

## The significance of the Arctic in Russia's foreign policy: why Arctic policy issues are of topical interest to the Baltic States

*Vytautas Sirijos Gira*

Recently the Arctic Region has appeared increasingly often among Russia's foreign policy objectives in the Russian foreign policy discourse. Competition for the Arctic Region among the 5 bordering states – USA, Canada, Denmark, Norway and Russia – grew intensive in the late 2008 –2009, as all the states (hereinafter – A-5) announced or renewed their national strategies on the “absorption” of the Arctic in the short- and mid-term perspective. As the competition of the A-5 states for the Arctic gathers momentum, the growing global demand for oil and natural gas, which could be satisfied by energy resources of this region, as well as other Arctic-related issues make it possible to forecast that in the nearest future the Arctic will become one of the most significant regions that will be in the focus of attention of the international community.

The growing topicality of the Arctic to Russia's foreign policy makes it necessary to review the development plans of the states laying claims to the Arctic and to assess the potential influence of Russia's declared intentions on active development of the Arctic on the Baltic States. Better understanding of the Arctic issue would enable timely response of the Baltic States to these changes. What consequences to Russia-NATO relations may the foregrounding of the Arctic issue have? How could the EU-Russia collaboration be developed in this region? What interests does Lithuania as well as the other Baltic States have in these international processes and why, despite the fact that these states are not explicitly involved in the current processes, the latter are still relevant to them? How can the resolution of the Arctic issue affect Lithuania's security situation?

### **Arctic's status quo**

The Arctic Region may be defined as the area around the North Pole, including the Arctic Ocean and northern borders of the North America and Eurasia (see III.1). The greater part of the Arctic Region is made up by the Arctic Ocean and

its sea<sup>1</sup>. The political *status quo* is essentially formulated by four characteristics:

- To date the Arctic Region is already of strategic importance. The Arctic may comprise approximately 13 per cent of undiscovered world oil reserves (90 billion barrels of oil) and 30 per cent of natural gas reserves (47 trillion cubic meters)<sup>2</sup>. Taking into consideration the fact that issues of sovereignty and extraction of these resources have not yet been unresolved, the Arctic is a potential tension point in international relations.
- The basis for the current state of affairs in the Arctic Region is the temporary “agreement not to agree” of the relevant actors. There are at least 5 territorial issues in the Arctic Region that are yet to be resolved. Due to the lack of a mechanism regulating the region’s issues, to date the Arctic issues are found in direct dependency on the bilateral relations of the A-5 states. However, the tension in the region will remain relatively low until the assumptions of international law have come into effect, which would make the beginning of the competition for the Arctic possible.
- Presently neither the EU nor NATO are taking part in the settlement of the Arctic issues; however, taking into consideration the importance of the Arctic Region and the EU and NATO positions that have already been declared, the involvement of these organization may be but a matter of time.
- The Arctic Region is not subject to any military actions or arms control mechanism. This is one of the major challenges for the region, and the settlement of this issue may have direct consequences for the security of the Baltic States.

---

<sup>1</sup> The Arctic Ocean is comprised of the Baffin Bay, Beaufort Sea, Chukchi Sea, East Siberian Sea, Greenland Sea, Hudson Bay, Hudson Strait, Kara Sea, Laptev Sea, White Sea and other tributary bodies of water. The Arctic Ocean is separated from the Pacific Ocean by the Bering Strait and from the Atlantic Ocean – the Greenland Sea and Labrador Sea. - *Author’s note*.

<sup>2</sup> Data from the “US Geological Survey (USGS) report”. – „US Geological Survey (USGS) report“. <<http://www.usgs.gov/newsroom/article.asp?ID=1980>>.

### III.1 Boundaries of the Arctic Region<sup>3</sup>



### The temporary “agreement not to agree”: why has the settlement of the Arctic dispute proceeded so slowly?

The most controversial Arctic issues have to do with the territorial claims for the Arctic Region that A-5 countries make. It has to be pointed out that the A-5 states compete not so much for the boundaries of the territorial sectors of each state in the Arctic, but rather for the access to natural resources of the Arctic continental shelf.

Despite the intensive competition of A-5 states, at present territorial disputes do not hinder development cooperation: 1) Canada and Denmark cooperate by carrying out surveys in the Arctic, even though the question of the sovereignty over Hans island has not yet been resolved; 2) the US and Canada cooperate by

<sup>3</sup> “Arctic Region Reference Map“.

