

UACES Conference Bruges, 6-8 September 2010

Panel on EU-Russian Bilateral Relations:

An EU Arctic Policy?

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Abstract

During the last five years a number of states, including Russia and the US, have developed Arctic strategies partly in response to the growing environmental and resource importance of the Arctic region. The area has also been one of increased security interest, especially after a Russian submarine was used to plant a Russian flag at the North Pole.

In 2007, the Commission's Integrated Maritime strategy referred at the Arctic, as did the High Representative & Commission policy paper on Climate Change & International Security which recommended an EU Arctic Policy. After a European Parliament debate on the subject, the Commission issued a Communication on the EU and the Arctic region at the end of 2008, and in December 2009 the Council agreed a conclusion on the Arctic issue.

This paper examines EU activity in this area and asks the question: why has the EU got involved in the Arctic? The analysis will be undertaken using EU documents and material from interviews. It will also examine what issues are now faced by this policy, examining implications for EU-Russian relations.

Outline of paper

- Introduction: What is the Arctic? The Arctic as a Policy Area: some history
- Current Issues in the Arctic region
- The EU's first involvement
- The European Parliament gets engaged
- The Commission Paper and after
- Why an EU Policy?
- Where to next? An area of conflict or cooperation with Russia?

Introduction

This paper will examine the development of the European Union's interest in the Arctic region. In particular, it will place it in the context of the wider picture of what has happened in that part of the world and the interest of other states, especially Russia, in the Arctic. First, the geography and history of the region should be mentioned to set the scene for EU interest and involvement.

What is the Arctic? This is by no means a question with an obvious answer. Indeed it is more problematic than 'what is Europe?' the Arctic can be understood in ideational terms, in which case it is very much what states make of it: how do they define the Arctic? Some states have, in these terms, re-defined it to suit their own purposes, so the Norwegian government now talks about the 'High North'.

In more objective terms, the Arctic can again have several definitions. The area above the Arctic Circle is one, but this is very much a 'man-made' line. Others refer more to the flora or to the climate, and it is this latter factor that is often seen as the most sensible. So a common definition is the area around the North Pole where the average temperature for warmest month is below 10°C. Of course, this may change over time. This isotherm is quite varied around the Arctic Circle and also a distinction may be made between the High Arctic and Low Arctic (see Figure on PowerPoint).

The Arctic is also an area of some historic interest. In terms of human activity, it was one of the regions of the world that was claimed and settled most recently, though aboriginal settlements have been present in some Arctic territories for hundreds, if not thousands, of years. More recent history has seen the area as one divided by the Cold War, of importance for the navies, submarines, air forces, missiles and surveillance of both NATO and the Warsaw Pact. It was only with Mr Gorbachev's Murmansk Initiative of October 1987 that a more cooperative streak started to show in East-West relations in the Arctic region, and this was mainly limited to functional areas such as research (Scrivener 1989). Concerning resources, the main interest in the Arctic until the 1970s was hunting and fishing, with some mineral deposits, but the emphasis changed from the 1970s to the hunt for oil and gas. Exploitation in the region was mainly onshore. Until the 1980s, environmental concerns were those of acid rain and the thinning of the ozone layer, with the effects of nuclear testing and nuclear power stations making a showing. Later the main concern shifted to that of the melting of the arctic ice-cap and aspects of global warming. Jurisdictional issues arose from the extension of maritime and fisheries zones in the 1970s and the subsequent UN Conference on the Law of the Sea (UNCLOS) provided a framework for settling disputes in maritime areas. However, the Arctic contained a number of contested areas, ranging from the issue of the straits between the US and Canada, through the status of waters off Svalbard to the division of the Barents Sea.

Current Issues in the Arctic

The issues that trouble the present-day Arctic to some extent are a continuation of those seen up to the end of the Cold war but also reflect new concerns.

