danych_i_lu_tak_naprawde_nas_jest.html)

27 [http://icelandnews.is/zycie-i-styl/felietony/polonia-na-swiecie-polacy-w-islandii](http://icelandnews.is/zycie-i-styl/felietony/polonia-na-swiecie-polacy-w-islandii)
disputes among major stakeholders. Although all Arctic states have assured stakeholders that they are determined to solve problems through dialogue, one cannot exclude future rivalry and military tension. Limited transparency and the lack of an international forum where Arctic security matters can discussed only increase the chance of negative security developments.

For the time being there is no consensus among NATO members regarding the Alliance’s Arctic policy. On May 8, 2013 NATO Secretary General Anders Fogh Rasmussen, during his visit in Oslo, stressed that NATO has no intention to increase its presence and activity in the High North.\(^{29}\) According to the chief of the Polish presidential Bureau of National Security, General Stanislaw Koziej, it will be a challenge for NATO to deal with the different interests of stakeholders in the region. Nevertheless, the chief of BNS claims the Arctic has already become a third strategic area of interest for the NATO, after the South and the East.\(^{30}\)

Poland is potentially one of those countries which may support a greater presence of the Alliance in the region. Both Poland and Norway - the Arctic littoral state, which has come to a forefront as a staunch advocate for a bigger NATO presence in the region - have already indicated they share the same vision of NATO offering credible territorial defence guarantees to the member states.\(^{31}\) Poland has also developed

---


close defence cooperation with Norway, which opens the way for political and military cooperation regarding Arctic matters.

Similarly, there seems to be a political will for stronger cooperation between Poland and Denmark - the only Arctic state which mentions Article 5 security guarantees in its Arctic policy. Both countries are framework nations for the Multinational Corps North-east stationed in Szczecin and already explore the possibility of greater flexibility in this NATO force structure for collective defence purposes.

Nevertheless, the Arctic is far from being at the core bilateral relations interests. There is a significant, unexplored potential for bilateral cooperation between Poland and other Arctic states, as well as countries of the Baltic Sea region interested in taking a more active policy towards the High North. The first contacts have already been developed on an expert level i.e. within the framework of the “Declaration on Political Cooperation in Areas of Strategic Importance between Poland and Sweden” of May 4, 2011. The Foreign Minister of Poland, Radosław Sikorski, has also prepared a letter to his Swedish counterpart, Carl Bildt, on strengthening mutual cooperation in the Arctic.32

To a limited extent, the Arctic is a subject in Polish bilateral cooperation with its two biggest neighbours: Russia and Germany. In the case of Russia, the Arctic appears occasionally in talks at the Northern Dimension. The topic which is of the utmost interest for the Russian side, namely the mining of raw materials from the Arctic seabed, is not likely to be the subject of joint discussions. The main reason for the restriction of dialogue is modest Polish possibilities to operate in the Arctic and (especially in the case of Russia) discrepancies about concrete proposals of cooperation. One can, however, expect a discussion on scientific cooperation and common debate on the Northern Sea Route.

However, in the case of Germany, most important are the joint actions between international institutions, mainly in the European Union (creating the EU Arctic Policy) and the Arctic Council. Practically, Poland does not observe cooperation on Arctic issues with Canada, except for a few common scientific conferences, such as the one organised by the Canadian Embassy in Poland and the Polish Institute of International Affairs (PISM) titled: “The more accessible Arctic. Myths, facts and issues ahead.” in March, 2011.33 The cooperation at the meeting of AC observers within the Warsaw Format during the Canadian AC Presidency is an exception.

Conclusions: seeking the balance

Polish activities in the Arctic have focused on science, and diplomacy. At the same time, the private, public and social players have lagged behind in grasping opportunities which lie in the region. Achievements in the scientific field give ground to much more decisive and active Arctic policy. It is vast. Its scale generates freedom to pursue research in the Arctic, a priority of Polish policy for the region. Further development of research is also necessary to provide for sustainable development of new sectors in the region, such as minerals and trade. In hoping for greater financial support, Poland could advocate for the increased presence of the EU in the Arctic. This would enhance sustainable development expertise, and give greater access to research and development funding in the region as per the 2014 - 2020 financial programme which includes the European Regional Development Fund, the European Science Foundation, the Cohesion Fund, and the European Marine Fund.

Poland should also be actively involved in the formation of an efficient international governance system in the High North, which would encompass the security domain. A strong Arctic Council, whose governance structure would emphasise the role of observer countries, will remain a Polish priority. At the same time, Polish authorities are likely to advocate for an increased role for the EU, and possibly NATO, in the region. Poland should also strengthen bilateral ties with Arctic countries as a sup-

32 Graczyk, “Poland and the Arctic: Between Science and Diplomacy”: 148.

33 http://www.pism.pl/index/?id=60c97bef031ec312b512c08565c1868e.
plement to the still relatively weak governance network of international organisations there.

One of the biggest challenges regarding the security domain will be determining to what degree, and in what form, NATO engages the Arctic without provoking a negative response from Russia.

The lowest common denominator of NATO’s presence in the Arctic should be based on the credible Article 5 guarantees, supported by planning and exercises. To this end member states should look to the possibilities offered by the Connected Forces Initiative (CFI) – a new project of the Alliance, focused on increasing interoperability and readiness through exercises and the use of advanced technologies.

The Alliance could also contribute to overall security in the Arctic by taking advantage of already functioning forms of practical NATO-Russia cooperation, which could be broadened to the Arctic region. They include “The Euro-Atlantic Disaster Response Coordination Centre” (EADRC) which would serve as a valuable asset for the coordination of rescue and relief operations in the European part of the Arctic. The centre, which was originally set up at the request of Russia, is composed of 28 NATO member states and 22 partner countries. Today it coordinates relief operations in regions affected by natural disasters and has a mandate to deal with the consequences of chemical, biological, radiological or nuclear incidents. Additionally, the NATO-Russia Cooperative Airspace Initiative (CAI), created in 2002, could become a platform for extended monitoring of the airspace over the Arctic. NATO and Russian cooperation enables early notification of incidents such as the hijacking of planes. The coordination of airspace surveillance and air traffic control is guaranteed by three paired centres—Bodo–Murmansk, Warsaw–Kalinigrad and Ankara–Rostov-on-Don. All three are responsible for different geographical areas and are interconnected via coordination centres in Warsaw and Moscow. The centres in Bodo and Murmansk could monitor Arctic airspace, increasing the trust between NATO and Russia in the region. Moreover, declassified NATO archives containing hydro-graphic maps from the Cold War era could be used for the preparation of new navigation maps, improving safety for transport in the area. Such forms of cooperation would be mutually beneficial as they would contribute to greater transparency and increase security in vast Arctic areas without altering the balance of power.

On the industry side, for the time being the direct Polish industrial presence in the Arctic is limited to KGHM. However, interest from other companies is rising. A long term perspective providing beneficial financial and technological conditions, would see activities of Polish gas and oil companies (Lotos, PGNiG) currently operating in the North Sea and Norwegian Sea move further North to the Barents Sea Region.

It must be underlined, however, that although on a high political level, Poland recognises the new, prospective sectors of development, such as exploitation of minerals and natural resources, construction, new sea lanes, tourism and services, there is neither a coherent national strategy, nor industrial interest on this side, yet. This might be seen as the biggest weakness of the Polish Arctic policy. In light of the rapidly increasing presence of transnational companies and state-owned majorities in the Arctic, Poland faces the challenge of how to join this industrial Arctic playground with limited resources at hand. A coherent national Arctic strategy could further enhance an industrial presence, and support industrial interests in the region.

With regard to trade, seaports are, and will be, very important for Polish international trade. The route across the Arctic can be an important part of growth in maritime transport. Poland can contribute to the safety and security of the Northern Sea Route, freedom of the seas and rights to free passage through international waters, perspectives on regular shipping, and researching the effect of climate change for Arctic navigation and shipping passages. Moreover, the sea bed mapping and navigation maps will be crucial for the safety of navigation in the Arctic. It can also help protect the environment, minimise negative effects of climate change, and support sustainable use of natural resources, tourism, and fisheries.

Provided there is further reduction of ice cover in the Arctic, wider use of the Northern Sea Route may be possible. It is important that use of the NSR is also profitable. Costs could be reduced by limiting the need...
to use icebreakers, or by subsidising shipping companies that use them. In addition, it will be possible for Polish fishing vessels to be increasingly present in Arctic waters, with, of course, careful observance of the environmental protection principles. The Polish deep-sea fishing fleet currently operates fisheries in the Antarctic, east Atlantic and sometimes in the South Pacific, and although it consists of only a few vessels there is willingness to expand its fleet.

To become more involved in Arctic issues it is necessary for Poland to trigger discussion and at the same time develop a coherent Arctic policy. Completing the Polar Strategy of Poland would be a good starting point. A current agenda for public dialogue, namely the promotion of research, seems inadequate for triggering interest and raising awareness of Polish society in Arctic matters. Greater communication could be done with support and by coordinating with the Permanent Secretariat of the Arctic Council in Tromsø.

To make this happen, there is a need on one hand to simplify different kinds of procedures, and on the other hand, infrastructure development - both in ports and by improving the situation of Polish roads and railway lines because they limit the practical possibilities of using ports.

The development of bilateral cooperation in the Arctic with neighbouring countries could benefit Poland. Germany is a country which could face similar opportunities, and challenges. Like Poland, it is an observer in the Arctic Council and the German government is seeking a greater role for observers and supports the European Union’s engagement with the organisation.34 As one of the larger member states of the European Union, Germany is also strongly involved in the ongoing development of the EU policy for the Arctic, where the Polish-German dialogue could strengthen the efforts.35 Germany has considerable interest in NSR because they have positive trade with China. Since the rules, costs, management, monitoring and crisis management of the

route will have an impact on Polish trade, Poland should make efforts to strengthen cooperation with Germany on the matter. At the same time, Poland should seek to raise the topic of the Arctic more often in bilateral cooperation discussion with countries who are permanent members of the Arctic Council.

The Arctic is not likely to become a hot issue in Polish public opinion. Nevertheless, this should not stop policy-makers from assessing the risks and opportunities that come with the geopolitical and environmental changes in the Arctic. The first step to make is to define country interests, and adjust the policy tools required to achieve them.

In an effort to seek balance in the region and provide for its sustainable development, Poland needs to act more decisively beyond the scientific field. Changing geopolitics in the region are likely to result in a shift of influence toward big industry. The time to “govern the ungovernable” – the great powers of the Arctic – and provide appropriate regulations for sustainable development of the region is ripe. Passiveness may result in Poland being too late for the game.

---

34 http://www.auswaertiges-amt.de/EN/Europa/Reg-Nord/Arkt_Rat/Arkt_Rat_node.html.
**LOOKING AT NORTHERN LIGHTS:**
**A (NON) EXISTENT ARCTIC IN LITHUANIA**

*Mindaugas Jurkynas*

**Introduction**

Arctic or “High North” related issues comprise of a metaphysical quest in Lithuania. Soul-searching for the polar profile or traces of it in Lithuanian politics, economics, science and media is reminiscent of a leap into the great unknown. Lithuania is relatively far from this region geographically and mentally. Arguably, the Baltic States, according to the UN geographical distribution of the world, belong to Northern Europe, but it is, perhaps, the farthest one can go towards the Arctic in this eastern Baltic Sea sub-region. No famous Lithuanian travellers or scientists, let alone businesses, have had barely anything to do with the Circumpolar North. Naturally, politics and economics are in a similar same vein so far. No identity narratives in Lithuania engulfs the Arctic into feelings of togetherness, except perhaps Soviet-led deportations.

---

1 The author is grateful to Prof. Alyson JK Bailes (University of Iceland), Prof. Alexandr Sergunin (St. Petersburg State University) and Dr. Tobias Etzold (German Institute for International and Security Affairs) for their comments.
of thousands of Lithuanians to Siberia and its areas close to the Arctic Ocean. Dominating regional identities in Lithuania possess Baltic and Northern European character which hinge mostly upon (ontological) security concerns and a “good riddance” of post-Soviet legacies. The Arctic is overwhelmingly associated with distance, cold, and the North Pole. It has been socially, economically and politically natural to see the Circumpolar North in that way, although lately the Arctic has turned into a political and economic hot-spot with a breeding yearn for a hydrocarbon bonanza. Undiscovered fossil fuels, according to US geological survey estimates comprise around 20 percent of the global total and even today the High North provides about one tenth of the world’s oil and a quarter of its gas. Global warming tangibly defrosts summer sea ice cap. This might bring forth valuable commodities in an Arctic Ocean, such as new fishing territories, increased accessibility to oil, gas, mining and even the growing potential for tourism. If ships could conveniently navigate through an ice-free north-west passage in the polar area, commercial use would boom by bringing goods to customers in Asia much faster than voyaging other ways. All this comes hand in hand with subsequently increased political attention among the countries of the Arctic region and beyond, thus unravelling a new and previously unseen vortex of geopolitical games. As major powers in this northern region gear up to explore the Arctic and sub-Arctic, el dorado type conflicts might arise. The inevitability of a polar race or conflict cannot be ruled out, since unfinished business of defining national frontiers looms on the horizon. The United Nations received some applications concerning territorial claims to Arctic territories from several interested countries in 2014.