<[http://www.lib.utexas.edu/maps/islands\\_oceans\\_poles/arctic\\_ref802647\\_1999.jpg](http://www.lib.utexas.edu/maps/islands_oceans_poles/arctic_ref802647_1999.jpg)>.

exploring the Arctic continental shelf in the Beaufort Sea despite the fact that issues on the territorial boundaries in the Beaufort Sea and status of the Northwest Passage are of present interest. 3) Canada and Russia share the objective to limit international navigation within their territorial waters (this issue is being discussed at bilateral negotiations) regardless of the fact that for the past two years Canada either has not approved or blocked all Russia's initiatives in the NATO-Russia Council (one of the pretexts being Russia's aggressive development plans in the Arctic<sup>4</sup>); 4) Russia, Denmark and Canada are considering the possibility to submit a joint application on the distribution of the Arctic continental shelf<sup>5</sup> to the UN Commission on the Limits of the Continental Shelf.

**Table 1. Territorial claims of A-5 states in the Arctic**

<b>Dispute parties</b>	<b>Disputed</b>	<b>Procedure for question resolution</b>
Canada and USA	Territorial border in the Beaufort Sea	Canada substantiates its position by maintaining that the boundary has to be parallel to the land border. Meanwhile the US claims the maritime boundary to follow a line of equidistance from the coasts. The disputed territory is likely to be rich in hydrocarbon (oil and natural gas) reserves. <sup>6</sup>
Norway and Russia	Territorial boundaries in the Barents Sea	Moscow seeks to divide the Barents Sea into sectors, while Norway (claiming a number of sea sectors) does not accept Russia's position and seeks to define the disputed boundaries by the geographic middle line. Norway substantiates its claims by the fact that it has sovereignty over Bear Island in the Svalbard Archipelago, the shelf of which stores the world's largest natural gas reserves that are yet to be developed. <sup>7</sup>

<sup>4</sup> Pravda.ru, „Canada Stabs Russia in the Back“. <<http://english.pravda.ru/world/americas/02-12-2009/110902-canada-0>>.

<sup>5</sup> Edmonton Journal, „Mapping out Arctic sovereignty“. <<http://www.canada.com/edmontonjournal/news/story.html?id=1afa8be7-2055-49fc-ad7e-be54649e8737&k=19098>>.

<sup>6</sup> Walter B. Parker, John Harlow Byrne, „Sea Changes“. <<http://www.institutenorth.org/servlet/download?id=35>>.

<sup>7</sup> BarentsObserver.com, „Time for a Norwegian-Russian settlement“. <<http://barentsobserver.custompublish.com/index.php?id=4556833>>.

Canada and the US	The Northwest Passage	Canada makes claims to the Northwest Passage – a sea route connecting Canadian Arctic islands. This is the shortest northern route from Europe to Asia. Canada deems this route to belong to its internal waters, whereas the US as well as other countries argues that the Northwestern Sea Route is an international strait, since at its narrowest section its width exceeds 12 nautical miles (Canadian territorial waters boundary) <sup>8</sup> .
Canada and Denmark (Greenland)	Ownership of Hans Island	Both countries are disputing sovereignty over Hans Island, a small, uninhabited territory located in the middle of Kennedy Channel (separating Canada’s Ellesmere Island from Greenland). Both countries make claims to this island, as it may become a weighty argument in the consideration of further claims to Arctic natural resources or access to the Northwest Passage <sup>9</sup> .
Russia and the US	Border issues in the Bering Sea	Changes are likely in the present-day Russia-US maritime boundary that extends north through the Bering Sea towards the Arctic.  The border was confirmed by the 1990 USA/USSR agreement, however has not yet been ratified by the Russian State Duma. Although Russia has inherited all international agreements signed in the times of the Soviet Union, some Russian politicians demand that negotiations be renewed and the agreement with the USA on the maritime boundary be revised.

Considering the strategic significance of territorial ownership, the ability of the states to “freeze” the disagreements seems paradoxical. On the other hand, the implications for the provisional “agreement not to agree” are particularly pragmatic:

<sup>8</sup> Carl Ek, „Canada-U.S. relations“. <<http://www.fas.org/sgp/crs/row/96-397.pdf>>.

<sup>9</sup> *The Canadian Press*, “Satellite imagery moves Hans Island boundary: report”. <<http://www.cbc.ca/technology/story/2007/07/26/hans-technology.html>>.