Security issues include some of the leftovers from the Cold War. On the one hand there is the revival of the Russian Northern Fleet which can be seen as a hard security issue, though the extent that it offers a threat is a matter of dispute. Norwegian

ministers do not classify it as a ‘threat’ as such but more a matter of concern.¹ There are also ‘softer security’ issues such as the environmental threat that has been posed the decaying remains of old Soviet nuclear submarines, as well as new concerns arising from the increased utilization of the Arctic for mineral extraction, transport and for tourism. Resource exploitation—of fisheries and oil and gas as well as other minerals—has become an important issue in all the Arctic states, and some rather ambiguous statistics have been used to advertise the importance of the Arctic for oil and gas resources.²

Environmental concerns link security and resources in the Arctic. External elements—global warming in particular—will have effects on the Arctic region which in turn will have consequences outside the region (ACIA, 2004). The greater use of the Arctic region by humans can also have a detrimental effect on the Arctic environment and, in particular, can disturb the life-style of indigenous peoples.

The Arctic region is also the site of a number of jurisdictional disputes. There is the general debate about the extent to which the Arctic states may claim the sea-bed north to the North Pole, and there are specific disputes, mainly bilateral ones, about either borders or navigational rights (see International Boundaries Research Unit 2008).

However, the Arctic region is not a tangle of security problems, jurisdictional disputes, environmental degradation and a scramble for resources. Indeed much of the area is well within the sovereignty and control of the Arctic littoral states. Most of the resources, real or presumed, are within national frontiers and the disputes are few and not exactly conflictual. Indeed, the agreement between Russia and Norway over the division of the Barents Sea in April 2010 solved a long-standing dispute at a stroke (Støre and Lavrov 2010). Furthermore, the region is well served by international

¹ The Norwegian Minister of Defence, Grete Faremo (2010) described the situation thus: ‘we see – from our position in the orchestra stalls as it were – that Russia has resumed its military activities in areas adjacent to our borders. Even though we may not see this as a threat directed towards Norway, we have to follow developments closely. Norway’s situation from a security policy standpoint is affected to a large degree by developments in Russia.’

² See Støre (2010) who said that ‘It has been estimated that about 13% of the world’s undiscovered oil resources and 30% of the gas resources could be located in the Arctic.’ See section on ‘Why an Arctic policy?’ below.

institutions ranging from those representing the indigenous peoples (Inuit Circumpolar Council, ICC), scientific effort (International Arctic Scientific Committee, IASC), environmental activity (the Arctic Environmental Strategy, AEPS), and non-security Arctic issues generally (the Arctic Council, AC). The Arctic seas are covered by the UN Convention on the Law of the Sea of which all Arctic states, except the US, are signatories and to the tenets of which the US government subscribes. There is certainly the basis for international governance in the region.

This being the case, is the Arctic an area where Russia and the EU can make common cause or is it a potential area of conflict and competition between the two? After all, the EU has three member states sitting at the AC's table (Denmark, Finland and Sweden) together with the Russian Federation, and its maritime policy covers a number of issues in the Arctic seas—fisheries, transport, environment, search and rescue. Yet Russia has scarcely been welcoming when it has come to an enhanced EU presence in the AC.

Before examining these questions, this paper will examine the rise of an EU interest in the Arctic region and will ask what has fueled this involvement.

The European Union's involvement in the Arctic

The EU's first involvement with the Arctic was through the Northern Dimension (ND). This policy, introduced in the 1990s, was primarily one of dealing with practical relations between Russia and members and candidate members in the Baltic Sea area and, to a lesser extent, the Barents region. Partly as a response to Danish prompting on behalf of Greenland, the ND developed an Arctic Window in 2002 (Borg 2008), though it must be said that this has not really been an active part of the ND which in itself is a low-key policy area (Archer & Etzold 2010, 339-40).