Lithuanian media usually pricks its antennae up whenever Russia’s military involvement falls into limelight. The littoral Arctic Ocean, so called Arctic-5, has countries claiming ownership of the potential benefits in what lies deep down in the Arctic Ocean, more specifically, Canada, Denmark, Norway, Russia, and the United States. Russia and Canada were the very first to voice their Arctic shares. In 2007 Russia embedded a titanium flag in the polar depths in the seabed below the ice, though that spot might go to Denmark, and started a sabre-rattling by boosting its military presence in the Arctic. In September 2013, Russian military and support vessels re-established a presence on a former airfield closed in 1993, on Kotelny Island and plans to establish a joint Northern fleet strategic command centre for the defence of Russian interests in the region are on the way. Canadians vehemently oppose Russian claims by asserting Canadian sovereignty over the North Pole and tensions over the Circumpolar North are latently simmering. Other Arctic NATO members are up-and-going too. Denmark established its Arctic command in Greenland and acquired new inspection vessels; Norway moved its operational army headquarters

---

5 Wheeler, Sara (2009), The Magnetic North: Notes from the Arctic Circle, Jonathan Cape.
northwards to Bodo in 2009 and are considering a greater involvement of their armed forces in the north; Canada has invested into Arctic transport infrastructure. Nonetheless, all this military hurly-burly is slightly overplayed, since limited modernisation of a built up military is actually under way.

This chapter sheds light on Arctic factor in Lithuania’s politics with a study based on primary sources of information such as governmental and party programmes, legal documents, interviews conducted among diplomats, ministerial officers, professionals and high-ranking officials. One must admit that research on Lithuania’s relations or interests in the High North gas been up to this point absent, However it does not imply invisibility of a polar discourse. Vytautos Sirijos Gira in his policy paper researched the relevance of the Arctic for Russian foreign policy, touching briefly upon the importance of Arctic issues and geopolitical contention for the Baltic States. Russia’s interest in the Arctic has also been analysed by Giedrius Premeneckas and Mindaugas Vezbergas. Dovilė Šukytė inspected legal, political and geopolitical interests of states in the polar region and Giedrius Kviklys investigated the role of the Arctic in Russian–Norwegian relations. Further more, Inga Bankauskaitė delved into the comparison of US and Canadian positions in the High North and Rimvydas Ragauskas pondered the rationale for international cooperation in the Arctic. His policy papers at the think-tank of geopolitics, and similar articles from other authors, returned to the role of Russia and Arctic Council related topics. After international media adjusted their telescopes towards the High North in recent years, Lithuanian journalists followed suit. The Arctic’s role for Lithuania has not stirred much attention, however, running headlines about the High North has spread information about increased competition for Arctic resources, new transport routes, environmental aspects and in particular Russia’s interests in the North.

This chapter will take stock of the Arctic profile in Lithuanian foreign, security and domestic policies. Firstly, the analysis will look for polar topics in “Northern” perceptions among key political actors. Secondly, it will establish the country’s attitudes towards the High North in multilateral frameworks. Thirdly, sector-oriented interests in the Arctic, or, perhaps their lack, will be presented. And finally, bearing interest compatibility in mind, main High North-related issues will be mapped out looking at Lithuanian partnerships with Latvia, Estonia and Poland, followed by concluding statements.

Arctic, where are you?

Whereas China describes herself as a ‘near-Arctic’ country,\textsuperscript{17} Polar issues are almost a political terr\textit{a incognita} in Lithuania. Programmes of governments and political parties, political statements, interviews with the president, prime minister, and other high ranking officials perhaps unsurprisingly reveal non-existent or even nascent interest from Lithuania regarding the polar region. The main foreign policy issues are, echoed in the country’s EU Council presidency priorities for July-December 2013, energy security,\textsuperscript{18} and EU Eastern Partnership and Transatlantic relations. The closest action pertaining to the Circumpolar North scene is intensifying Nordic-Baltic cooperation, despite certain differences in security orientations, welfare or social attitudes, and policies.\textsuperscript{19}

The President in Lithuania, according to the Constitution’s Article 84.1, decides the basic issues of foreign policy and conducts foreign policy with the government.\textsuperscript{20} After Dalia Grybauskaitė became president in 2009, she has been moving towards increasing ‘Baltoscandian’ interdependence.\textsuperscript{21} Whether it was as a fad at the expense of lukewarm Lithuanian-Polish relations remains to be seen, but the president has been firmly bolstering Lithuania’s northern orientation. Correspondingly, the country’s foreign minister Linas Linkevičius said on May 16, 2013 that: “Lithuanian foreign policy had two wings - the Nordic and the Polish - and a good flight needed both.”\textsuperscript{22}

The programmes from the two previous governments say nothing of the Arctic, instead Nordic-Baltic relations come to light. The Conservative-led right-of-centre government during 2008-2012 foresaw dense political Nordic-Baltic cooperation with an aim to represent common interests in NATO, the EU and beyond. The Nordic-Baltic cooperations were in the fields of energy and creating a common electricity market (NordPool), as well as closer collaboration in security and defence contributing to Euro-Atlantic security and development of cooperation in the E-PINE format.

After the parliamentary election in 2012, a new left-of-centre and Social Democrats-steered coalition government consisting of Social Democrats, the Labour Party, the Order and Justice Party and Electoral Action of Poles in Lithuania, did not distance themselves from the aforementioned attitudes by viewing Lithuania as part of the Baltic (Sea) region. Foreign policy is now primarily looking towards the Nordic and Baltic States due to close political, economic and energy-related interests. Moreover, the Nordic-Baltic dimension is complemented by the inclusion of the UK into this regional collaboration. The programme foresees an important role through the Nordic and Baltic electricity energy market for Lithuanian energy independence.\textsuperscript{24}

Though all mainstream political organisations in the country stay nonchalant towards the Arctic, nonetheless, a ‘Northern European’ discourse grows stronger. The only politician who took an interest in po-

\textsuperscript{17} Bloomfield, Steve (2013), In from the Cold – Arctic Circle, Monocle, November 2013, Issue 68, volume 07.

\textsuperscript{18} However, the Arctic role has not yet been considered at the Ministry of Energy, Interview with the Minister of Energy, Jaroslav Neverović, January 30, 2014.


\textsuperscript{21} This was a different standpoint compared to her predecessor, Valsas Adamkus’ proclivity for a Lithuania’s role as an active centre for regional initiatives.

\textsuperscript{22} VDU lankėsi LR užsienio reikalų ministras, Vytautas Magnus University, http://www.vdu.lt/lt/universitete-lankysis-lr-uzsienio-reikalui-ministras.


lar questions is a member of the Parliament, Mr. Emanuelis Zingeris from the Conservative party. Close to preaching doom-and-gloom about maturing rivalry for Arctic resources, he called for closer Lithuanian involvement into High North policies via Nordic-Baltic cooperation, by proposing the inclusion of Arctic issues among Lithuanian priorities for the country’s presidency at the Council of the EU.  

Otherwise, the issues of the north can be subsumed to the Nordic region. Among political parties in Lithuania the most North-oriented players are the Conservatives and the Social Democrats. Though the latest Conservative party programme marginally mentioned Scandinavian partnership for the interconnection of electricity markets, party leaders such as former Prime Minister Andrius Kubilius, or ex-foreign minister Audronius Ažubalis, remain unequivocally outspoken supporters of Lithuania’s Nordic orientation. The Social Democrats, in turn, consider the relevance of the Nordic Investment Bank, cooperation with the Baltic region, the Nordic states, Poland and Germany and aim at strengthening Lithuania’s influence in the EU, in particular Baltic-Nordic collaboration in the spheres of economy, scientific and technological innovations, transport, energy, climate change, ecology, security and defence. The Liberal Movement “supports cooperation with Baltic Sea Region’s and Northern European Countries”, yet does not elaborate on ‘nordicness’ further. The Labour Party intends to “amplify closer relations with countries of the Baltic Sea and Northern European regions for the development of projects related to transport, road, railway, airport and seaport, energy and other interstate fields”. The other two parties of the ruling coalition, the Order and Justice, and the Electoral Action of Lithuanian Poles do not have any references about Northern Europe, never mind the Arctic in their most recent 2012 parliamentary election programmes.

Lithuania and Arctic: issues in multilateral frameworks

Lithuanian positions towards the High North were formulated in the past within regional organisations as Arctic problematique virtually does not manifest in bilateral meetings, in the Nordic-Baltic region or beyond. In 2009 Vilnius responded to the Communiqué of the European Commission, adopted in 2008. Lithuanian position accentuates a close and unique linking between the EU and Arctic in areas of history, geography, economy, and scientific discoveries. The EU policy is attached to the High North in soft security areas like environment, climate change, energy, research and development, transport, fisheries and the like. Lithuania supports an active EU Arctic policy, since environmental changes spark geostrategic dynamics in the Arctic and this can affect international stability and security interests in Europe. Alongside this Lithuania backed

---

25 Interview with Emanuelis Zingeris, the member of the Conservative party at the Lithuanian Parliament, February 6, 2014.
up Communiqué’s aims and action plan by noting political relevance of Northern Dimension's Transport and Logistics Partnership in the Baltic Sea region and cooperation with Russia in the fields of land transport. Lithuania participates in a general EU Arctic policy, however, during her presidency at the Council of the EU, Arctic issues were not singled out.\textsuperscript{34}

Lithuania as a member of the EU, and an array of regional organisations, adopts passive stances on Arctic issues. Foreign ministry considers the country does not hold a direct and bilateral relation to the Arctic region due to different geopolitical foci, limited human, economic and financial resources and the great distance from the Circumpolar North.\textsuperscript{35} Because of mounting interests and competition in the Arctic region the attempt by small states to squeeze in among quite a few countries, is not so cordially received. Despite a lack of direct interest and access to the Arctic, the country, as a member of the European Union, follows developments in the High North and supports a more active role of the EU which has until now not succeeded in becoming an observer at the Arctic Council (AC). The AC was founded in 1996 as an intergovernmental forum for cooperation among Arctic States, with the involvement of Arctic Indigenous communities and other Arctic inhabitants on issues like environmental protection and sustainable development.\textsuperscript{36}

During the Swedish AC presidency the Kiruna declaration delayed formal granting of the EU’s observer status in 2013: “The Arctic Coun-
cil receives the application of the EU for observer status affirmatively, but defers a final decision on implementation, until the Council ministers are agreed by consensus that the concerns of Council members […] are resolved with the understanding that the EU may observe Council proceedings until such time as the Council acts on the letter’s proposal”.\textsuperscript{37} This meant that the EU could practically attend the AC’s meetings but not the working groups, as opposed to China, India, Italy, Japan, Singapore and South Korea which became new observer states. France, Germany, the Netherlands, Poland, Spain and UK were accepted as observers earlier. Ministerial meetings take place twice a year and decisions at the AC are adopted consensually among eight member states.

This far, the AC has rejected the EU’s application to join as a permanent observer. Canada and Russia have ‘traditionally’ opposed the EU’s arrival in the AC, as political temperature in the region has risen, and Lithuanian diplomacy did not stand aloof from it by formulating their country’s position within the EU. Formally Canada, with the support of Russia, asked to postpone the EU’s observer status in 2013 due to unsolved issues regarding the hunting of seals. One of the main values the Arctic Council pursues is protection and representation of indigenous communities in the Arctic. It involves Canadian Inuit whose income also depends on the sales of seal products. However, the EU, with the voice of animal rights protectors, banned imports of Canadian seal products because of cruelty in Canada’s seal-hunting industry, allowing only imports of Inuit made produce. This situation led to a plummeting demand for seal-related products - the Inuit in Canada therefore opposed the EU application. Usually, a decision for observer status is adopted during ministerial AC meetings which convene once every two years, but now under a two-year Canadian presidency at the AC, the EU anticipates to resolve remaining issues and gain observer status via a procedure of notification and without separate ministerial approval.

\textsuperscript{34} Interview with employees at Foreign Ministry, January 2, 2014 and January 7, 2014.

\textsuperscript{35} Interview with employees at Foreign Ministry, January 2, 2014 and January 7, 2014.

\textsuperscript{36} Member States of the AC are Canada, Denmark (including Greenland and the Faroe Islands), Finland, Iceland, Norway, the Russian Federation, Sweden, and the US. The Arctic Council also has Permanent Participants, which are Arctic Athabaskan Council, Aleut International Association, Gwich’in Council International, Inuit Circumpolar Council, Russian Association of Indigenous Peoples of the North, and the Saami Council, \textit{About the Arctic Council}, http://www.arctic-council.org/index.php/en/about-us/arctic-council/about-arctic-council.

The EU wants to engage more with Arctic partners in order to better know the lay of the land. The EU’s Arctic policies since 2008 have rested on three pillars: protection and preservation of the Arctic and its population; promoting sustainable use of resources; and international collaboration. The EU started taking High North issues into account in 2008, when the European Commission adopted its first Communication. The joint Communication adopted in July 201238 singled out three main principles towards the Arctic: knowledge, responsibility, engagement. The EU foresees 28 measures directed at enhanced cooperation with Arctic partners, research, climate change, safe technologies, and the indigenous populations.39 The EU has invested 1.14 billion Euro into Arctic research and sustainable development since 2007.40 Although observers in the AC do not have a voice in ministerial meetings, nevertheless, financial assistance is a powerful leverage in the decision-making process within the AC too.