- **The assumptions of international law for the “distribution” of the Arctic** have not yet come into effect. In the geographical sense the Arctic is a frozen part of the World Ocean, therefore the most consistent and essentially the only regime of international law applied to the Arctic is the 1982 UN Convention on the Law of the Sea (UNCLOS). Its practical application is hampered by the fact that the US remains the only state among the A-5 states that has not yet ratified the UNCLOS. If UNCLOS came into force, the starting point for the negotiations would rest on the present sectors of the Arctic Region tentatively assigned to each of the A-5 states. If the US ratified UNCLOS, nothing would prevent Russia, Canada, the US, Denmark and Norway from initiating an international process of “distribution” of the Arctic, that is, from giving legal status to their claims to the territorial, energy and military domination in the Arctic continental shelf and its extension. In other words, the competition for the Arctic will begin as soon as the US has ratified UNCLOS, which will precipitate negotiations not only of the A-5 states, but also of other international actors, namely efforts of NATO and the EU to interfere into the region’s processes.
- **To date the initial positions for the negotiations, i.e., the boundaries of territorial claims, have not yet been defined.** Of all the A-5 states only Russia and Canada acknowledge the present regime of sectoral distribution of the Arctic. Neither the US, nor Norway, nor Denmark support the division of the Arctic into sectors deeming it unfounded and regulations of the present international law. Due to this the initial positions of each of the states remain unclear. Russia was one of the first countries to submit an application on the enlargement of its continental shelf boundaries in the Arctic (as early as in 2001) to the Commission on the Limits of the Continental Shelf of the United Nations organization (which is the main institution determining the grounds for territorial claims). In 2002 the UN Commission turned down Russia’s claims. Russia made arrangements to submit another application in 2010<sup>10</sup>. However, it is possible to forecast that until 2013 Russia will not make any active steps in pursuit of justification of the boundaries of its sector of the Arctic continental shelf till Denmark and Canada have made their decisions on the issue. Meanwhile the latter intend to submit their applications to the UN Continental Shelf Commission regarding Arctic shelf boundaries in 2012 and 2013 respectively.
- **A necessity to make sure that only A-5 states take part in**

---

<sup>10</sup> The more weighty arguments to be presented were the data collected during the Russian Arctic expedition (exploring the seabed of the Arctic Ocean), which was carried out in August 2007. On the basis of these data, Russia was making claims to another 1.2 mln km<sup>2</sup> of the ocean floor. Russia argues that the northern part of the Arctic Region and the North Pole are connected via the underwater Lomonosov Ridge, regarded by Russia as an extension of its continental shelf. The Lomonosov Ridge (which stretches across the floor of the Arctic Ocean to connect Russia and Greenland) is also claimed by Denmark and Canada, which both state that the Ridge is an extension of their continental shelf. – Carolyn Gramling, „Cold wars: Russia claims Arctic land“. <<http://www.agiweb.org/geotimes//aug07/article.html?id=WebExtra080107.html>>.

**the “competition for the Arctic”.** According to the regulations of the 1982 UNCLOS Convention, Coastal States (hence the A-5 states) exercise sovereign rights over the continental shelf, seeking to explore and exploit its natural resources within 200 nautical miles (370 km) from the coastline to the outer limit of the territorial sea.

It is obvious that, in their pursuit to initialise territorial “distribution” of the Arctic beyond the boundaries of the continental shelf, the A-5 states primarily seek to give legal status to their territorial claims to the Arctic thus eliminating the possibility for any other third parties to make any changes.

The first step toward the enhancement of this *status quo* was made on May 29, 2008, when at the Conference on the Arctic Ocean which took place in Greenland, the US, Russia, Canada, Denmark and Norway passed the Ilulissat Declaration, in which they:

- emphasized the changes that were taking place in the Arctic and were related to the global climate changes;
- confirmed their obligations to resolve disputed territorial issues in accordance with the enforced international agreements (including UNCLOS);
- declined the necessity for a new international legal regime in the Arctic Ocean;
- assumed the obligation to ensure environmental protection of the Arctic at the national and intergovernmental (A-5) level and to enhance navigation security;
- expressed their interest in fostering scholarly cooperation and promoting scientific information exchange.<sup>11</sup>

The Ilulissat Declaration emphasized not only the wish of the A-5 states to come to an agreement regarding the resolution of their internal problems in the Arctic, but also the efforts these states took seeking to limit the activities of third parties in the Arctic: 1) by means of this Declaration the A-5 states demonstrated their exceptional status resolving issues pertaining to the territorial distribution of the Arctic, natural resources, navigational routes and so on; 2) having passed this Declaration, the A-5 states essentially blocked the way to the development of any other new legal regime (for example, by analogy with the Antarctic).

