INTERESTS AND ROLES OF NON-ARCTIC STATES IN THE ARCTIC

BACKGROUND BRIEF

October 2011
INTERESTS AND ROLES OF NON-ARCTIC STATES IN THE ARCTIC
Seminar presented by the National Capital Branch of the Canadian International Council and the Munk-Gordon Arctic Security Program
Ottawa, October 5, 2011

BACKGROUND BRIEF
(Note: This text was slightly modified on November 4, 2011)

Introduction
As the world increasingly is turning its attention towards the Arctic, there exists the potential for great opportunity while there are also great challenges. Some non-Arctic states have a longstanding involvement in the Arctic, but broader interest is also growing, due significantly to the remarkable decline of sea ice. The North’s vast natural resources, potentially lucrative shipping routes and the visible effect of climate change all have intense impact on the lives of those who call this region home while at the same time being of global interest. Whenever jostling begins in unfamiliar territory there is potential for sensitivities to be aroused and suspicions awakened; in the case of the Arctic the risks are heightened on account of the relative speed with which developments are taking place.

In order to provide more insight into these developing trends, the CIC Ottawa Foreign Policy Initiative, a program of the National Capital Branch of the Canadian International Council, and the Munk-Gordon Arctic Security Program are hosting this seminar on Interests and Roles of Non-Arctic States in the Arctic. The seminar will examine non-Arctic states' interests and roles in the Arctic against the backdrop of their overall foreign policies and ask how these will play out over the next five years.

The Arctic is rightly receiving growing attention in Canada among the different levels of government, think tanks, foreign policy observers, policy thinkers, environmentalists and those with varied interests in resource development, including research in all such areas. There are many sources of information on Canada and the Arctic. A basic document is the Canadian Government Statement on Canada’s Arctic Foreign Policy issued in summer 2010; it is one of many documents available on the Government’s websites.

There are at least three relevant conferences being held in the short-term:


- The Raoul Dandurand Chair of Strategic and Diplomatic Studies at the University of Québec at Montreal will hold an international conference “The Arctic in Transition: Regional Issues and Geopolitics” in Montréal October 3 and 4 2011.
Some Key Questions
The two lead speakers will deal respectively with European and Asian non-Arctic players. So as not to prejudge the proceedings, the organisers have deliberately given considerable leeway to the speakers to bring forward issues, questions and considerations that they consider important. That said, it can be expected that speakers and other participants will address questions such as (but not limited to) the following:

- What are the principal commercial, trade, resource, shipping and other sectoral interests of non-Arctic states in the Arctic and how do they relate to their present and anticipated global geopolitical aims and relationships? To which of their interests will they give priority?

- How can the interests of northern peoples be best assured in the face of non-Arctic state objectives and activities?

- What is the potential for inter-state conflict as a result of non-Arctic states pursuing their interests? In what contexts and fora are those interests likely to surface or best be addressed (including informal, bilateral, plurilateral and multilateral)?

- Will the application of Canada's (or any other Arctic state's) domestic jurisdiction be more difficult as a result of non-Arctic states pursuing their interests in the Arctic? What policy considerations will be paramount in addressing those interests?

- What are the implications for Canadian policy-making over the next five years or so? Is there further work that needs to be done to strengthen the Canadian position?

Chatham House Rule
As in the case of other seminars organized by the CIC Ottawa Foreign Policy Initiative this seminar is planned to be an open, frank and constructive exchange between policymakers and other invited participants, conducted under the Chatham House non-attribution rule. Its value consists in the contacts made and insights obtained by the participants. The subsequent report will fully respect this special character of the seminar.

Country Notes: Non-Arctic States
NB: The following are very brief sketches of some Arctic interests and involvements of the major non-Arctic states and the European Union. They are neither detailed nor comprehensive: that would require several volumes. They are intended only to provide some points for reflection (or argument) and perhaps some ideas for further exploration, especially for any who are not already expert on one or more non-Arctic states or aspects of the Arctic.

The lists of country interests which begin each profile are not necessarily in priority order and are not exhaustive.
ASIA

China
China looks to the Arctic as a possible source of:

- Scientific research on climate change and marine species.
- New shipping routes.
- Oil and gas for energy security.
- Natural resources security.
- Great power competition.

