

ON THIN ICE?

Perspectives on Arctic Security

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2 A Governance and Risk Inventory for a Changing Arctic

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A changing Arctic

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

The decision to make such broad sweeping political statements prior to the Arctic Council meeting was out of the ordinary. The speech did serve to highlight the US administration's position on the need to keep China's further influence in the region in check. It should also be noted that the speech came at a time when the US and China's relations were acutely stressed. These tensions will likely endure, but the public rhetoric may be less inflammatory and more nuanced, as mechanisms for better managing these tensions are approached in a manner that may make it less costly for all parties. The Biden administration is expected to have a more multilateralism-friendly approach to global governance and be a more predictable and engaged partner for allied states than the Trump administration. This new approach will be most evident in regard to climate change, shared interests in the rule of law, and a reemphasis on the importance of institutionalized governance regimes throughout the Arctic. However, the concern for checking China's and Russia's influence in global economic and security politics – and in the Arctic specifically – is widely shared across both

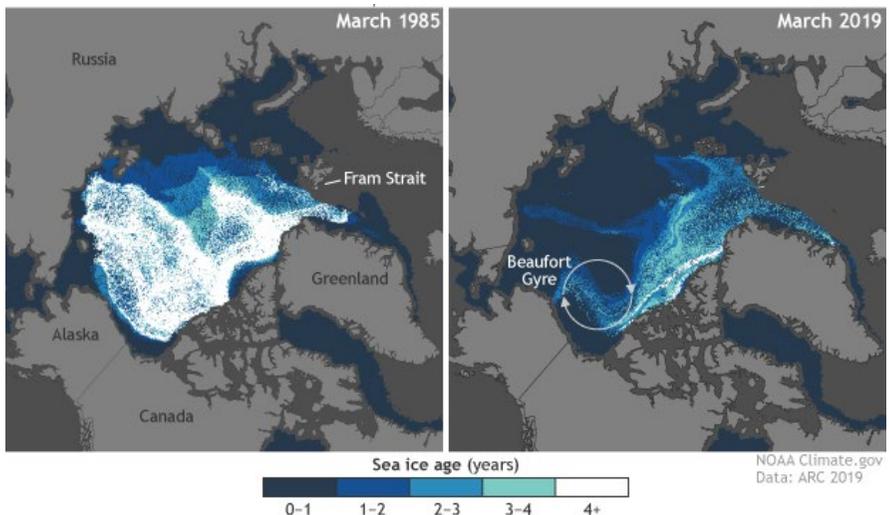
parties in the United States. Engaging an increasingly interested China in the Arctic, and managing relations of both cooperation and deterrence with Russia, are frequently-considered issues in European Arctic policy circles as well.

Meanwhile, scientists are increasingly worried about the speed and scale of the transformative impacts of climate change on the Arctic. A 2019 update assessment² issued by the AMAP (Arctic Monitoring and Assessment Programme) Arctic Council working group, which brings together scientists and governmental officials from Arctic and non-Arctic states, highlighted that the region:

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

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

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



deem critical to ensuring their interests in the Arctic.

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

This short chapter reviews some key factors and drivers supporting and challenging stability in the Arctic region. It was initially published as background for discussion at the Arctic Security Roundtable at the Munich Security Conference 2020.

What supports Arctic stability?

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

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

To a large degree, the Arctic is defined by the Arctic Ocean. International law, more specifically the 1982 United Nations Convention on the Law of the Sea (UNCLOS), provides a significant and comprehensive governance framework.

Although the United States is not a signatory to UNCLOS, it is important to note that the 2008 Ilulissat Declaration – issued by the Arctic coastal states together – underscored a commitment to using international law to ensure the peaceful governance of the region. Arctic and non-Arctic states have also utilized the International Maritime Organization (IMO) to find common ground and negotiate the Polar Code, which is an international code to ensure and enhance safety regimes for maritime and shipping operations in the polar regions.