The aforementioned implications provide an explanation to the relatively low pressure in the resolution of the Arctic-related questions: the A-5 states are unanimous in their goal to ensure that the list of actors of the Arctic policy do not extend as well as in their expectation till the “rules of the game” have been

---

<sup>11</sup> Brooks B. Yeager, „The Ilulissat Declaration: Background and Implications for Arctic Governance“.  
<<http://www.arcticgovernance.org/getfile.php/991607.1529.vwurfpexcs/Ilulissat+Declaration+Implications+ver2+fr+CFM+12+05+08.pdf>>.

defined. On the other hand, the question whether such internal agreement will survive the already ongoing “competition for the Arctic” remains open.

### **Russia’s strategy for the Arctic and strategy consequences of “opening” the Arctic**

The role of the Arctic in Russia’s foreign policy and nature of Russia’s competition with other A-5 states may have direct consequences for the Baltic States. Russia’s strategy selection in the competition for the Arctic will determine what function the Baltic States will perform: whether they will be observers, buyers of energy resources, or an object of geopolitical exchanges.

On September 17<sup>th</sup>, 2008, the Security Council of Russian Federation adopted the new Arctic Strategy<sup>12</sup> (“Fundamentals of the State Policy in the Arctic for the Period Before 2020 and a Longer Perspective”) which emphasized the significance of the Arctic as the main source of Russia’s income (from the extraction and navigation of energy resources). What is documented is Russia’s goal to turn the Arctic into Russia’s major strategic base of natural resources before 2020 as well as to maintain its status as the main state in the Arctic. The practical implementation of Russia’s strategy in the Arctic is divided into three periods. These periods could also be considered as indicators of Russia’s degree of activity in the Arctic policy:

- *First Stage* (2008-2010): Russia’s preparation for the legitimization of the external boundaries of its sector in the Arctic (carrying out geological, cartographic research, etc.); development of opportunities for international cooperation (in pursuit of effective absorption of Arctic natural resources in the Russian sector); implementation of miscellaneous projects based on state-private partnership with the objective of promoting the development of energy as well as other economy spheres in Russia’s Arctic sector;
- *Second Stage* (2011-2015): Legitimization at the international level of the external boundaries of Russia’s sector in the Arctic and implementation of Russia’s competitive advantage in the sphere of resource extraction and transportation. During this period it is expected to begin the process of restructuring the economy of the Arctic sector in order to accelerate the absorption of Arctic mineral raw materials as well as ocean biological resources and the development of the infrastructure of the Northern Sea Route.

---

<sup>12</sup> “Fundamentals of the State Policy in the Arctic for the Period Before 2020 and a Longer Perspective” („Основы государственной политики Российской Федерации в Арктике на период до 2020 года и дальнейшую перспективу“).  
<<http://www.scrf.gov.ru/documents/98.html>>.



- *Third Stage (2016-2020)*: During this period the transformation of Russia's sector in the Arctic into the main natural resource base of strategic importance has to be implemented.

In fact, in Russia's strategic documents the declared active expansion of Russia in the Arctic in the short- and mid-term perspective coincides with the "opening" perspectives of the Arctic. According to US experts, there is likelihood that from 2013 onwards during the summer season (after melting of massive ice sheets) the Arctic Ocean will become partly accessible (meanwhile, other forecasts maintain that the total seasonal "warming" of the Arctic Ocean may be expected from 2030 onwards<sup>13</sup>). The seasonal "warmings" of the Arctic would allow the countries to begin the exploitation of energy resources and would dramatically decrease the navigation routes<sup>14</sup>. Nevertheless, shortened sea routes as well as the accessibility of Arctic natural resources would bring real benefit not earlier than 2025, while the technologies that will enable effective absorption of Arctic resources will only be developed around 2050. Given this, Russia and other states view Arctic resources solely as a long-term reserve.