China has not yet published any official Arctic strategy (though see below for a statement on the PRC MFA website). However, China’s actions suggest a cautious approach, intended to avoid any backlash from Arctic states.

China bases its involvement on the United Nations Convention on the Law of the Sea (UNCLOS). While respecting the EEZ claims of Arctic states, China wishes to preserve the submarine resources of the deep sea-bed, the remainder of the Area (common heritage of mankind) that lies beyond the outer limits of the continental shelves of the Arctic coastal states. They also wish to preserve their navigational rights; and fisheries rights in the Arctic high seas portion.

China is a late comer to the Arctic. The Polar Research Institute of China formally began its Arctic studies in 1999. In 2003, China established its research centre, Yellow River Station, at Ny-Ålesund in Svalbard. China also utilizes its very substantial research icebreaker Xuelong, and has announced plans to construct a second, smaller research icebreaker to supplement it.

China has attended Arctic Council meetings as an ad hoc observer. China has applied for Observer status with the Council, but was rejected in 2009, though Arctic Council member Norway supports their latest efforts.

China has been able to engage Canada and Norway in formal bilateral dialogue on Arctic issues.

Further Readings:


Japan
Japan looks to the Arctic as a possible source of:

- Scientific research on climate change and marine species.
- New shipping routes.
- Natural resources (including rare elements and metals) for food and resource security.
Japan made a formal statement on its Arctic policy at a meeting in 2010 (see reference below); the Ministry of Foreign Affairs has created an “Arctic Task Force (ATF)” to shape future Japanese policy on the region.

Japan bases its case for Arctic involvement on UNCLOS; it takes the view that the high seas remaining once all the Arctic Ocean coastal states have drawn the outermost limits of their continental shelves, should be viewed as the “common heritage of mankind”.

Japan’s fifty-year history in polar research expanded into the Arctic with the National Institute for Polar Research (NIPR) in 1990, which in 1991 opened its Ny-Ålesund facility in Svalbard. In addition to NIPR, the Japan Agency for Marine-Earth Science and Technology (JAMSTEC), the Japan Aerospace Exploration Agency (JAXA), and the country’s universities conduct joint research projects across the Arctic, including in Canada. Japanese researchers (see Japan) have the ice capable research vessels Mirai and Hakuho Moro at their disposal for Arctic expeditions.

Japan’s Maritime Self-Defence Force currently operates the icebreaker Shirase II, launched in 2008, but it has thus far only been used in Antarctic expeditions like its five forebears.

Japan has attended Arctic Council events as an Ad Hoc Observer, and has pursued Observer status with the Council since April, 2009, so far unsuccessfully.

Further Reading

Republic of Korea
Republic of Korea (ROK) looks to the Arctic as a possible source of:

- Scientific research on climate change and marine species.
- Liquefied Natural Gas (LNG).
- Natural resources for food security.
- New shipping routes.
- New commercial activity for their shipyards.

ROK has not published any formal policies on the Arctic.

ROK bases its rights in the Arctic on the UNCLOS.

ROK has an extensive polar research program. ROK began operating the Dasan Arctic research station on the Svalbard Islands in 2002, and last year launched the advanced research icebreaker Araon, which spends the summer months on expeditions to Arctic waters. Most of ROK’s research focuses on climate change and marine species.

ROK has an additional interest in the Arctic: its shipyards. Shipyards such as Daewoo Shipbuilding and Marine Engineering and Samsung Heavy Industries produce most of the world’s icebreakers and are pioneers in ice-capable oil and LNG tankers and freighters designs.
Reference has been made to ROK interest in a possible LNG terminal at Cape Bathurst, northeast of the Mackenzie delta gas field. For ROK, a politically stable Arctic is good for business.

ROK has attended Arctic Council events as an Ad Hoc Observer, and unsuccessfully pursued Observer status with the Council in 2009.

Further Reading

India views the Arctic as a possible source of:

- Scientific research on climate change and global warming (the melting sea ice and permafrost will impact their people and ecosystems).
- Oil and gas to provide energy security.
- Natural resources for food and resource security.
- New shipping routes.
- Great power competition.