Lithuania is interested in the EU’s bigger role within the AC as they are the only window to the Arctic region since High North politics are not discussed at Nordic-Baltic meetings of high-ranking officials and politicians.41 Lithuania has not developed specific Arctic-related interests, and supports common endeavours endorsing environmental management, research, sustainable growth and development in the Arctic region. At the same time, Lithuania does not want rivalries in the Arctic to spin out of control and thereby undermine regional cooperation and political stability.42 The EU is viewed as the best conflict manager and therefore its more visible role in the High North is appreciated and anticipated in Lithuania. The country supports the EU’s soft security concerns in the areas of energy, environment, climate change, scientific research, transport, fishing and other hot issues of the Arctic, so a European institutionalised presence opens more doors. Global warming and ensuing environmental changes has triggered a geostrategic revision of the Arctic – all this may affect international stability and European security concerns. Therefore, Lithuania is betting on the EU and its role in international cooperation first of all via the Arctic Council in the North.43 Lithuania supports the sustainability of European shipyards’ competitiveness through the evolving technologies applicable to polar conditions and by building environmentally friendly vessels including ice-breaker ships. On the other hand, Vilnius does not bolster EU Arctic oriented policies which financially burden EU transport policies.44

NATO’s involvement in the Arctic is tangible yet restrained evidenced by regular military and training exercises, air policing over Iceland, and radar and tracking stations in Greenland, Northern Canada and Alaska, etc. Nevertheless, NATO Secretary General Anders Fogh Rasmussen said at the North Atlantic Council in May 2013 that ‘at this present time, NATO has no intention of raising its presence and activities in the Circumpolar North.’45 Lithuania follows NATO planning and activities towards the High North, yet keeps a low profile in this regard ready to formulate their position when the stance of NATO

---

38 Lithuania did not adopt a position on the European Commission’s Communication of 2012 and did not object to the Communication of 2008 in 2009, yet the Arctic was not considered a relevant priority back then. Interview with two employees at the Foreign Ministry, February 12, 2014.
41 Interview with the Swedish Ambassador to Lithuania Cecilia Ruthström-Ruin, January 8, 2014.
42 Interview with employees at Foreign Ministry, January 2, 2014 and January 7, 2014.
43 Interview with the Lithuanian Ambassador to Sweden Eivydas Bajarūnas January 15, 2014.
44 Interview with an employee at the Ministry of Environment, January 13, 2014.
becomes more clear and more active. Other regional groups like the Northern Dimension, the Barents Euro-Arctic Council, the Council of the Baltic Sea States, the EU Baltic Sea Strategy, the E-PINE and the Nordic Future Forum might theoretically have tangents within the Circumpolar North and Lithuania could then link in to the polar region via membership or in relation to the aforementioned bodies and their policies.

The Northern Dimension (ND) is a joint policy launched in 1999 and revamped in 2006 between the EU, Russia, Norway and Iceland. The ND Policy delivers a platform for dialogue and practical cooperation, strengthening stability and enhanced economic cooperation and integration, competitiveness and sustainable development in Northern Europe. Practical cooperation occurs within the so-called four Partnerships, in the fields of environment, public health and social well-being, transport and logistics, and culture. The ND encompasses an area, “from the European Arctic and sub-Arctic to the southern shores of the Baltic Sea, countries in the vicinity and from north-west Russia in the east, to Iceland and Greenland in the west.” As for the High North, the ministerial meeting of the ND in June 2013 decided that the ND ought not to impose anything on the top of the existing cooperation in the Arctic Council, yet left open perspectives for the Euro-Arctic and Euro-Barents regions. There is a certain division of labour in the North where the EU focuses on the Baltic Sea region, Norway and Ice-

--

46 Interview with an employee at the Ministry of Defence, January 16, 2014.
47 Apart from the key four partners, other parties involved are: EU Member States in their national capacities, the Arctic Council, the Barents Euro-Arctic Council, the Council of the Baltic Sea States and the Nordic Council of Ministers (NCM), European Bank for Reconstruction and Development, the European Investment Bank, the Nordic Investment Bank and the Nordic Environment Finance Corporation, universities, research units, and business community; Canada and the US are observers and Belarus takes part in practical cooperation, What is the Northern Dimension? European Union External Action, http://eeas.europa.eu/north_dim/index_en.htm.

land concentrate on issues related to the High North of the ND. In December 2013, Iceland and Norway have been developing the ND’s Euro-Arctic approach which tries to enhance interconnectedness between the ND and the BEAC by focusing on areas of joint interest as transport, logistics, health, culture and environment. Lithuania takes no part in this discussion and generally adheres to positioning themselves as a supporter of an EU-oriented multilateral approach towards the Arctic.

The Barents Euro-Arctic Council is another regional body also dealing with the Arctic issues. BEAC is the organisation for both intergovernmental and interregional cooperation in the Barents Region. It was set up in 1993 in order to stimulate existing cooperation, to take into account new initiatives and proposals and, like in the Arctic Council, to promote sustainable development at large. The area consists of 13 counties in the northernmost parts of Finland, Norway, Russia, and Sweden; namely Kainuu, Lapland, Oulu, Finamark, Nordland, Troms, Arkhangelsk, Karelia, Komi, Murmansk, Netens, Norrbotten and Västerbotten, which form the interregional Barents Regional Council. The members of the intergovernmental BEAC are Denmark, Finland, Iceland, Norway, Russia, Sweden and the European Commission. The chair of the Barents Euro-Arctic Council rotates between Finland, Norway, Russia and Sweden. The Nordic Council of Ministers, the Council of Baltic Sea States, the Arctic Council, and the Northern Dimension coordinate activities at times if necessary. Lithuania is not a member of this organisation and does not emit a greater interest because they receive information via the European Commission.

Again, no Lithuanian interest or strategy towards the Circumpolar North can be traced regarding the Council of the Baltic Sea States.

---

48 Interview with an employee at Foreign Ministry, January 7, 2014.
49 Interview with employees at Foreign Ministry, January 2, 2014 and January 7, 2014.
51 Interview with an employee at Foreign Ministry, January 7, 2014.
The CBSS is a political forum for inter-governmental cooperation, guidance and overall coordination among the riparian Baltic Sea states, such as Denmark, Estonia, Finland, Germany, Iceland, Latvia, Lithuania, Norway, Poland, Russia, Sweden and the European Commission. The CBSS, however, does not deal with Arctic issues except at the meetings of four regional councils in the North and the Northern Dimension: the Council of the Baltic Sea States, the Barents Euro-Arctic Council, the Arctic Council, and the Nordic Council of Ministers. The regional councils represent interests of the sub-regions in the Northern Dimension area and support the implementation of ND projects. Lithuanian presidencies at the CBSS in 1998-1999 and 2009-2010 had no references to the Arctic.

The EU Strategy for the Baltic Sea region (EUSBSR) is another platform for regional cooperation, including countries from Northern Europe. The EUSBSR as a macro-regional strategy aims at strengthening cooperation and promoting a more balanced development within the region. The strategy contributes to EU policies. The EU Baltic Sea Region covers eight countries (Sweden, Denmark, Estonia, Finland, Germany, Latvia, Lithuania and Poland). The Strategy focuses on environmental sustainability, prosperity, accessibility, attractiveness, safety, and security. The Strategy was adopted by the European Council in 2009 and brings together initiatives in different sectors and promotes cooperation and networking between various stakeholders in the Baltic Sea Region at both a national level and at a macro-regional level. Nonetheless, the EUSBSR does not take into account polar questions, as in its Action Plan of 2010, and documents and activities followed reveal scant interest in the High North within strategy framework.

The Enhanced Partnership in Northern Europe (E-PINE) also serves as a platform for ‘northern’ topics. The E-PINE, launched by the US government in 2003, is an offspring of the US North European Initiative, dating back to 1997, which geographically encompasses nine countries (Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, Sweden and the US) and deals with cooperative security, healthy societies and vibrant economies. However, the main issues that appear on the Lithuanian agenda with E-PINE deal with energy security, transport, EU’s eastern neighbourhood, human rights and democracy.

Likewise, the Northern Future Forum (NFF), initiated by the UK in 2011, is an annual informal meeting of prime ministers, experts, and entrepreneurs from Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, Sweden and the UK. The topics discussed under the NFF in 2011-2013 cover everything but Arctic issues: technology and innovation, jobs, family and gender equality, green economy and sustainable business, long-term sustainable growth, involvement of women into top positions and entrepreneurship, senior citizenry in the labour force, competitiveness of green

---

52 Interview with the employee at Foreign Ministry, February 10, 2014.
54 Interview with Deputy Director General of the CBSS Secretariat, Eduardas Borisovas, January 14, 2014.
economies and the digital divide in societies.\textsuperscript{61} It goes without saying that Lithuania did not bring up any polar-related issues at the NFF meetings nor were similar issues raised by Lithuania at meetings with Nordic colleagues at the Nordic Council and the Nordic Council of Ministers.\textsuperscript{62}

**Minuscule Arctic issues in domestic policies**

The business community in Lithuania downplays new openings in the Arctic and remains rather passive in addressing Lithuanian institutions.\textsuperscript{63} No representatives from any entrepreneurial circles addressed the foreign ministry in regards to Arctic interests.\textsuperscript{64} Other industries that could possess a deeper interest in the Arctic are fisheries, transport, logistics and tourism. However, the interests of fisheries do not travel far. The northernmost fishing spots are around the Norwegian Svalbard. Norway granted Lithuanian fishermen more than 600 days for shrimp catching and a few companies have used this opportunity since Soviet times.\textsuperscript{65} Despite this, however, Arctic issues do not come across the Lithuanian fishing industry agenda.\textsuperscript{66} The Ministry of Transport and Communications considers paying more attention to the High North in the near future, but for now the interest is rather low and the Arctic

---

62 Interview with the employee at Foreign Ministry, January 7, 2014.
63 Interview with Mr. Mantas Nocius, Head of “Enterprise Lithuania”, January 2, 2014.
64 Interview with the employee at Foreign Ministry, January 7, 2014.
65 Interview with the deputy director of Fishery Department at Ministry of Agriculture, Mr. Aivaras Labanauskas February 11, 2014.

---

67 Klaipėda sea port does not register vessels coming from the Arctic.\textsuperscript{68} Ships under the Lithuanian flag used to transport timber and oil products in the current northern territories in Russia, but these activities stopped some 20 years ago and have not resumed, as neither ships nor expeditions take Arctic routes nowadays.\textsuperscript{69} The story of interest in the Arctic does not differ from the environmental point of view either, as aside from general concern about pollution and biological diversity there are no direct activities Lithuania pursues for the time being.\textsuperscript{70} Last but not least, scientific interest in the Arctic is rather limited as well. The key issues that furnish scholarly curiosity in Lithuania are ornithology (bird migration) studies at Vytautas Magnus University in Kaunas and climate change at Vilnius University. Lithuanian scientists have never organised scientific expeditions to the Arctic and except from random internships or study visits there is no complex research on Circumpolar North occurring from a hard sciences point of view either.\textsuperscript{71}

---

68 Interview with Kristina Gontjer, Head of Marketing Division at the Klaipėda Seaport Authority, 10 January, 2014.
70 Interview with the employee at the Ministry of Environment, 17 February, 2014.
Arctic interests for the Nordic states have been well heralded in corresponding recent Arctic Strategies, as these countries have direct access to the more distant North. Yet Lithuania’s politically neighbouring countries and frequent partners in regional affairs - Latvia, Estonia and Poland - do not avoid polar issues either. It is then relevant to establish points of compatibility on Arctic vectors with Lithuania’s closest neighbours.

A priori, Latvian interests towards the High North can be similar to Lithuanian ones: small power, limited resources and interests, a multilateral approach and the telescopic distance to the far North. Latvia is in a phase of debates regarding the challenges and opportunities the Arctic renders and at times polar issues come into sight, such as the NB8 meetings with Japan. Estonia, similar to Lithuania, opts for action via multilateral frameworks when it comes to High North related issues, as Estonia also supports an observer status for the EU at the Arctic Council.

Estonian scholars consider their country’s relationship to the Arctic in similar terms to Lithuania and Latvia, putting an emphasis on a multilateral approach via organisations Estonia is involved with. The key areas where Estonia could pay more attention are scientific polar research, as they had earlier been involved in this area and the Estonian Polar Research Programme for 2012–2014 foresees the areas of geology, sea ice and atmosphere physics, biology and climate change, and historical and educational facets as relevant topics. The other area of Estonian interest is space strategy as part of the Arctic policy, with precise satellite-based information for communication, navigation and surveying. Estonia intends to join the European Space Agency and thereby employ technological achievements in the polar milieu and enhancing the country’s competitiveness in the field of space industry technologies. Future gas reserves in the Circumpolar North are considered as an alternative to Russian gas also.