Alongside the objective to turn the Arctic into a strategic minerals extraction base, in its strategic documents Russia tends to propagate rather actively the possibility of resorting to the military force in the Arctic. The latter statement is enhanced in Russia's strategy in the Arctic as well as in the 2009 new strategy for Russia's national security<sup>15</sup>. In the latter strategy the Arctic is for the first time directly related to Russia's defense of national interests. In Russia's Arctic strategy it is foreseen to dislocate special military forces ("Arctic forces group"), which would ensure the control of Russia's sector in the Arctic and would be answerable to the Security Service of the Russian Federation. The fact that the "arming" strategy of the Arctic will be coordinated directly by the FSS reveals that Moscow takes this question seriously, while the aforementioned national interests, the enhancement of which will be facilitated by Arctic natural resources, have to do not so much with the modernization of the economy, but rather with the consolidation and financing of Russia's political and economic power.

---

<sup>13</sup> Sarah Clarke, „Climate changing faster than expected: scientists”.  
<<http://www.abc.net.au/news/stories/2009/11/25/2752579.htm>>.

<sup>14</sup> Northern Sea Route passing along the Russian north coast and joining the North Atlantic with the North of the Pacific Ocean would shorten navigation routes by 5000 nautical miles (in comparison to the Suez Canal). Canadian Northwest Passage, which connects Asia and Europe, would shorten navigation routes by 4000 nautical miles (in comparison with the Panama Canal).

<sup>15</sup> "National Security Strategy of Russian Federation for the period through 2020" ("Стратегия национальной безопасности Российской Федерации до 2020 года"),  
<<http://www.scrf.gov.ru/documents/99.html>>.

## **End of Cold War – Competition for Arming the Arctic?**

The Arctic issue is complicated by the fact that mechanisms<sup>16</sup> regulating international security are only partly applicable to the Arctic or are not applicable at all. On the other hand, due to the geographic position and climate of the Arctic, only particularly mobile military (naval and air) forces may be used in the region. Given this, traditional arms control mechanisms become virtually impossible. In a situation where today's regimes for armament restraint are neither applied nor appropriate, the decision of any of the A-5 states to dislocate military forces in the Arctic Region may have a destabilizing effect. Western experts have already paid attention to the grave possibility for the Arctic to become another "hot spot". On September 1, 2009, in its intelligence risk assessment, the Danish Defense Intelligence Service released forecasts regarding the future of the Arctic Region pointing out that access to the Arctic natural resources and shipping routes alongside the growing demand for oil in the medium to long-term perspective may result in a diplomatic crisis among the A-5 states, which nevertheless should not grow into military conflicts<sup>17</sup>.

US experts leave open the possibility that opening of the Arctic may prompt confrontation among the states or short-term armed conflicts of low intensity; however, the competition for the Arctic should not develop into a large scale conflict: 1) although the Arctic Region is of strategic importance to all A-5 states (for instance, Russia's territories in the Arctic located beyond the Northern polar circle constitute 15-20 % of Russia's GDP), all A-5 states have major seaports in other oceans, due to which the blockade of seaports of the Arctic basin is of no vital importance to any of these states; 2) all A-5 states share the aspiration to restrict and control the activities of third parties in the Arctic as well as the dependence on the cooperation between high-tech companies and national governments in the absorption of Arctic resources<sup>18</sup>; 3) neither of the A-5 states is keen to maintain tension in the Arctic, as it would hinder commercial opportunities in the region.

Although chances are meager for a military conflict in the Arctic, to build up a favourable environment for commerce and resource extraction the A-5 states have to agree on mutual confidence mechanisms (including in the case of military issues).

---

<sup>16</sup> For example, the mechanism encouraging security and mutual confidence of the Organization for Security and Cooperation in Europe (OSCE), or flank requirements of the adapted Treaty on Conventional Armed Forces (A-CFE).

<sup>17</sup> Mia Bennet, „Danish Defense Intelligence Agency Warns of Diplomatic Riffs“. <<http://arctic.foreignpolicyblogs.com/2009/09/04/danish-defense-intelligence-agency-warns-of-diplomatic-riffs/>>.

<sup>18</sup> National Intelligence Council, „Global Trends 2025: A Transformed World“. <[http://www.dni.gov/nic/PDF\\_2025/2025\\_Global\\_Trends\\_Final\\_Report.pdf](http://www.dni.gov/nic/PDF_2025/2025_Global_Trends_Final_Report.pdf)>.