India has not published any formal policies on the Arctic.

India sees itself as an Arctic “stakeholder” since the Svalbard Treaty (1920), signed by Britain (India being a part of the British Empire at this time). Despite the claimed heritage, India is a relative newcomer to the Arctic.

India has recently expanded their thirty-year old polar research program to the Arctic with expeditions (their first Arctic expedition was mounted in August 2007, quickly followed by others) and the establishment of an Arctic research station on the Svalbard Islands (established in 2008).

India does not possess any ice-capable ships but it has placed an order for a dedicated polar research vessel (see “Polar Research Vessel”), expected in 2012. The ship is to have first year, moderate ice capability and the capability of ramming in old ice inclusions.

India has not attended Arctic Council events as an ad hoc Observer, and has not (yet) pursued Observer status with the Council.

Further Reading
EUROPE

European Union
The European Union (EU) considers itself an “Arctic entity”. Its Arctic policy is built upon these main elements:

- Protecting and preserving the Arctic together with its population, *inter alia* taking account of climate change and its various potential impacts including on fishing.
- Promoting sustainable use of natural resources.
- Contributing to enhanced governance in the Arctic through implementation of relevant agreements, frameworks and arrangements, and their further development.
- Emphasizing the need for maritime and fishing regulations for the Arctic that do not unduly hamper access on the part of non-Arctic states.


The EU positions have grown out of its policies particularly in three areas: climate change and the environment, maritime policy, and the EU Neighbourhood policy (i.e. policy on relations with neighbouring areas). The EU recognises that at present it is marginal on some issues, but on others it is a major player, especially where its policy directives are or become binding upon member states. A particular effort is currently underway to make Arctic policy less disparate and more coherent. A sign of its growing importance is the fact that funding provisions for the Arctic are explicitly making their way into budget documentation, and is growing in size (albeit still relatively modest).

The EU takes the position that the Northwest Passage is an international strait, but has been quiet on other international boundary disputes in the Arctic. The position has been expressed by the Presidency on behalf of EU member states (rather than on behalf of the EU as such).

The EU bases its position in the Arctic on UNCLOS and the Arctic Council membership of Denmark, Finland and Sweden. It believes its role in the Arctic will be bolstered by Iceland’s application for membership. Greenland, though Danish, is not a part of the EU, stemming from concerns over fishing policy in the 1980s; EU member Denmark is thus in a special position.

The European Commission has been actively but unsuccessfully seeking Observer status at the Arctic Council for international recognition of its interests in the Arctic. Such Observer status would give the EU a voice, but it wants influence as well. The EU has a hierarchy of interests which it hopes to address in part through the Arctic Council. The Commission has attended Arctic Council meetings as an *ad hoc* Observer.

Some Canadians’ views of the European Union’s role in the Arctic are influenced by the EU’s 2009 decision on seal products; though not a formal ban on trade, the measure had much the same effect by prohibiting placement on the EU internal market of most seal products.
Germany looks to the Arctic to ensure:

- the greatest possible freedom of scientific research.
- freedom of navigation (Germany has the world’s third largest merchant fleet).
- access to new energy resources (it possess advanced technologies to allow for extraction).
- that the strictest environmental standards are observed.
- that responsibility is taken for any environmental damage that occurs.

Germany does not have an overarching “Arctic Policy.” Currently, its Arctic policies are divided between its defence, foreign, and environment departments. Germany also executes its Arctic policy via the EU.

Germany bases its place in the Arctic on UNCLOS and on Germany’s world-leading Arctic research programs.

Germany mounted its first Arctic expedition in 1868 and since then has been a world leader in polar research. Currently, Germany maintains two permanent Arctic research stations: Koldewey Station at Ny-Ålesund in Svalbard since 1988 and, uniquely, Samoylov Station in northern Siberia since the end of the Cold War. German researchers can call on the research icebreaker Polarstern, the first conventionally powered icebreaker to reach the North Pole in 1991, which spends the summer months in the Arctic.

Of relevance is Germany’s energy dependency on Russian oil and gas, one liable to grow with the decision to phase out nuclear energy. Like other EU member states, Germany also has an interest in the storage of nuclear waste in the Russian Arctic.