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

It is of particular importance to note that the Arctic Council does not address Arctic security matters; these issues have been the topic of consideration at various international forums, including previous Munich Security Conference Arctic Security Roundtables.

While the Arctic Chiefs of Defence meetings were suspended in light of Russia's annexation of Crimea, the Arctic Coast Guard Forum was established in 2016 and has become a key venue for coordination on soft or 'civil' security concerns in the region.

In the European Arctic, there is a web of multilateral and bilateral arrangements for cooperation between Russia and the Nordic countries. The multilateral Euro-Arctic Barents Region was established in 1993, with Russia, Norway, Sweden, and Finland as core partners. There are also substantive bilateral ties, including the IMO-approved agreement between the US and Russia to more effectively manage maritime traffic in the Bering Strait.

Various cooperative efforts have resulted in a series of legally binding Arctic agreements that address regional challenges (see Table 2-1). The Central Arctic Ocean fisheries prevention agreement, concluded in 2018 and mentioned above, is especially noteworthy in that it brought together the Arctic coastal states and many non-Arctic states with substantial fishing interests, such as China and the EU, into a productive conversation about regional governance.

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

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

Finally, circumpolar connections across the Arctic have been drivers in bringing about and stabilizing Arctic cooperation. Most notably, the activism and sustained efforts of the Indigenous peoples of the region – many of whom have traditional homelands that cut across Arctic state borders – have highlighted the interconnection of the Arctic region and the need for holistic regional governance approaches. Appreciation of the interconnectedness of Arctic ecosystems is a critical factor in motivating the scientific research that supports knowledge-based policymaking in the Arctic Council and in relevant states.

Key challenges for continued Arctic stability?

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

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

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

Russia – the largest Arctic state – has long had a significant Arctic military presence. The protection of military assets placed in the Arctic is fundamental to Russia's security strategy, including maintaining second-strike capability and thus deterrence. Even as Russia faces constraints on its overall budget, and maintains a high-level political commitment to Arctic regional peace in keeping

with the 2008 Ilulissat Declaration, the country is increasing its military investment in the region. It has expanded its icebreaker fleet, renovated and expanded Soviet-era military bases, built new bases, and announced plans to deploy new weapons systems in the Far North. Importantly, Russia has also begun operating and exercising further west. For instance, in August 2019, Russia conducted its largest naval exercise since the Cold War, the *Ocean Shield*. A central purpose of the exercise, it seems, was to demonstrate Russian military might in the region, convey a position of strength and capability, and message the strong deterrent capabilities that NATO would encounter if it ventured into the Arctic through the Norwegian Sea north of Iceland.

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

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

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

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

potential to place additional pressure on the current international and regional governance system.

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

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

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

The tension between a conservation approach and a sustainable development approach in the Arctic has been long evident in regional governance, as well as in the domestic politics of Arctic states. For example, the Obama administration's joint ban with Canada on exploration and development in the Arctic Ocean and sovereign US Arctic waters was seen in a positive light by many audiences, but as a betrayal of regional and local economic expectations by others. The Trump administration viewed the American Arctic, Alaska, as an important component of the country's energy security equation, underscored by support for offshore oil drilling and the opening up for development of the Arctic National Wildlife Refuge along Alaska's North Slope. This was a stark departure from the previous US administration, and the contentious set of decisions rippled through the US and indeed the international environmental community. The Biden administration has already brought about policy changes more in line with Obama-era policies in this regard.

In other sectors, like fisheries, a changing Arctic climate may stress existing governance structures. Living marine resources are abundant in (sub-) Arctic waters. There are indications that fish stocks are moving northwards as a result of increases in water temperature, and existing management regimes will be challenged to address this rapidly changing reality. This has, for instance, happened in the Norwegian Sea, where established management structures between Arctic states such as Norway, Denmark, and Iceland, as well as the EU, have broken down. Brexit further complicates the picture. It should be noted, however, that commercial fishing is not yet an issue in the Central Arctic Ocean, and hardly will be in the foreseeable future. None of the currently exploited fish stocks can live on the bottom floor of the deep sea, although not yet known resources in the water column might be exploited if new catch technologies are developed.