Poland, in turn, has traditionally played a more tangible role in the Arctic compared with the Baltic states. The country has held an observer status at the Barents Euro-Arctic Council since 1993, and the Arctic Council since 1996. The current Polish approach to the Polar Regions exerts a concentrated effort to promote the country’s scientific interests and widen opportunities for collaboration with other Arctic-interested parties. Poland is the only Central European country which has had scientific infrastructure set up in the High North: Polish researchers have been working at several research facilities at the Spitsbergen island on the Svalbard Archipelago since the 1950s. Hence, initial Polish concerns in the High North have focused on favourable conditions for scientists, whereas economic or strategic interests has not scored high as a priority. However, Poland’s involvement in environmental cooperation in the Arctic has become more salient since the early 1990s. Warsaw turned more ambitious in polar issues since the mid-1990s and as the country maintains an observer status at the Arctic Council they therefore have an enhanced role. Traditionally, Poland takes part in several levels of meetings at the AC through ministerial, undersecretary and Senior Arctic Officials roles. Poland initiated the so-called Warsaw format (meetings of representatives of state observers with the presidency of the AC) and this level was raised to that of undersecretaries of state. Polish scientists participate in working groups of the AC.

---

North related questions loomed in bilateral meetings with Nordic states in 2013.\textsuperscript{77} Poland’s present increased political involvement in the Arctic encompasses issues varying from promotion of the freedom of scientific research, to enhancement of mutual trust, stability, and security around the North Pole.\textsuperscript{78} Current Polish political activity in the Arctic stems from promotion of its scientific interests and an attempt to play the role of an intermediary state in relations between the Arctic and non-Arctic actors. Poland, in contrast to the Nordic states, does not have any officially stated Arctic policy. Warsaw does not voice significant interests concerning polar natural resources or shipping, and this is perceived as an advantage, enabling them to be an advocate for closer collaboration between the Arctic and outside actors.\textsuperscript{79}

\section*{Conclusions and outlook}

While for most of us there is a fat chance of visiting the Arctic, nonetheless it is closer to us now than ever thought possible. Excessive political enthusiasm and concerns regarding possible eye-watering riches and opportunities in the High North are not a dépêche mode. The Arctic has turned politically hot in the recent years and more and more countries, even outside the polar region, crane out northwards to institutionalise their presence and interests. Lithuania gradually assumes more important regional and global roles through the presidencies of CBSS, OSCE, the Council of the EU, and soon the Security Council of the United Nations. The Arctic is no longer Delphic in Lithuania, though polar resources are still seen as high hanging fruit. The country behaves in the status of a small state tied to a specific historical and geographic context – Arctic interest moves at glacial speed here. A small state, as a rule, has a limited scale of material and human resources, and thus a narrower range of action. Lithuania does not even have a small stake in the “Arctic system” and so, has next to nothing to say about the unraveling polar games.

Limited by the lack of interest and focus, devoid of financial, human and institutional resources, let alone expertise, Vilnius is naturally reactive, yet remains collaborative when it comes to the Arctic. Although political awareness about polar relevance has skyrocketed and a number of countries have elaborated strategies towards the Circumpolar North, the Lithuanian government, political parties and private sector do not foresee or even discuss the country’s involvement in the Arctic unilaterally. Dealing with the High North is left to multilateral devices, primarily to the EU which expressed a deeper interest in the Arctic during recent years. Lithuania does not yet deal with Arctic questions through NATO, or via regional frameworks like the Northern Dimension, the Barents Euro-Arctic Council, the Council of the Baltic Sea States, the EU Baltic Sea Strategy, the E-PINE and the Nordic Future.

Lithuania’s closest political neighbours, Estonia and Latvia, seem to be on the same road towards the North, however Poland retains a greater degree of activity in scientific and intermediary activities in the Circumpolar North. Therefore, one can anticipate similar Baltic positions in looking for resource and return based niches through Arctic cooperation. Lithuania is unlikely to increase its profile in the Arctic unilaterally, yet support for polar issues might resurface in return for guarantees that attention towards the High North does not come at a political, security

\begin{itemize}
\end{itemize}
and financial expense for the Baltic Sea area. Moreover, Arctic economic activities might be seen in the light of competition, since for instance, transport and logistics services going from Lithuania to Asia, and mainly China, by land would be prioritised over thawing and navigable Arctic lanes. Limited resources and benefits is expected to lead to a pragmatic and narrow minded approach in allocating current resources to niches of cooperation like science, environment, and the like.

Recommending anything for the field which can be considered as a *tabula rasa* in Lithuanian politics or for the economy is easy, but can be difficult. On the one hand, a theatre of polar geopolitics and geo-economics delivers new opportunities which, given sufficient resources and capacities, would enable any country to find its role no matter how significant in the North. On the other, the present capabilities of Lithuania dictate a rational approach for a short-term perspective towards the High North. Strategically, Vilnius will not want to mess with the power of the US or push for a unilateral agenda within the EU – it is highly unlikely they would. Actors involved in low politics such as environment, energy, transport and logistics, communication, science and mining, rescue and safety, either public or private, should keep their eyes open and nail down lucrative deals along the logic of pragmatism, as Arctic politics is definitely beyond Lithuanian reach even on an intermediary level. Small scale involvement now might boost Lithuania’s collaborative status and the idea of a ‘global Lithuania’ would acquire a detectable shape in the future.

The increasing interdependence and importance of Nordic-Baltic regionalism, and the Europeanisation of foreign policy and security concerns, will most likely make Lithuania keep a low profile regarding the Arctic, and ‘help’ escape support for any conflicting positions among Western partners in the Arctic-5. In general Lithuania’s interest in the higher role of NATO and the EU would be welcomed due to enhanced scope and opportunities for contributing in the key hard and security bodies Lithuania adheres to. All in all, the High North for Lithuania remains a metaphysical black cat – it is out there, not here, yet.

---

**LATVIA IN THE ARCTIC: A CASE STUDY OF RISKS AND OPPORTUNITIES FOR A SMALL SUB-ARCTIC COUNTRIES**

*Mārtiņš Vargulis*

**Introduction**

The notion of Arcticness is on the rise and increasingly influences strategic considerations of global and regional actors. During the last few decades the interests of many international actors in the Arctic region have significantly increased. However, not only Arctic countries are interested in the region. Countries without direct access to the Arctic, such as Sweden and Finland, are permanent members of the Arctic Council. Other European countries such as Germany, France, the Netherlands, Poland, the United Kingdom and even Spain, have become permanent observer states in the institution. Meanwhile, Latvia being distant both geographically and mentally, has been rather non-reactive than proactive when defining its interests in the High North.

Size and distance matter. Taking into account the long distance between the Arctic and Latvia, it might seem the Arctic is too far for Latvian entrepreneurs with any business activities in the region. Second, it might also seem too far for any political risks, as well as opportunities
for Latvia. After all, it might lead to an assumption that small sub-Arctic countries like Latvia are not interested in the Arctic region because of its location and lack of resources. But isn’t it a misleading assumption? Is Latvia really too far to use the opportunities and to be influenced by the processes taking place in the Arctic region? Is Latvia too small to have an impact in the Arctic region’s environment? What are the risks and opportunities for Latvia in the Arctic region? Finally, is there a necessity to develop a comprehensive approach of Latvia foreign policy toward the Arctic region?

In order to provide answers to above set questions this chapter is structured as follows. The first part of the chapter looks at Latvia’s main foreign policy priorities, stakeholders, and the Arctic element in Latvia’s foreign policy discourse. The second part aims to assess Latvia’s potential to become more involved with the Arctic issues related to science, transport and energy. In the third chapter the role of military activities in the Arctic region within the context of Nordic-Baltic military cooperation has been assessed. Fourth chapter provides an overview of Latvia’s involvement in the Arctic within multinational frameworks. Finally, some recommendations and suggestions are offered at the end of the chapter.

Arcticness in Latvia’s foreign and domestic policy: discourse and stakeholders

Latvia’s foreign policy priorities after joining the EU and NATO in previous years have been formed and influenced by a variety of trends and factors. The focus of Latvia’s foreign policy has been based mainly on three aims: 1) to improve economic relations with other international actors and promote a favourable environment for cooperation and business opportunities with national entrepreneurs around the world, 2) to ensure a military presence of strategic partners in the Baltic Sea region and cooperate with allies in order to face common threats and challeng-
The most efficient involvement of the Baltic States in the Arctic region could be reached within the framework of Nordic Baltic cooperation (NB8). Meanwhile, one of the most detailed analysis on global warming and ice-melting has been provided in the publication “The Change of Climate and Global Warming”\(^7\). At the same time Latvian environmentalist Edīte Sarva in her publication “What happens in the Arctic?”\(^8\) has provided an overview of EU co-financed expedition in the Arctic region illustrating the challenges that face scientists who are working in the Arctic region and the main conclusions made by expeditors.

In recent years cooperation with Nordic countries has become a modern trend in Latvia’s foreign policy debates. Although no Members of Parliament (MP) in their speeches have ever made a direct reference to the Arctic region during annual foreign policy debates\(^9\) many of them have emphasized the role of Nordic-Baltic (Latvian) cooperation. In their address MPs have argued that 1) Nordic-Baltic cooperation is important in order to improve cooperation in the prevention, management, and resolution of financial crisis\(^10\), 2) Nordic-Baltic cooperation matters in the context of transport corridors and energy\(^11\), 3) Nordic countries are an utmost important aspect of regional security\(^12\) and finally 4) Latvia has


\(^5\) The Riga Conference - one of the leading foreign and security policy forums in Northern Europe, more at: http://www.rigaconference.lv/.

\(^6\) The full list of experts is available at: http://www.rigaconference.lv/2012/agenda/agenda/.


\(^12\) Speech by A. Pabriks (Unity), Saeimas 2012.gada 26.janvāra sēdes pulksten
to find resources to develop energy interconnections with Nordic countries.\(^\text{13}\) At the same time, among the leading political parties in Latvia, the most North-oriented are “Unity” and “National Alliance”. In Unity’s recent political programme four out of 13 foreign policy priorities are related to the Nordic region: 1) to promote Baltic unity and closer cooperation with Nordic countries dealing with regionally important and strategic issues, 2) to integrate into Nordic institutional cooperation organizations, 3) to promote an integration of Baltic energy system within the Nordic countries, and 4) to actively engage in multilateral initiatives within the Northern Dimension.\(^\text{14}\) Meanwhile, National Alliance in its programme has even referred to Russian military activities in the High North arguing for an increased NATO role in the region.\(^\text{15}\)

Not one of the previous three Cabinets of Ministers of the Republic of Latvia in their cooperation agreement have made a direct reference to the Arctic or High North. Meanwhile, all of them indicated a necessity to establish deeper cultural, economic, and security integration with Nordic countries.\(^\text{16}\) The only politician who has publicly provided analysis of issues related to the Arctic region is the Member of European Parliament Inese Vaidere who is also a representative of the leading political party Unity. In her public blog entry\(^\text{17}\) Inese Vaidere assesses the importance of Arctic related issues in the context of the EU’s, and particularly Latvia’s, foreign policy. She argues that the main opportunities for Latvia are related to energy, transport routes, and science. The importance, challenges, and opportunities of all three aspects will be analysed in the next chapters.

**Energy, shipping, science: too optimistic way of thinking?**

Latvia is one of those countries strongly dependent on imported energy resources. Solid fuel, oil products, and electricity are imported from several countries and supply regions, but there is only one supplier for natural gas – Russia. The split of energy flows shows the relatively high dependence from energy imports – only 33.1 percent of total energy consumption is covered by local energy resources.\(^\text{18}\) There have been various discussions domestically and among Baltic States on how to diversify competition within the field of natural resources. Discussion has varied from establishing a liquefied natural gas (LNG) terminal either in the Baltic States or Finland, to a Nuclear Power Plant in Lithuania. As was mentioned earlier, the Arctic at some point has been perceived as a window of opportunity for the diversification of energy supplies. Obviously, ice-melting in the Arctic region has played a significant role in facilitating access to it. However, exploration and development in the Arctic requires expensive, tailored technologies as well as safeguards adapted to the extreme climatic conditions. Countries are allocating a significant amount of money to projects related to obtaining energy in the Arctic. It is believed an estimated $100 billion could be invested in the Arctic during the next decade. The Arctic contains vast oil and natu-

\(^\text{12.00 stenogramma, }\)https://www.vestnesis.lv/index.php?menu=doc&id=243713


\(^\text{14\) Vienotība, Ārpolitika, }http://www.vienotiba.lv/plani-un-paveiktais/programma/arpolitika/.

\(^\text{15\) Nacionālā Apvienība, Plāšā programma, }http://www.nacionalaapvieniba.lv/programma/plasa-programma/.

\(^\text{16\) Deklarācija par Valda Dombrovskas vadītā Ministru kabineta iecerēto darbību, }http://vienotiba.lv/par-mums/valdibas-deklaracija/, and Deklarācija par Laimdotas Straujumas vadītā Ministru kabineta iecerēto darbību.