Germany has Observer status at the Arctic Council, but is unhappy with what it perceives as a new approach and rules emerging from the Nuuk Ministerial Meeting last spring, putting various new limitations on Observers. They had hoped for a more open approach. Even if there is disagreement between members and observers, they argue it is better to have significant players properly at the table. Otherwise, official Germans muse that if the Council does not become more inclusive, Observers will still pursue their Arctic interests and could look elsewhere to advance them.
Further Reading


United Kingdom
The UK looks to the Arctic for:

- New shipping routes.
- New sources of oil, gas, minerals and fisheries.
- Opportunity to influence the international scene.
- Scientific research on climate change and its impact on fauna.

The UK Government has chosen not to publish an overarching Arctic policy, but the Ministry of Defence has developed an Arctic Strategy, which was endorsed by the Defence Board in December 2008.

The UK has been exploring the Arctic for four hundred years. Currently, it maintains the Natural Environmental Research Council (NERC) research facility at Ny-Ålesund and its various universities maintain Arctic research programs, most notably the Scott Polar Research Institute (SPRI) at the University of Cambridge. The UK operates two research icebreakers, which only operate in Antarctica, and leases a third for the Royal Navy which operates in the Arctic.

Commercial interests would include those of British Petroleum and shell in oil and gas exploration and the policies and regulations governing such. British insurance and re-insurance industries also have interests.

The UK has Observer status at the Arctic Council.

Further Reading


France
France looks to the Arctic because of:

- Climate change and its implications (including fisheries interests)
- Maritime security interests
- Major business interests in the Arctic (e.g. Total S.A.)
- EU and broader geopolitical interests

In 2006 France's stance on Arctic issues acquired an overtly political character. France has made plain its intention to defend its interests in the Arctic. France is currently the only non-Arctic state with an Arctic ambassador: former Prime Minister Michel Rocard is its Ambassadeur en charge des négociations internationales sur les régions polaires, l’Arctique et l’Antarctique. He has recently argued that Canada is too small to effectively develop the Northwest Passage because, in his opinion, Canada lacks the financial resources to compare with Russia’s developing Northeast Passage. Ambassador Rocard has previously reacted strongly to the rejection of the EU Commission’s bid for Observer status.

French explorers have been visiting the Arctic since the 18th century. France opened its first modern research stations at Ny-Ålesund in Svalbard in 1963, and currently has two permanent bases (Charles Rabot and Jean Corbel) there. France operates the small icebreaker Astrolabe, which spends most of its time in the Antarctic (it does pay visits to the Arctic, most notably its 1992 transit of the Northeast Passage, escorted by Russian icebreakers) and the non-ice-strengthened research ship Marion Dufresne II. France currently operates twenty research programs in the Arctic.

France has Observer status at the Arctic Council.

Further Reading

Host Organisations

Canadian International Council (National Capital Branch)
http://www.opencanada.org

This Seminar was the seventh in a series mounted by the CIC Ottawa Foreign Policy Initiative, a project of the CIC’s National Capital Branch. The mission of the Initiative is to bring together senior members of the Public Service of Canada who shoulder international responsibilities with experts from the policy community outside government in order to analyse major foreign policy issues confronting Canada, forecast opportunities and challenges in the medium term and assess the direction and effectiveness of current policy.

At the national level, the Canadian International Council has published various studies and an issue of its journal on the Arctic. A number of these can be found on the CIC website. The CIC’s publications include:

- Franklyn Griffiths. Towards a Canadian Arctic Strategy.

Munk-Gordon Arctic Security Program
http://gordonfoundation.ca

The Munk-Gordon Arctic Security Program co-sponsored the seminar. A partnership between the Walter & Duncan Gordon Foundation and the Canada Centre for Global Security Studies at the Munk School of Global Affairs at the University of Toronto, the Arctic Security Program is a four-year multidimensional international program to study circumpolar Arctic affairs. As part of this program, they will hold a two-day conference entitled The Arctic Council: its place in the future of Arctic governance. Scheduled for January 17-18, 2012 in Toronto, this conference will discuss ways forward for the Arctic Council. The perceptions and conclusions from the October 5 seminar will inter alia inform the discussion in the January conference.