The next EU mention of the Arctic was in the Commission's 2007 Integrated Maritime Strategy where the Arctic Ocean was placed in the context of global

warming. This also promised a Commission paper on strategic issues relating to the Arctic Ocean for 2008 (Commission of the European Communities 2007: 13). This was followed in March 2008 by the EU's High Representative and Commission policy paper on Climate Change and International Security suggesting an EU Arctic policy. The issue really took off with a debate in the European Parliament in October 2008 leading to a resolution and to the subsequent Commission Communication on EU and Arctic region in November 2008. This was welcomed by the Council in December 2008, but it was December 2009 when the Council issued a Conclusion on the Arctic issue. The region was again debated in the European Parliament in March 2010. The parliamentary debates and the Council conclusions will now be examined in more detail.

The European Parliament's involvement

After the European Commission's October 2007 Communication on Integrated Maritime Policy had mentioned that the Commission would deal with Arctic by the end of 2008, the EP stepped in with questions and a debate led by Diana Wallis of the ALDE group. As a result, a resolution on Arctic governance was adopted on 9 October 2008. It mentioned the prime reasons for concern: the Russian flag incident of August 2007³, the UN Convention on the Law of the Sea, the effects in the Arctic of global warming, concerns about the environment, increased traffic and security issues, and the presence of three EU and two other EEA states as members of the Arctic Council. It wanted special mention of the Arctic at the Copenhagen climate change conference in 2009; it outlined the basis for the EC's Communication on the Arctic; and it suggested observer status for the EC in the Arctic Council. In particular it noted that the Arctic was never expected to be navigable or open for commercial exploitation and is therefore not governed by 'specifically formulated multilateral norms and regulations' (European Parliament 2008). Furthermore, the resolution suggested negotiations for an international treaty for the protection of the Arctic based

³ This was when a Russian scientist and parliamentarian, Artur Chilingarov, planted a Russian flag at the North Pole. See BBC News (2007).

on the Antarctic Treaty, taking into account the dissimilarities between the two regions.

The European Parliament's involvement was based on an integrated view of the Arctic region and demonstrated that the interest was not one that followed the oil but was concerned about wider questions such as the environment and the position of indigenous peoples. Nevertheless, it pressed for an EU involvement in Arctic affairs. Furthermore, it looked to a number of deliverable policy outcomes that both supported the Commission view but, especially on one point about governance, was also at odds with the Commission.

The European Commission's Arctic Paper 2008 and After

The Commission's Communication to the EP and the Council on the subject of the European Union and the Arctic in November 2008, set out EU interests under three headings:

- Protecting and preserving the Arctic in unison with its population
- Promoting sustainable use of resources
- Contributing to enhanced Arctic multilateral governance (Commission of the European Communities, 2008: 3)

This showed the balance between the various aspects of the Arctic that the member states wanted to be struck—the concern for the environment and for the indigenous peoples, access to resources, and the governance of the Arctic—and it demonstrated the willingness of the Commission to become engaged in the region. In all, the Commission had 49 proposals for action under the three above headings, and some of these had relevance for relations with Russia such as the Commission's support for an agreement on disaster response in the Barents Euro-Arctic Council, long-term cooperation with Russia 'facilitating the sustainable and environmentally friendly exploration, extraction and transportation of Arctic hydrocarbon resources' (ibid.: 7),

avoiding ‘discriminatory practices...by any of the Arctic coastal states towards third countries’ merchant ships’ (ibid.: 8), and discussing with Northern Dimension partners projects under the Northern Dimension Environmental Partnership to cover wider areas in the European Arctic.

On the issue of governance, the Commission paper noted the maritime disputes in the Arctic but mentioned that an extension legal framework is already in place in the form of UNCLOS, which could provide the basis for settlement of disputes including those on delimitation (ibid.: 9). It noted the May 2008 Ilulissat Declaration of the five Arctic coastal states—including Russia—that committed these countries to using legal instruments to solve their disputes in the Arctic. The Commission wanted international negotiations and discussions on international marine protected areas, to explore ‘the possibility of establishing new, multi-sector frameworks for integrated ecosystem management’ (ibid.: 11) and to enhance its input into the AC. To that latter end, it expressed a wish to apply for permanent observer status in the Arctic Council. Unlike the EP, it did not want new legal instruments for the Arctic but rather aimed at the implementation of existing agreements (ibid.: 10). As expressed by the maritime commissioner, Joe Borg (2009):

We believe an UNCLOS-based governance system could deliver security and stability, strict environmental management and the sustainable use of resources subject to open and equitable access – precisely the aims contained in our strategy.