\(^\text{17\) Inese Vaidere, Arktikas iespējas un stratēģijas, }http://www.diena.lv/sabiedrība/politika/arktikas-iespejas-un-strategija-762843.

rual gas reserves - the US Geological Survey estimates the Arctic could contain 1,670 trillion cubic feet of natural gas and 90 billion barrels of oil, or 30 percent of the world’s undiscovered gas and 13 percent of oil.19 Europe is a major destination for Arctic resources. Around 25% of Arctic oil and gas output is planned to be destined for Europe.20 Therefore, it is of utmost interest EU member states strengthen their energy positions for acquiring Arctic resources.

The importance of acquiring Arctic energy resources has also been discussed in this publication. As it is reported, Poland and Germany perceive an increasing availability of Arctic resources as a window of opportunity of diversification, of their energy supplies. Opposite to Poland and Germany, Latvia has not actively promoted a need for deeper involvement in issues related to Arctic energy resources. In recent years the main focus on diversification of energy supplies was devoted to finding the balance between natural gas and other energy resources. The use of coal and the development of nuclear power in the Baltic States has been prioritized among other ways of diversification.21 Obviously, the diversification of energy supplies is not an issue of short or medium term period. It takes decades. According to the “Latvia’s energy strategy 2030” in the long term perspective one of the main goal is to deepen an integration of Baltic States with Nordic countries.22 However, representatives of the Ministry of Economics of the Republic of Latvia are rather reserved when arguing about any direct impact regarding distribution of Arctic energy resources. A distant approach has been taken due to the following reasons: 1) Nordic-Baltic energy connections have already been established23, 2) Diversification of gas supplies requires new pipelines. And although a recently approved project “Balticconnector”24 connecting Estonian and Finnish gas grids will increase Finnish import capacities by providing access to Latvia’s natural gas storage in Inčukalns, it is not related to energy resources obtained in the Arctic region because Finland isn’t among those countries with direct access to resources in the High North, 3) Latvia lacks possibilities to recycle crude oil.25

Meanwhile, science similar to energy is often mentioned as an opportunity for Arctic and sub-Arctic countries. In recent years the High North has become a “Mecca” of international scientists. Participation in scientific projects conducted at the Arctic have been perceived as an important way of understanding the influence of global warming in the region.26 So far, most of the research taking place are aimed at understanding how the Arctic ecosystem works. However, there are still many unknowns. Latvia, as opposed to other countries discussed in this publication but similar to Lithuania, has not been actively involved in science projects related to the issues of the High North. However, two Latvian institutes (the Latvian Institute of Aquatic Ecology and Augusts Kirhenšteins Institute of Microbiology and Virology of Rīga Stradiņš University) out of 42 specialize in the research of issues related to the Arctic.27 The one field of expertise where both institutes are related is the research of microflora in the Arctic region. However, neither has

---

23 Please see, for instance, Nord Pool Spot connection.
24 A natural gas pipeline between Finland and Estonia. Please see more at: http://www.gasum.com/Yritystietoa/Investments/Balticconnector/.
25 Interview with Rota Šņuka, Director of Energy Departament of Ministry of Economics of the Republic of Latvia, 21.03.2014.
27 Interview with Aivis Klavinskis, Third Secretary of Ministry of Foreign Affairs of the Republic of Latvia, 04.11.2013.
ever participated in any scientific research project conducted in the Arctic region.

According to the Latvian Institute of Aquatic Ecology one of the main reason why the institute is not able to participate in scientific projects in High North is related to the limited financial resources. The budget of the Latvian Institute of Aquatic Ecology in 2013 was €140,000. Obviously, this amount of funding is insufficient in order to implement a real scientific project in the Arctic. In recent years Latvia has devoted very limited resources to science institutions. According to the Ministry of Science and Education of the Republic of Latvia, the total amount of funding directed to science institutions (in total 42) in 2013 was 7.9 million LVL (approximately €13.4 million)\(^28\). So the average funding per institute in 2013 was €321,000 – that amount of money could cover at best the costs of one or two science expeditions conducted in the Arctic region. However, it should be noted it is not argued here that Latvia should switch resources from existing science projects towards the High North. The aim is to identify possible ways of involvement, taking into account the lack of resources.

First of all, there are several EU instruments that allocate funding for research projects conducted in the Arctic region. According to “Communication from the Commission to the European Parliament and the Council: The European Union and the Arctic” the EU via Community Framework Programmes (FP5 and FP6) has provided support to more than 50 polar-related projects, including DAMOCLES (Developing Arctic Modelling and Observing Capabilities for Long-term Environmental Studies), the largest contribution to the International Polar Year.\(^29\) The 2012 Communication claims that €200 million of EU money has gone to Arctic research since 2002. No Latvian scientific institutes have participated in research projects financially supported by the EU and related to the Arctic region. Second, the Arctic might not become a top Latvian research and science priority but it could give additional stimulus to some Latvian scientists and institutions. The Arctic could contribute to establishing interconnections between scientists of other countries. As is discussed in this publication, Germany and Poland have been very actively involved in scientific projects in the High North. Both countries are allocating a significant amount of money in order to stimulate scientists who are experts on issues related to the Arctic region. Therefore, here in Latvia an increased role should be played by official institutions like MFA and MEPRD first, providing information about EU financial instruments related to the research projects in the Arctic region and second, to indicate our willingness to co-operate on joint expeditions in the Arctic region within bilateral and multilateral frameworks.

**New shipping routes: possibilities or challenges for Latvia?**

By becoming more accessible, the Arctic Ocean will be increasingly used for the transportation of cargoes from Northern Europe to Asia; mainly China and Japan. The Northern Sea Route (NSR) is a shipping lane running along the Russian coast from Murmansk to the Bering Strait, the length of which is approximately 2,600 miles. It decreases shipping distance between, for instance Rotterdam and Yokohoma, more than 40 percent from the current distance (through the Suez Canal); from 11,200 nautical miles down to 6,500.\(^30\) Although the availability of the route is only four to six months, it is still treacherous which fuels concerns about spills and other accidents. The use of the NSR has been increasing every year. In 2010, just 10 ships were sent via that route, in 2011 the number was 41, while by mid-2013 the number increased to 232 ships.\(^31\) In Latvia, like elsewhere in the world, transport plays an


\(^{31}\) Philly.com, With Arctic ice melt, ships now ply the Northern Sea Route, http://
important role in the country’s economy and ensuring the availability of trade connections. In recent years transport has contributed to the GDP of Latvia by approximately 10 percent, while the industry employs about 9 percent of the population.\textsuperscript{32} It is of utmost importance for Latvia to make optimal use of its advantageous geographical position and already established sea routes and railway networks, in order to promote its economic growth. Here the NSR could be perceived both as an opportunity and challenge to Latvia’s transport policy. The amount of transshipped cargoes in Latvian ports during 2007-2013 has annually increased by 20.4 percent, reaching 75.19 million tonnes. Meanwhile, the amount of transshipped cargo in the ports of Tallinn and Klaipeda during the same period has decreased.\textsuperscript{33} Moreover, cargo transported by Latvian railway has increased by 10 percent, and generally shipped 60.6 million tons of cargo annually. At the same time through competing transit corridors in Lithuania and Estonia, the amount of transported cargo has decreased by 5 percent and 14 percent respectively.\textsuperscript{34} Picture Nr.1. illustrates existing and planned increases of transshipped and transported cargoes through Latvian ports and railway connections.

One of the main arguments in favour of the NSR is related to the potential window of opportunity to strengthen economic ties with Asian countries. The development of new routes in the North could stimulate exports and imports among Japan and China. In 2012, for instance, China was 28th on the list of Latvia’s main export destinations and 10th in the list of countries from which Latvia imports goods, while Japan was ranked accordingly as 33rd and 36th.\textsuperscript{35} Main export goods vis-à-vis China and Japan have been metals while the main import goods are technologies. Primary hindrances in the context of economic relations between China and Japan were the following two aspects: 1) the economic connection between Asian countries and Latvia has been “long”, in terms of distance and time, and 2) the price for transportation via railway, air, or sea routes through the Suez Canal have been very expensive.\textsuperscript{37} By becoming more available, the NSR in a long term perspective could contribute to diminishing both those aspects.

Second, the NSR could also give additional stimulus to the Rail Baltic project. Rail Baltica\textsuperscript{38} is the Trans-European railway, linking Helsinki – Tallinn – Riga – Kaunas – Warsaw and continuing on to Berlin. It is aiming to support the wider EU goals of parity of access to services and infrastructure of EU Member States, and the development of sustainable modes of transportation, improved balance and interoperability between different means of transportation, and the establishment of links with the rest of the EU rail network. Economic integration of the Baltic States and Poland, with Western Europe and Finland, can lead to growing trade and traffic. Well-furnished and sustainable transportation links therefore could promote economic growth and integration. While cross-sea ferry traffic in the Baltic Sea Region is growing fast, coast-parallel transport on rail is stagnating in contrast to rapidly growing road transport. There are no passenger railway services from Latvia to Central/Western Europe and Finland. Railway investments concentrate on East-West corridors and neglect the wanted integration within the widened EU. A more accessible Arctic could first, increase transportation of goods from the High North to Central Europe through the Baltic States, and second, it

\begin{itemize}
\item \textsuperscript{32} Transporta attīstības pamatnostādnes 2014. – 2022.gadam, available: http://ej.uz/or7u.
\item \textsuperscript{33} Transporta attīstības pamatnostādnes 2014. – 2022.gadam, available: http://ej.uz/or7u.
\item \textsuperscript{34} Transporta attīstības pamatnostādnes 2014. – 2022.gadam, available: http://ej.uz/or7u.
\item \textsuperscript{35} Latvijas un Ūn Tautas Republikas attiecības, http://www.mfa.gov.lv/lv/Ar
\item \textsuperscript{36} Latvijas un Ķīnas Tautas Republikas attiecības, http://www.mfa.gov.lv/lv/Ar
\item \textsuperscript{37} Interview with Zane Vargulie, representative of the Investment and Development Agency of Latvia.
\item \textsuperscript{38} http://www.rail-baltica.com/pub.
\end{itemize}


\textsuperscript{32} Transporta attīstības pamatnostādnes 2014. – 2022.gadam, available: http://ej.uz/or7u.
\textsuperscript{33} Transporta attīstības pamatnostādnes 2014. – 2022.gadam, available: http://ej.uz/or7u.
\textsuperscript{34} Transporta attīstības pamatnostādnes 2014. – 2022.gadam, available: http://ej.uz/or7u.
\textsuperscript{35} Latvijas un Ķīnas Tautas Republikas attiecības, http://www.mfa.gov.lv/lv/Ar
\textsuperscript{36} Latvijas un Ķīnas Tautas Republikas attiecības, http://www.mfa.gov.lv/lv/Ar
\textsuperscript{37} Interview with Zane Vargulie, representative of the Investment and Development Agency of Latvia.
\textsuperscript{38} http://www.rail-baltica.com/pub.
could facilitate travelling to the High North. It could also serve as a precondition to new tourism routes and business.

However, the NSR could also raise several challenges to established transport corridors involving Latvian ports and railway connections. Picture Nr. 2. illustrates existing and planned railway connections, sea transport corridors, and the line of the NSR with the main ports involved. The main ports of destination for the NSR in Central and Northern Europe are Rotterdam (Netherlands), Hammerfest (Norway), and Porvoo (Finland). These three ports have been used as main destinations several times during the last three years. For instance, Rotterdam has been chosen as the main destination of transit through the NSR once in 2011 and 2012, and three times in 2013. Not one vessel shipping through the NSR has ever stopped in any of the Baltic States ports. The closest port of destination within the NSR transit was in 2013, in Szczecin, Poland, when the vessel “Mikhail Dudin” (travelling 15 days from Vietnam to Poland) transported 150,000 tonnes of cargo to the port.

There are two main challenges related to the NSR from Latvia’s perspective. First, the infrastructure of Latvian ports have been underdeveloped. In most of the ports the depth of the water is insufficient and access roads and railways are inadequate. In other words, the existing infrastructure around Latvian ports cannot ensure the admission of big vessels carrying out large amount of cargo. Second, the need for using Latvian ports and railway connections that have been an important element in the Northern Distribution Network and Silk Road, could diminish in the long term perspective. Compared with sea transport, railways are more expensive and take a longer time.

Military activities in the Arctic – a reason for closer cooperation

The Arctic is not shielded from global dynamics in general, and political crises in particular. The crisis in Ukraine may potentially have profound direct and indirect effects on Arctic cooperation and development. The Arctic, for last few decades, has been a place for the great military and economic powers’ geopolitical interests. Among others, Russia has been one of the most active players in the region. Russia has officially set the goal of deploying a combined-arms force in the Arctic region including military, border, and coast guard units by 2020, to protect its political and economic interests in the Arctic and boost Russia’s military security. Deputy Prime Minister of Russia, Dmitry Rogozin’s strong statement that Russian oil and gas facilities in the Arctic could become the target of sabotage on the part of other countries, is another example of Russia’s interests in the region and tensions existing between countries, when there is a discussion on the agenda about the distribution of Arctic resources. Also Vladimir Putin has expressed his ambitions and plans in the Arctic region. In meetings with high Russian military representatives he has claimed the need for additional air and naval bases in Northern Russia. In 2001 Russia applied to the

---

42 Ibid.
Anders Fogh Rasmussen has officially announced there will be no major change in the alliance’s strategic position in the High North.\(^50\) Undoubtedly, Nordic States are one of the main international partners for Latvia. Therefore, it is of utmost importance if countries have a common military threat assessment.