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

Towards a proactive Arctic security discussion

Many government officials, military leaders, and political observers have proclaimed the rise of a new, post-Cold War global great power competition between the United States, Russia, and China, with myriad implications. We suggest that the increasingly open and globalized Arctic does indeed present some challenges, but considering these challenges and their potential solutions is not well served by relying on narratives or practices of strategic competition alone. Continued dialogue is needed about how to best meet emerging governance challenges and how to avoid unfortunate/unintended ‘tipping points’ in regional dynamics that may prove difficult and costly for regional actors. As a basis for such an ongoing dialogue, we suggest policymakers consider the following points:

Security dynamics in an interconnected region and beyond:

- The Arctic is more peaceful than many other regions in the world. There is a promising track record of governance cooperation in the

region that serves as a basis for pursuing sustainable management for and peace in this 'emerging' ocean. However, the region is not immune to future tension and conflict points, in part due to its vast, important, and rapidly changing environment.

- The Arctic environment is heating at more than twice the global average rate due to global climate change. This has global impacts. For context, the Arctic Ocean is 1.5 times the size of the United States and half the size of the African continent.
- There is a risk that the changing global order, the intensified geopolitical rivalry between the US and China, and more turbulent relations between Europe and the US can 'spill over' from these and other arenas to the Arctic region. Against a broader backdrop of distrust and diminished military contact and communication across the NATO-Russia divide, there exists a risk that smaller miscalculations, accidents, and incorrect interpretations regarding military motives and activities can escalate into broader conflict.
- The post-Cold War growth of Arctic cooperative governance occurred alongside an enduring NATO-Russia security rivalry. This 'cooperation in conflict' approach to achieving national and collective interests has been more attainable in the Arctic than elsewhere, in large part due to the inherent interconnectedness of the Arctic ecosystem; the transnational circumpolar connections of the region's Indigenous peoples, communities, and policy networks; and the limited (until recently) economic development opportunities and global/non-Arctic interest in the region.

Economic development and a more trafficked Arctic:

- A more trafficked and economically significant Arctic region in the decades to come is more than plausible. The prospect of a seasonally ice-free Arctic brings new strategic importance and economic possibilities to the region. Arctic states and other global actors are reconsidering the region in the development or refinement of their security, economic, and foreign policy strategies.
- The changing physical nature of the region has triggered Arctic leadership, in several binding regional agreements, to govern novel and increased activity. Much of the Arctic is also governed by existing international law and regimes. As the Arctic Ocean opens, it is important to build on current international legal regimes and

structures, and get the management and policy structure ‘right’ to meet new regional challenges and activities.

A need for the active maintenance of cooperative practices:

- Leaders must continue to address the challenges to regional stability in the Arctic and take steps to mitigate and manage risks. Awareness of political ‘tipping points’ – points beyond which cooperation in national and collective interest will be rendered too difficult – and active consideration of how regional stability can best be maintained and strengthened are essential.

Notes

This chapter is based on a report originally published by the Munich Security Conference in 2020, accessible at <https://www.nupi.no/en/Publications/CRISTin-Pub/A-Governance-and-Risk-Inventory-for-a-Changing-Arctic>. Used with permission.

¹ US State Department. Looking North: Sharpening America’s Arctic Focus. Speech delivered by US Secretary of State Mike Pompeo. May 6, 2019. Available online at: <https://www.state.gov/looking-north-sharpening-americas-arctic-focus/>, accessed 2 February 2020.

² AMAP. 2019. Arctic Climate Change Update. Available online at: <https://www.amap.no/documents/download/3295/inline>, accessed 20 January 2020.

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