Clearly the Commission agreed with the EP that the EU was involved in the Arctic and needed to enhance and integrate that presence. The main area of disagreement was about the EP’s suggestion for a new legal framework.

The Council Conclusions on Arctic issues, adopted on 8 December 2009, showed that the Council believed with the Commission that utilising existing instruments of governance for the Arctic was more important than creating new legal institutions. The 23 points in the Council’s conclusions included areas such as ‘climate, safeguarding the law of the sea, environmentally hazardous chemicals, research,

shipping, cooperation with indigenous peoples and cooperation with existing forums, such as the Arctic Council' (Swedish Presidency of the European Union 2009; see also Council of the European Union 2009: 2-5). An important objective was to assist closer EU cooperation with the members of the AC, and support efforts by the Commission (and Italy) to become permanent observers of the Arctic Council (Council of the European Union 2009: 4). This approach had already been rebuffed by Canada at the April meeting of the Arctic Council, with the EU's consideration of a ban on sealskin exports from Canada being the main reason (Phillips 2009).

The March 2010 EP debate on Arctic issues showed that that area had become integrated into the EU's institutional structure: Baroness Ashton, the Vice-president of the Commission and High Representative of the Union for Foreign Affairs and Security Policy made a statement on the EU's Arctic Policy that stressed the environmental importance of the region. In seeking fair treatment in transport and natural resources, while maintaining environmental safeguards, the role of the three EU members of the AC was mentioned. On Arctic governance, the emphasis was again on implementation of existing agreements, the importance of the AC and of UNCLOS. The EP's proposal for an Arctic treaty drawing on the experience of the Antarctic treaty was rejected because of the differences between the two areas (European Parliament 2010). The Commission was to report back on developments by June 2011: the Arctic is now on the EU's agenda.

Why an EU Arctic Policy?

Why is it the case that the EU's various institutions have interested themselves in the Arctic region? Some of the reasons involve factors external to the EU, while others are more to do with the EU itself. The external factors relate to the growing importance of the Arctic over the past five or so years. The Arctic Climate Impact Assessment, published in 2004, was a warning to all not just of climate changes within the Arctic region but their possible consequences elsewhere (ACIA 2004).

Clearly the Arctic region has also been a region that is potentially resource-rich and the shrinking of the ice-cap has meant greater accessibility in the exploitation of such resources. The US Geological Survey's 2008 report that 10% (or 240 billion barrels of oil and oil equivalents, BBOE) of the world's known conventional petroleum resources was in onshore fields in Canada, Alaska and Russia. However, the report estimated that 'the total mean undiscovered conventional oil and gas resources of the Arctic are estimated to be approximately 90 billion barrels of oil, 1,669 trillion cubic feet of natural gas, and 44 billion barrels of natural gas liquids', in other words 412 BBOE (Bird et al, 2008: 1 & 4). This raised interest in the Arctic from an economic perspective.

Wider attention had been drawn to the Arctic by the reporting of a Russian flag being planted at the North Pole (BBC 2007). While this had no legal meaning, it certainly attracted journalistic and academic comment, and no doubt entered the calculations of the decision-makers.