**Latvia in the Arctic within multilateral frameworks**

The Baltic Sea Region today is one of the most dynamic in Europe, with high economic and political potential, the strategic significance of which has also been increased by the EU and NATO’s enlargement. Since regaining independence, Latvia has actively engaged not only in bilateral, but also multilateral cooperation in the region in such frameworks as, for example, the Baltic Assembly, the Baltic Council of Ministers, the Baltic and Nordic cooperation fora, the Council of the Baltic Sea States (CBSS), the Northern Dimension (ND), the Baltic Development Forum and E-Pine.\(^51\) Cooperation among the partners of the Baltic Sea Region is regarded as an important instrument in forging common EU Arctic policy. An approach of MFA towards the Arctic region in all multilateral frameworks has been based mainly on two pillars: 1) Latvia supports an active and coordinated EU involvement in the Arctic region, including deeper cooperation with the Arctic Council; and 2) the EU’s expertise should focus on the protection of the environment and sustainable usage of natural resources.\(^52\)

The main institutional body dealing with High North issues is the


\(^{49}\) Interview with Ginta Brūmane-Gromula, Head of the Defence Policy and Strategy Division of the Ministry of Defence of the Republic of Latvia, 13.01.2014.


\(^{52}\) Interview with Aivis Klavinskis, Third Secretary of Ministry of Foreign Affairs of the Republic of Latvia, 04.11.2013.
Arctic Council. Most sub-Arctic countries have been actively working on gaining observer status in the institution. The benefits of being an observer to the Arctic Council are primarily that observers have the possibility to follow the Arctic Council’s policy making. Observers are always invited to Senior Arctic Officials meetings and Ministerial and Council activities, however, their role is limited. Observers may participate in limited delegations and participate primarily as an audience during SAO, and ministerial meetings. Nevertheless, the aim of the MFA of Latvia is to strengthen the role of the EU in the Arctic Council. Although Latvia complies with all the principles set out in the Declaration on the Establishment of the Arctic Council, and is governed by the Arctic Council Rules of Procedure for admitting observers, Latvia has to “bring to the table something useful in order to become a permanent observer”.

One direction in the foreign policy of Latvia is promoting competitiveness of the Baltic Sea Region, which also includes support for the EU ND policy, through participation in producing and implementing the new ND political framework document. The ND Policy framework document stipulates the ND covers a broad geographic area which includes the European Arctic and sub-Arctic areas from Northwest Russia in the east, to Iceland and Greenland in the west. The ND Ministerial noted the untapped potential of the ND Arctic Window and instructed the Steering Group to consider further ways of addressing relevant Arctic issues in close cooperation with the Arctic Council and the Barents Euro-Arctic Council, in order to search for synergies without duplicating work within the mandate of these organisations. ND cooperation mainly takes place within partnerships. Their function has not been made uniform: a proposal for the ND Foreign Ministers’ decision on institutional arrangements for each partnership is drafted by a special ad hoc preparation group. Latvia has been involved in several ad hoc preparation groups. Three of Latvia’s universities (the University of Daugavpils, the University of Latvia, and Riga International School of Economics and Business Administration) have been members of Northern Dimension Institutes (NDI). NDI is an academic partner in the Northern Dimension (ND) structures. The main mission of NDI is to generate, gather, and disseminate Northern Dimension related information by organising workshops and conducting research relevant to the Northern Dimension, and producing tailor-made research for ND decision-makers. The active involvement of domestic universities within the NDI enables connections with academics and practitioners abroad: for academics it provides opportunities for interesting assignments on topical themes, and for practitioners it offers independent academic research and advice. Meanwhile, in 2010, the Latvian Transit Business Association has expressed interest in joining the NDBC Logistics Working Group.

Last but not least, in 2011 the Northern Dimension Environmental Partnership (NDEP) carried out an assessment of the environmental benefits of its current projects. It has been assessed the projects will result in the corporate development of clients e.g. utility companies, and will improve quality of life for the local population with cleaner water and improved district heating networks. NDEP has recognised the importance of waste-water treatment projects in Belarus which will result in significant cross-border benefits for Poland, Latvia, Lithuania, Russia and the whole of the Baltic Sea.

53 Interview with Sweden’s Ambassador to Latvia Henrik Landerholm, 24.03.2014.
Conclusions

Obviously, the ambitions and interests to obtain access to a larger segment of the “Arctic pie” has motivated most Arctic countries to be active, politically and institutionally. This has already demonstrated both the cooperative efforts, and conflicts, over perceived national interests and rights among adjacent countries in the region. The international competition has gone hand in hand with an increasing domestic awareness of Arcticness and societal expectations of efficient strategies by respective national governments. However, it is not only Arctic countries interested in the region. This case study of Latvia’s approach towards the Arctic has indicated that the military, economic, and political processes taking place in the region, influence not only the Arctic but also sub-Arctic countries.

Although Latvia lacks a comprehensive, official Arctic strategy, there are several stakeholders dealing with issues related to the High North, therefore increasing the awareness of Arcticness to the wider public. In recent years strong and deeper cooperation with Nordic countries has been one of Latvia’s main foreign policy directions. Most political parties in their official programmes and statements have emphasised that Nordic countries matter in the context of Latvia’s economy and security. Likewise, several NGOs and scientists have contributed to the discourse of the Arctic in Latvia. There are several scientists and even science institutions dealing with issues related to the High North. Some of them have prepared a comprehensive assessment on how the processes taking place in the Arctic region affect Latvia. At the same time, Latvia has been actively involved in various multilateral formats dealing with issues related to the High North. Within the frameworks of E-PINE, CBSS and ND, Latvia has been actively involved in order to defend its interests in the Arctic region. However, there is a challenge to exclude the overlapping of various country’s involvement in frameworks dealing with issues related to the Arctic. At the end of the day, Latvia should contribute to a strong and common EU policy towards the Arctic.

Another important format for enabling cooperation regarding the issues of the High North is CBSS. Latvia took over the presidency of the CBSS in 2007-2008. During its presidency Latvia proposed as its key priorities: a) co-operation on energy, b) education, and c) civil security matters. One of the main tasks of the Latvian presidency was to draw up a plan for a reform of the CBSS, enabling the organisation to add greater value in the development of the region. At the same time it was seen as necessary to redefine the organisation’s priorities and, possibly, to narrow the range of its functions, so that it would not be doubling up on the work of other regional and international institutions. Meanwhile, at the end of Latvia’s presidency, the Heads of Government of CBSS welcomed the continuation of regular coordinated meetings between the CBSS and the Arctic Council, the Barents Euro-Arctic Council and the Nordic Council of Ministers.

The Enhanced Partnership in Northern Europe (E-PINE) can also serve as a platform for deeper cooperation on ‘northern’ topics. The role of NB-8 is increasing in the global perspective. Since 2003, E-PINE has been active as a framework for consultations between NB-8 and the United States. The E-PINE format for meetings is put into practice through organising regular gatherings for 8+1 Foreign Ministry political directors and foreign policy experts who discuss topics of current regional and international importance. Latvia, at several meeting within the frameworks of E-PINE, has emphasised it highly values Nordic, Baltic and US cooperation in the e-PINE format which has proved itself successful, based on the shared values and principles of its member countries, and is essential for dealing with transatlantic challenges.

---


It has become clear that what happens in the High North doesn’t stay in the High North. It directly and indirectly affects countries far beyond the region. Taking into account recent developments with increased accessibility to the Arctic, influenced by ice-melting, Latvia could be affected positively (with opportunities) and negatively (by facing the challenges). Analysis on NSR and its impact on Latvia in this chapter have clearly illustrated how “close” the Arctic really is. The importance of Latvian ports and railway connections that currently contribute a significant amount of money to the country’s economy will be affected by new sea routes in the High North. In order to retain its transit positions in Eastern Europe, Latvia should adopt its infrastructure to take on new challenges.

However, the analysis of Latvia’s potential benefits from increased participation in the Arctic region has illustrated a too optimistic way of thinking and too high expectations. Energy and science have been commonly used (also in this publication) as strong arguments for a more active country involvement in the Arctic region. But energy and science require a significant amount of investments. Taking into account the priorities and aims of existing energy and science policies and strategies, the Arctic in the short and mid-term perspective won’t play a significant role. However, it does not exclude an active role played by Latvia’s official institutions providing information on EU funding, and facilitating an established cooperation within bilateral and multilateral frameworks.

As analysed, it becomes evident the Arctic region is not a closed system, but one big political theatre among others where a contemporary game among major powers is played out. The military activities in the Arctic region has intertwined the security of Nordic-Baltic countries. The perception of Russia’s military aims within the Nordic countries has been changed. Taking into account the lack of transparency and confidence building measures, Russia’s military activities and build-up in the High North raise tensions among Northern countries. It has been intensified in the context of the ongoing crises in Ukraine. Meanwhile, Latvia in close cooperation with its Allies and partners, have commonly assessed the implications to security.

At the end of the day, it seems the Arctic in a mid-term perspective still won’t play a significant role in Latvia’s foreign policy. Eastern partnership, neighbourhood policy, transatlantic links, and EU issues are likely to remain key foreign policy priorities for Latvia. Obviously, these questions at this point have a stronger impact on the country’s internal and external politics. However, taking into account the upcoming Latvian EU presidency, it is of utmost importance to develop a comprehensive policy towards the Arctic. Discussions on the Arctic within the EU are intensifying. Therefore, in 2015 during the Latvian presidency of the Council of EU, Latvia will have to make a concrete position about the Arctic in order to lead discussions at an EU level.
For the political scientist, the Arctic extends far to the south of the Arctic Circle, limited only by the ambitions of states to claim an Arctic role, as do China, France and the United Kingdom, to name a few. While the geographer’s Arctic is fixed, the political scientist’s Arctic is in a constant state of flux.¹

CONCLUSION: WHAT ROLE IS THERE FOR SUB-ARCTIC STATES IN THE ARCTIC’S FUTURE?

Toms Rostoks

This book, built upon the growing interest in the Arctic, has examined whether sub-Arctic states in Europe that do not belong to the small group of countries who have direct access to the Arctic Ocean, are becoming more interested in Arctic issues. In short, the answer is a resounding ‘yes’. However, the specifics of that answer merit further discussion, not least because that interest is contingent upon processes unravelling in the Arctic. Whether the sub-Arctic states will develop a lasting interest in the Arctic and become true stakeholders will depend upon complex interplay between politics, economics, climate change, and legal issues. The presence of the United States and Russia in this region is also a major factor because the Arctic may turn into great power competition and thus either exclude smaller players or make their participation dependent on choosing sides. As always, the Arctic is changing, and the future is indeterminate.

noticeable event took place in the summer of 2007 when the Arctic ice simply collapsed and lost about 25 percent of its area compared with the previous year. Although the Arctic ice recovered somewhat in 2008, it was a variation from a steady trend that has continued ever since. As a result, the ice-covered area of the Arctic Ocean in 2013 has decreased well below the 2007 level, not least because ice thickness has been on a steady decline. Another example involves both Arctic shipping routes – the Northwest Passage and the Northern Sea Route – for the first time in recorded history both were open simultaneously in 2008 (a situation that has repeated itself since then). In 2007, even before knowledge of the collapse of the Arctic ice became public, the Russian polar explorer Artur Chilingarov, a close associate of Russia’s President Vladimir Putin, made headlines around the world for planting a titanium flag on the seabed at the North Pole. These examples have sparked considerable interest in Arctic developments on the general public’s behalf. In short, the Arctic is no longer confined to academic discussions and publications (the number of which has grown). As melting of the Arctic ice sheets has become public knowledge, the Arctic is slowly talked into being through processes of disappearing ice, economic opportunities, and security competition. The titles (though not the substance) of academic publications have mirrored the sensational tone of public debate. Titles such as Roger Howard’s ‘The Arctic Gold Rush’, Alun Anderson’s ‘After the Ice’, David Fairhall’s ‘Cold Front’, and Michael Byers’ ‘Who Owns the Arctic’ largely reflect the contrary character of Arctic discourse. Although the above mentioned titles may lead one to think the Arctic is mostly about conflicts among major stakeholders, the main academic contribution of the authors has been to make clear that there is a lot more cooperation than usually assumed and conflict between Russia and its Northern neighbours is unlikely. Despite the provocative title of Roger Howard’s book, its main message is that ‘...the scenario of brutal, bitter and bloody con-

The Arctic is what states make of it

The early 21st century has witnessed a steadily increasing interest in the Arctic, both on the part of academic community and general public because the processes currently under way in the region touch upon the very essence of international relations – conflict and cooperation. Even as sub-Arctic actors are vying to become stakeholders, they fear that competition in the High North may evolve into a military stand off yet, they are hopeful that cooperation will prevail over conflict. In practical terms, the main drivers of the increased interest in the Arctic are clear. The interest is mainly caused by the pernicious effects of climate change, and the High North has become a laboratory for those willing to record and publicize warming temperatures and shrinking ice. Several landmark events have fuelled the already simmering interest. One

---

2 The title of this chapter paraphrases the title of Alexander Wendt’s famous article “Anarchy Is What States Make of It” which was published in International Organization 46:2, 1992. Although this chapter does not apply the constructivist approach to international politics, it nevertheless adopts the idea that states live in the world of their making and that the Arctic is a ‘project’ under construction. Thus, the future is indeterminate.

frontation waged between rival international powers that are desperate to acquire the world’s diminishing supply of natural resources...is even less likely to happen in the Arctic than elsewhere.⁴ Alun Anderson, whose work documents the rapidly changing Arctic environment, sees greater danger with littoral states being unable to provide enough government and rule-based order than a too excessive political involvement.⁵ Government presence in the Arctic is expensive (e.g. ice-breakers),⁶ and long distances plus a harsh climate make some cooperation almost mandatory.

There is cooperation and conflict on display among Arctic powers. Marlene Laruelle comments on Russia’s Arctic policy that ‘Arctic policy is plural’. There is not one, but several policies that have both contradictory and congruent elements. Thus, Russia may take part in international military exercises together with Norwegian forces, but it can also pronounce bellicose statements aimed at Canada’s assertiveness in the Arctic. Also, it makes sense to talk about not one, but several Russian Arctic regions because Russia’s Arctic is not a uniform territorial entity.⁷ Competition and disagreement is not confined to ‘Russia against the rest of the Arctic countries’, as there are rifts between Canada and the United States regarding the maritime border. Also, both countries are in disagreement on the issue whether the Northwest Passage is internal waters (Canada’s claim) or international straits (in position of the United States).⁸ There is another dispute between Canada and Denmark (Greenland) which involves the tiny Hans Island. Few expect these disagreements would ever spiral out of control, but the very fact that not all maritime borders have been settled creates room for speculations about imminent conflict in the Arctic. Perceptions matter, especially in the Arctic where perceptions shape reality no less than reality shapes perceptions.

The view that relations between major stakeholders will involve both conflict and cooperation has also been expressed by Charles Emmerson who argued that in the future, the Arctic is likely to become a battleground that will be fought over ‘not just by states, but by different economic and political interests which are jostling for their part of the Arctic future, trying either to develop its economic potential or to protect its environment. A battleground does not mean war, but it does mean conflict and competition: political, economic, cultural and diplomatic.’⁹ David Fairhall voices a similar opinion, and suggests that ‘expensively suited

---

⁴ Howard, R. The Arctic Gold Rush. The New Race for Tomorrow’s Resources. Continuum, 2009. p. 10. The author mentions, however, that despite the fact that great power conflict over Arctic resources is unlikely, ‘there are other dangers that soon could become very real’. p 10.

⁵ ‘The worst prospect is that the Arctic may simply outrun any attempt to govern it’. Anderson, A. After the Ice. Life, Death, and Geopolitics in the New Arctic. Smithsonian Books, 2009. p. 121.

⁶ Although interest in the Arctic has been on the increase since early 21st century, several Arctic powers such as Russia and Canada are facing a shortage of ice-breaking capability. For example, most of Russia’s nuclear ice-breakers will have to retire by 2020, and there may arise a gap in ice-breaking capability as new ice-breakers cannot be built quickly enough to replace the old ice-breaker fleet.

⁷ Laruelle, M. Russia’s Arctic Strategies and the Future of the Far North. M.E. Sharpe, 2013. p. 6. For an in-depth discussion on Russia’s four Arctic regions and their likely futures see the ‘Conclusion’ part in M.Laruelle’s book on Russia’s Arctic strategies.

---

⁸ This issue has been addressed in great detail by Michael Byers. At the moment, regular commercial use of the Northwest Passage is still a distant possibility because melting of the sea ice has been mostly confined to the Russian side of the Arctic. The Canadian part of the Arctic is melting at a slower rate therefore it is hard to back up the claim that the Northwest Passage is an international strait, but with further melting of the Arctic ice and more extensive sea traffic Canada’s position may be more difficult to uphold. Byers, M. Who Owns the Arctic? Understanding Sovereignty in the North. Douglas & McIntyre, 2009.

⁹ C. Emmerson, does not exclude the opposite possibility altogether. According to him, the Arctic can become ‘a zone of global cooperation, a focus for scientific research and global environmental stewardship’. However, he argues that this is unlikely to happen. Emmerson, C. The Future History of the Arctic. Vintage Books, 2011. p. 344.
wards the Arctic environment that prevailed in Soviet Union times is a matter of the past, Russia still has to live up to the expectations of other Arctic stakeholders. In this respect, Russia partnering with, for example, Norwegian companies who have considerable experience in hydrocarbon extraction under extreme weather conditions would be a welcome trend because it would to some extent alleviate environmental concerns and serve as a signal of Russia’s cooperative attitudes when it comes to the High North.

Arctic governance is also a matter of concern. While the Arctic powers that be have expressed a shared determination to settle territorial disagreements with the help of UN mechanisms, there are concerns about Arctic governance in general. Calls to establish a separate international agreement on Arctic governance are likely to fall on deaf ears, but there are legitimate concerns whether the existing multilateral framework, most notably the Arctic Council, is well-suited to deal with rapid changes in the Arctic. Stratfor analysts have noted the growing importance of the Arctic Council, but have also expressed concerns that this regional forum has mainly focused on environmental issues and research. Thus, currently, it does not offer possibilities for having a serious discussion on military issues, Arctic shipping, and natural resource extraction. Stratfor analysts are hardly alone in their concerns over the Arctic Council’s ability to serve as a forum for discussing hard security issues. Marlene Laruelle has also noted that there is ‘absence of Arctic institutions to deal with strategic issues, inasmuch as the Arctic Council expressly prohibits its debate on military questions’. With Arctic powers trying to project military capabilities into the rapidly opening Arctic, questions related to

Although military conflict in the High North is unlikely, there is little doubt the challenges that Arctic powers face are enormous. Adjusting to new realities brought by climate change is no small task. Of paramount importance is to make sure Arctic mineral and hydrocarbon riches are extracted in the most responsible way, causing as little damage to the fragile Arctic environment as possible. Alun Anderson singles out Norway as the most responsible actor in this respect, while concerns have been voiced over Russia’s approach. Although the careless attitude to

---


12 For a recent discussion on the ‘heating up’ of relations among the Arctic powers see Scott Borgerson’s article in Foreign Affairs July, August, 2013 issue. He argues that the positions of Arctic powers have softened since the ‘titanium flag incident’ in 2007 and that countries have decided to settle their differences peacefully. Borgerson, S. The Coming Arctic Boom. Foreign Affairs, July/August, 2013.


---

14 The number of countries who have applied to become permanent observers at the Arctic Council has steadily increased.


military security will not go away. A busier Arctic in terms of economic and military activities requires better governance. Difficult questions remain: whether the present regional governance structures can provide the institutional framework for improved governance and whether the involved stakeholders are able to remain in the cooperative mood in the long run. With Russia and the United States being members of the Arctic Council and having clashing interests with regard to a number of issues, for example both countries are in disagreement over how to deal with Syria and Ukraine, it is easy to envisage a future in which non-Arctic issues would cast a long shadow over Arctic cooperation. Fencing Arctic cooperation off from the clashing interests of great powers with regard to non-Arctic issues would be quite a challenge.

In essence, more cooperation among the Arctic stakeholders is necessary if the Arctic is to be made safe for future economic activities. Making the Arctic a safe place for tourism and resource extraction efforts is of key importance because the dearth of search and rescue facilities, combined with a harsh and sometimes unpredictable environment, creates preconditions for maritime accidents. As David Fairhall notes, ‘there are two accidents waiting to happen – a major offshore oil spill and a serious emergency involving a passenger ship’.

Any of these would either expose the fragility of the Arctic environment, thus hampering the long-term prospects of hydrocarbon extraction, or result in death of a number of (mostly elderly) passengers of the involved cruise ship. Arctic powers are aware of these problems, but addressing them would require going beyond the current effort level. Taking into account harsh weather conditions and long distances, making the Arctic safe for commercial shipping and other economic activities would be a truly herculean effort.

Above all, even when it comes to opening shipping opportunities, and hydrocarbon and mineral extraction, the Arctic future is far from clear. In a globalized world, developments in the Arctic are likely to be conditioned by events everywhere else. Interdependence is a rule, not an exception. Treating current trends as a certainty would be a grave mistake. Access to Arctic resources, while in many cases technically feasible, largely depends on fluctuations in oil and gas prices. Unexpected environmental emergencies may result in the adoption of stricter rules for hydrocarbon extraction. The same logic applies to use of the Northern Sea Route (NSR). It is likely that with Arctic ice retreating, commercial shipping along the NSR will increase. However, it is likely that the increase will be gradual. On paper, savings due to shorter distance for goods being

---


18 The Arctic environment is ill-suited for absorbing major offshore oil spills. Daniel Yergin has written about the accident that happened on 20 April 2010 at the Deepwater Horizon drilling platform in the Gulf of Mexico, owned by British Petroleum. It only became possible to stop the Macondo well from leaking 88 days after the accident, and the initial damage to the environment was enormous with around 45,000 people involved in the clean-up campaign. However, it soon became clear that the actual damage to the environment was less than initially expected. The reason for that was that ‘The sea itself provided a major solution. The natural seepage of oil from fissures in the bottom of the Gulf – estimated to be as much as a million barrels of oil a year – combined with the warm waters, had nurtured microbes known as hydrocarbonolostic, whose specialty is feasting on oil. For them, Macondo oil was an unexpected bonanza, and they went to work on it. As a result, the oil biodegraded and disappeared much faster than had been expected.’ There is, however, little denying that this accident was a major environmental emergency with far-reaching negative environmental consequences. Yergin, D. The Quest. Energy, Security, and the Remaking of the Modern World. Penguin Books, 2011. pp. 248-252. Citation from page 252. Had such an accident happened in the Arctic, it would have been much more difficult to contain the accident, and its consequences would have lasted much longer because the Arctic environment lacks the natural ability to absorb such accidents. 

19 The debate over economic feasibility of Arctic resource extraction and related environmental concerns has been addressed by Alun Anderson. See chapter 12 in Anderson, A. After the Ice. Life, Death, and Geopolitics in the New Arctic. Smithsonian Books, 2009.
 shipped between Europe and East Asia are clear. The practical difficulties associated with its use are formidable though. Harsh and unpredictable weather, shallow seas, the presence of sea ice, expensive insurance, a shortage of search and rescue facilities, the costs of chartering Russian icebreakers are just a few difficulties to mention. Not to be forgotten, the NSR is a seasonal route. Thus, it is likely that the NSR will mostly be used for domestic purposes by the Russian government and companies. When the above mentioned obstacles to Arctic shipping are taken into account, instability in the Middle East and piracy along the coast of Somalia no longer look like a factor in favour of the NSR. It may well be the case that in the year 2100, due to a warmer climate and better technology, ice-strengthened ships will use the Transpolar Sea Route across the Arctic Ocean, but it is much less likely that the NSR will become a viable alternative to current shipping routes linking Europe and Asia, by 2020 or even 2030. Time is still an important factor, and the Arctic is not going to change overnight. Major change may require decades, and there might also be factors that will not change at all.

The sub-Arctic stakeholders

While practical difficulties related to resource extraction and shipping may be quite evident to Arctic powers, for sub-Arctic actors these factors are not always obvious. For sub-Arctic actors, the Arctic is as much about formulating their interests vis-à-vis this region as it is about learning about it. This volume has used the concept of ‘Arcticness’ in order to denote a trend that sub-Arctic actors are developing a coherent set of interests with the Arctic and are becoming aware about the processes unfolding in this region. Arcticness means that governments, various interest groups, and societies at large are becoming aware of the Arctic to a much greater extent. Climate change (the key permissive factor) and economic interests are the main drivers of this process, but Arcticness also includes other notions such as science, research, culture, and issues related to indigenous peoples. In short, Arcticness is a dynamic concept which conveys the message that sub-Arctic actors are becoming Arctic stakeholders with real rather than imagined stakes.

What do chapters on Finland, Iceland, Germany, Poland, Lithuania and Latvia in this volume say about the approaches of these countries toward the Arctic? In general, the Arctic is becoming increasingly important for all countries surveyed in this book. For Finland, Iceland and Germany, the Arctic is crucial, but it is less so for Poland, Lithuania and Latvia. Despite obvious dissimilarities between the countries included in this study, the trend is clear – importance of the Arctic is on the increase for all six countries involved. Beyond this, their policies towards the Arctic (in some cases, the seeming absence of them) are heavily influenced by their geographical location and size. The six countries included in this study can be divided into three groups, with Finland and Iceland forming the first, Germany and Poland being in the second, and Lithuania and Latvia belonging to the third group of countries that have until now hardly begun to formulate their positions on the High North.