Furthermore, Russia was busy developing its own Arctic strategy that was finally issued in September 2008. This emphasised the importance of the Arctic for the Russian economy and disclosed that special military formations would be used to protect Russia's national interest in the region (Security Council of the Russian Federation 2008). Other key states issued their Arctic strategies about the same time (Norwegian Institute for Defence Studies 2010). If the EU was to have any presence in the Arctic region, it would have to make its mark or be totally squeezed out by the Arctic states. Furthermore, an inner clique of Arctic coastal states had met at Ilulissat in May 2008 and looked like making the running on Arctic matters. The only link that the EU had to this group, which consisted of the Arctic Five of US, Russia, Canada, Norway and Denmark, was the Danish government which was there by virtue of representing Greenland in its external affairs. However, Greenland, which is not part of the EU, was in the process of becoming more self-governing, even moving towards eventual independence (Nanoq 2009). This will leave the EU without a foot in the door of the Arctic Five meetings.

While international events were setting the scene for possible EU action, other factors were pressing the institutions of the EU to develop an Arctic policy. After 1 January 2007, enlargement of the EU had ceased for the time-being and the institutions of the EU could concentrate on the EU's relations with its surrounding neighbourhood. If relations with the Mediterranean states and the East European countries were to gain some attention, then certainly some MEPs, and member state representatives, considered that the north should also be considered. The list of speakers in the two EP debates on the Arctic show MEPs from the Nordic states dominating, though by no means overwhelmingly.⁴ While the Northern Dimension of the EU had contained an 'Arctic Window', this was, as mentioned, not very prominent.

The formulation of an Arctic policy also shows the Commission and the EP competing and cooperating. The Commissioner for Maritime Affairs took the first step in 2007 by including references to the Arctic Ocean in the integrated maritime strategy and promising a separate paper on the Arctic. A number of parliamentarians then took up the running and complemented Commission work (and think-tank input) on the subject.

Where to next?

The Commission has promised a report back on the Arctic by June 2011. However, a number of issues remain for it to navigate in the Arctic Ocean.

First there is the question of EU presence in the region. Clearly it has an interest in environmental developments, resources and transport in the Arctic and the EU has supported research on these issues. That in itself is only a minor presence. Denmark, Sweden and Finland provide a basis for EU interests, but the Baltic is perhaps of greater interest to Sweden and Finland, and Danish interest is tied to a non-EU country, Greenland. However, the EU does contain states—Germany and the UK in

⁴ A count of the MEPs that spoke in the 2008 and 2010 debates shows that 10 came from the Nordic states, 6 from Baltic states and Poland, 17 from the UK and Germany and 10 from other states.

particular—that have a strong research presence in the region. The UK also has a security interest in an ocean that provides ice-cover for nuclear submarines.

Secondly, there are institutional issues. The Commission’s application for permanent observer status in the AC has been unsuccessful. So far Russia has been able to keep quiet because of vocal Canadian opposition. Meanwhile, the Commission is a member of the Barents Euro-Arctic Council and can also work on practical issues within other organizations such as the International Maritime Organization (IMO).

Then there are questions about relations with particular Arctic states over Arctic issues. The EU is in dispute with Canada, Iceland, Norway and Denmark about seal-skin exports and whaling issues, with some members of the EP not willing to back down on these questions.

In particular there is the relationship with Russia. Can the Arctic become integrated into the “common spaces” and Partnership and Cooperation Agreement negotiations between the EU and Russia. There are certainly enough issues there for consideration—oil and gas, the environment, search and rescue, transport—but these include areas where the EU wants to press ‘equal treatment’ with Russian firms while the Russian government may be less willing to allow outsiders such treatment. The problem for the EU is that, in the Arctic, Russia has most of the cards and the EU has a weak hand. Russia has membership of the AC and can veto EU permanent observer status. It has Arctic oil and gas and control of the Northern Sea Route. Furthermore, when a European country has something that it wants, it seems that Russia prefers to deal with them on a bilateral basis, as with the Russo-German Nord Stream project. In the case of the Arctic, Russian use of international institutions has been selective, but that can be said of most of the Arctic states. It has indicated that, where appropriate, it will use international law and so far, Russia has stuck to that promise. When dealing with the EU over the Arctic, Russia sees the region as one central to its national interests but for the EU the area is somewhat peripheral. With this imbalance, the Arctic region is unlikely to play an important role in Russo-EU relations.

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