In the first group, the Arctic policies of Finland and Iceland are detailed and are in themselves clear statements of interest. Finnish and Icelandic Arctic policies are supported by tangible interests in science, business, and a non-governmental sector which makes them firmly grounded and ensures that the High North remains high on government agenda. Moreover, the Arctic is part of their identity for both states, and this is reflected in public discourse. Their “northerliness” stems not only from their location in northern Europe, but also from their affiliation with the High North. Although Finland has only recently formulated its Arctic strategy, Lassi Heininen writes that Finland has had a de facto Arctic policy for decades. Finland is also an integral part of the Arctic institutional set up due to its membership in the Barents Euro-Arctic Council (BEAC) and Northern Dimension policy. Despite not having a direct access to the Arctic Ocean, Finland is a natural Arctic actor because of

---

its climate, geographic conditions, indigenous population, and economic interests, most notably in Arctic shipping. With Russia renewing its commercial fleet, Finnish shipbuilding companies are well-positioned to gain from intensifying economic activities in the High North.

Iceland’s fortunes in the early 21st century have waxed and waned, and this has been reflected in its Arctic policy. Although Iceland formulated its Arctic policy only recently, it can be regarded as a natural Arctic actor due to its location, climate, ties with Greenland, and hopeful expectations regarding economic development prospects. The recent painful experience of economic crisis only adds further justification for being interested in Arctic economic development. Alyson Bailes, Magret Cela, Katla Kjartansdottir and Kristinn Schram write that Iceland can be regarded as an Arctic or sub-Arctic actor depending on the context. However, its activities within the Arctic Council and contribution to Arctic research make it a natural actor in the High North. Despite its small size population-wise, Iceland’s strategic location is an important asset, attracting considerable interest from sub-Arctic actors, most notably, China, who are in themselves interested in becoming Arctic stakeholders.21 The question remains, however, whether Iceland as a small country will have the capacity to pursue its interests in the rapidly melting Arctic and how its interests will be defined.

Germany and Poland fall within the second group of countries. Both are large European (and sub-Arctic) countries that, due to their sheer size and location in northern Europe, are bound to have interests with regard to the High North. Stefan Steinicke elucidates that German interest in the Arctic has evolved over time from a strong tradition of Polar research (with, for example, the Alfred Wegener Institute having an annual budget exceeding €100 million) to encompassing a more recent, but equally strong element of economic interest. Recent years have witnessed considerable increase in Arctic activism on the part of the German government. Stefan Steinicke writes that German political engagement in Arctic affairs in the early years after Germany was granted the status of a permanent observer in 1998 was rather modest, but this has changed recently. While focus on climate change and Polar science is bound to remain as Germany’s key aims, its economic interests in Arctic hydrocarbons and shipping is going to become one of the major driving forces behind Germany’s Arctic policy. Not to be forgotten is German industries whose interests mainly lie with providing sophisticated equipment for Arctic operations of shipping, and resource extraction companies.

While Poland’s interests in the High North are less comprehensive, perhaps surprisingly, they have accumulated considerable Arctic science expertise. Piotr Kosciński, Wojciech Lorenz, and Lidia Puka write that Poland’s scientific interests and activities are more substantial than its economic interests, thus providing credibility to Poland’s claims to be seen as one of the Arctic stakeholders. It is also noteworthy that Poland has already benefited from using the NSR when the first ship with cargo from China arrived in Polish port of Swinoujscie in late 2012. However, Polish industry (with few exceptions) has not this far been successful in operating in the Arctic. There is interest, but oil and gas companies have not operated beyond the Norwegian Continental Shelf. Moreover, both in Poland and Germany, the Arctic is virtually non-existent in public discourse. This is a major difference from Finland and Iceland because in both Nordic states Arcticness is part of public discussion, while Polish and German Arctic policies are not firmly grounded in lasting public interest in the High North.

The third group includes Lithuania and Latvia. Both countries have neither developed consistent policies toward the Arctic, nor have they important scientific, business, or non-governmental interests in the High North. Thus, Mindaugas Jurkynas and Mārtiņš Vargulis who wrote chapters on Lithuania and Latvia for this volume faced a difficult task of writing about something that barely exists. There is little doubt that Lithuania and Latvia are part of northern Europe, as Latvia’s and Lithuania’s affiliation with the Nordic states through the NB8 format indicates, but it seems that ‘northern Europe’ and ‘High North’ are nevertheless

---

21 In addition to Bailes et al chapter in this volume see also chapter 13 in Emmerison, C. The Future History of the Arctic. Vintage Books, 2011.
two rather distant geographical realms. To be an Arctic stakeholder requires those interested to be either situated in the High North or to have substantial interests in that region. Latvia and Lithuania fulfil neither of the two requirements. Presence in the Arctic is expensive. Costs associated with being present in the Arctic whether in the form of science or extractive industries can be prohibitively high for smaller sub-Arctic stakeholders.

There are, however, signs that at least a vague notion of Arctic awareness is forming in the Baltics (the Lithuanian chapter to some extent addresses the elements of Arctic awareness also in Latvia and Estonia). Some Arctic expertise has been developed by the International Centre for Defence Studies (ICDS) in Estonia. As Mindaugas Jurkynas notes, the Arctic has attracted some scholarly attention in Lithuania, but is noticeably absent from Lithuanian foreign policy. For the first time in 2014 the Arctic has been mentioned in a key Latvian foreign policy planning document. Thus, the notion of Arcticness in Latvian and Lithuanian foreign policies is going to evolve from almost non-existent to barely existing. This does not however mean that processes currently under way in the High North are unlikely to have an impact on Baltic States. The gradual emergence of the NSR may have an impact on prospects of reviving the old Silk Road. The Baltic States are interested in strengthening the railway connection with countries in Central Asia with a prospect of receiving cargo from China. The NSR and the Silk Road are two competing alternatives in this context. Security of the Baltic States is likely to be affected if military security competition in the High North intensifies.

22 The ICDS Background paper written by Oliver addresses not only current development in the Arctic, but also Estonia’s existing and potential interests with regard to this region. Moru, O. Overview of the Arctic. ICDS, 2013.


The Baltic States may become involved with Arctic issues through their NATO and EU membership. This far, there has been resistance with regard to an increased NATO presence in the Arctic, while on the contrary the EU has made clear its ambition to become more involved in the work of the Arctic Council. Until now, the EU’s attempts to become a permanent observer at the Arctic Council have been rebuffed by a number of actors (e.g. Canada and indigenous peoples’ representatives) citing lack of sensitivity in the EU’s approach to certain Arctic issues, but this may change if the EU manages to prove that it has a positive role to play in the High North. EU membership is certainly a factor that contributes to all Baltic States’ interest towards the Arctic. In short, there are numerous interdependencies between the Arctic and the Baltic States, and the realization of these links may result in the Baltic States developing niche interests in the Arctic.

While small sub-Arctic EU member states such as Latvia and Lithuania have not yet fashioned their own distinct approaches towards the Arctic, the EU’s Arctic policy is already up and running. The EU’s involvement with Arctic issues dates back to the accession of Sweden and Finland in 1995. However, Arctic conditions were then largely discussed in the context of widely dispersed population, large distances, higher energy consumption, and less favourable conditions for agriculture. Also, the Northern Dimension initiative which was launched in 1999 did not contain a significant Arctic component. As a consequence, Arctic issues were placed on the EU agenda later, at about the same time when most Arctic and northern European countries began to develop their own Arctic strategies. As Steffen Weber notes in this volume, all major EU institutions have discussed Arctic issues in one way or another over past years, and the trend is that the EU approach towards the Arctic is becoming more comprehensive and detailed. It is also becoming less focused on issues of Arctic governance which initially was seen as one of the reasons why the EU was not granted the status of permanent observer at the Arctic Council. In many aspects the EU’s interest in the Arctic is self-evident because there are multiple interdependencies between the High North and the EU. One should also not overlook the fact...
that the EU is already present in the Arctic region through sustainable development support programmes and funding for Arctic research. Developing a coherent Arctic policy can be seen as a possibility for streamlining existing activities and making them more focused. It is likely the EU’s involvement with Arctic issues will grow over time irrespective of whether it will be granted permanent observer status at the Arctic Council or not.

There are, however, three issues that may affect the EU’s Arctic involvement. First, policy coherence is a big challenge in the case of Arctic policy. Steffen Weber writes that coherence is an in-built problem of EU foreign policy. Chances are high there will be a lack of vertical (between member states and EU institutions) and horizontal (between EU institutions) policy coherence. This may result in uncoordinated actions, implementation problems, and missed opportunities. The EU risks not being able to speak with one voice in multilateral fora, and in relations with non-EU actors. There are obvious benefits from coordinating national Arctic policies of EU member states and being able to speak with one voice, but this may turn out to be too ambitious a goal.

Second, the EU’s Arctic agenda is hardly unique because it draws attention to the same set of issues present in national Arctic strategies of governments, but there is one important difference. Difficulties related to formulating a common policy may result in the EU emphasizing less controversial issues such as climate change, research, and indigenous populations, over more controversial themes such as shipping, extraction, and economic development. Policy-making among the 28 member states is susceptible to seeing the lowest common denominator be a frequent outcome. Although this can be seen as a weakness, it can also be interpreted as a possibility for moulding a more focused policy. Third, the EU is a global actor whether it wants to be or not. Thus, the EU’s ability to shape productive relations with Russia in regard to Arctic issues is likely to be affected by a larger frame of EU-Russia relations, of which the Arctic is but one minor element. Although the Arctic can be considered “low politics”, shielding it from worsening relations in the context of events in Ukraine/Crimea may turn out to be too difficult.

After having provided a brief summary of sub-Arctic actors’ interests in the Arctic, it is necessary to answer the question whether the ‘race to the Arctic’ is mainly caused by immaterial interests (science and research), security (threats of military confrontation in the Arctic) or economic interests (shipping, tourism, oil and gas, and mineral extraction). The initial assumption behind this project was that growing interest with regard to the Arctic was mainly caused by economic motivations because of the receding and thinning Arctic ice. Somewhat surprisingly, the picture that emerges from this project is a lot more balanced. This volume confirms a large part of the Arctic drive is motivated by economic interests, and this is hardly surprising. But equally important are those drivers that pertain to science and research. There are several reasons why science and research are important. First, climate change can be most clearly observed in the Arctic, therefore this will be the place closely watched in order to identify the pace of change. Science and research are going to be an integral part of the future Arctic. Second, climate change is changing the Arctic environment. There are concerns regarding the survival of Arctic species and their ability to adapt to a changing environment will be under close inspection. Fourth, current research efforts, most notably in Svalbard, will be carried on not only because of scientific added value but also because Arctic collaboration in science and research is a tangible proof of international cooperation. Fifth, increased economic activities in the Arctic will require better equipment and technologies. The melting Arctic is a metaphor rather than an accurate description of reality. On average the Arctic is losing ice at an alarming speed, but the climate during the winter season is still harsh therefore a large scientific effort will be needed to equip Arctic-related commerce. This research project confirms that for Iceland, Finland, Germany, and Poland, science and research is a major factor in their Arctic policies. Lithuania and Latvia are exceptions largely due to their small size and limited government investment in science and research.
This research project also indicates that traditional security concerns are not the main driving force for the six surveyed sub-Arctic countries. It does not mean, however, that security is not discussed at all. There is little doubt that military security is an important part of calculations on the part of littoral states of the Arctic Ocean, although there is disagreement as to what kind of military presence is necessary and which tasks should be performed by what specific government agencies. The evidence from the six countries included in this volume indicates they are somewhat concerned about possible excessive re-militarization of the Arctic, but do not intend to actively contribute to this process. Increasing militarization of the Arctic, if it takes place, is most likely to come as a result of a great power conflict where the Arctic is but just one small aspect of a deteriorating international security environment.

But what about a larger hypothetical question: is the opening of the Arctic going to lead to the increase in the importance of northern regions generally? Climate change is a double-edged sword likely to make some areas more hospitable while others may become less suitable for human life. In other words, with climate change civilization may move northwards. Laurence Smith thinks this is what may await us in the future. The argument he makes is that "the northern quarter of our world's latitudes will undergo tremendous transformation over the course of this century, making them a place of increased human activity, higher strategic value, and greater economic importance than today". Such a scenario is within the realm of possibilities, although political obstacles to a civilization move northwards are formidable.

The Arctic is going to become more accessible over time. It is likely the Arctic will be virtually ice-free by mid-century. Climate change shows no signs of abatement, and increased CO2 emissions will bring even warmer temperatures. If northern parts of Europe, Asia, and America are going to become more hospitable in terms of climate, then it is quite likely that areas around the equator are going to become less hospitable for humans. It has to be noted though that climate change


is just one factor allowing humans to have easier access to the Arctic region. There are other factors that may provide strong impetus for a civilization move northwards, and these are population growth, increasing need for natural resources, and globalization. The process will be accompanied by better technologies. This civilization move does not necessarily mean that around mid-century northern parts of Canada, the United States, and Russia will be densely populated powerhouses of economic growth. So is Greenland's population unlikely to multiply. It is, however, quite within the realm of possibilities to envisage that a much busier Arctic will emerge over the course of this century. And this 'new' Arctic is going to be increasingly tied with sub-Arctic actors, including the countries whose approaches towards the Arctic region were examined in this volume.

ANNEX: CARTOGRAPHIC MATERIAL

Editors’ note: this annex contains maps offered by the author in order to make comparisons easier.
Current and planned amount of flows of cargos in Latvia


Northern Sea Route