## **Arctic institutional challenges for the international politics**

One of the major Arctic-related problems is the lack of institutional regulation: although interested countries are members of various organizations, there is no institutional /international law regime that would be applicable to all Arctic territories and which would be able to establish “the rules of the game” in sensitive sectors (viz., “tough” security and commercial activities). All A-5 states sharing a border with the Arctic are members of OSCE and the Arctic Council<sup>19</sup>. In addition, all Member-states of the Arctic Council belong to the Council of Europe (the USA and Canada take part as observer states) and to the Barents Euro-Arctic Council (BEAC). Canada, Russia and USA participate in the G-8 group, which frequently has on its agenda issues that do not fall under the competence of other institutions. Of eight Member-States of the Arctic Council three are members of the EU, five are members of the European Economic Area, and five are NATO members. In this network of overlapping institutions is only one gap:

at present the Northwestern region of the Pacific situated eastwards from Russia and connecting with the Arctic is not subject to any institutional mechanisms that would help resolve the problematic Northern transit routes issues. What prevents Asian countries and Russia from establishing an institution like the BEAC, is the still-prevalent territorial disputes with Japan, i.e. issues which are not raised in the Shanghai Cooperation Organization. To generalize, one may distinguish three main institutional challenges Arctic-related issue:

- The most consistent and so far the only international law instrument in the Arctic is the aforementioned United Nations Convention on the Law of the Sea (UNCLOS), the provisions of which allow the countries to resolve many disputed issues related to the territorial jurisdiction, extraction of natural resources, navigation, environmental protection assurance, and so on. However, with the US non-ratification of this convention ways to oblige the A-5 states to observe the UNO decisions regarding the disputed Arctic territories remain unclear. Although both the former and present US administration support the ratification of the UNCLOS, part of Republicans and Democrats in the US Congress oppose ratification of this international agreement arguing that the UNCLOS violates US rights: 1) UNCLOS ratification will affect US companies involved in deep-sea mining which will be obliged to share these resources with companies of other countries; 2) UNCLOS restrictions on the freedom of US activities in international waters are unfounded. Due to the fact that the UNO (besides the UNCLOS) does not have any specific institutions or instruments handling the specific issues of the

---

<sup>19</sup> The Arctic Council was established in 1996 by the agreement of eight states bordering the Arctic Region (the US, Canada, Denmark, Finland, Iceland, Norway, Sweden and Russia). The Arctic Council is a high-level intergovernmental forum that seeks to develop cooperation between the Arctic Region states and local Arctic communities as well as activities coordination on various Arctic-related issues. – Author’s note.

Arctic, the region essentially remains a “vacuum” of a united institutional/legal regime<sup>20</sup>.

- Institutions involved in tackling the Arctic issue (both the Arctic Council and the BEAC) are “mild” institutions in their nature as their decisions most often are permissive rather than mandatory and thus do not reflect the true state of affairs in the Arctic: the decisions of these institutions do not cover the “tough” (military) security agenda, nor development of economic trends in the Arctic<sup>21</sup>.
- Lacking any regulation, Arctic military security and economic issues crank up tensions between interested international actors (states and organizations): any unilateral attempt to resolve these problems may be viewed as illegitimate and stir up opposition<sup>22</sup>.

### **The effect of the “tough” Arctic security issue on Russia**

The vacuum of security cooperation in the Arctic will inevitably have to be filled. Sooner or later the interested parties will be forced to take the initiative and enhance measures of mutual trust. The success of this initiative will depend on the international weight of the initiator and the support of the A-5 states. As long as the A-5 states lack mutual trust, the initiative from the outside is a highly probable outcome. With respect to that Russia’s main problem lies in the fact that, given this situation, Russia would not be able to control the security and military cooperation initiatives in the Arctic.

The Arctic and NATO-Russia relations. A weighty NATO role in the security regulation in the Arctic seems justified as four out of the A-5 states (the US, Canada, Denmark, and Norway) are NATO members. In March 2008 the European Commission announced the report “Climate Change and International Security”<sup>23</sup> in which it warned the EU members of the potential conflicts in the Arctic. On the basis of this document Jaap de Hoop Scheffer, then NATO Secretary General, stated that, seeking to defuse potential tensions between the states competing in the Arctic, the Alliance would have to expand the participation of military contingents in the Arctic Region<sup>24</sup>. This position

---

<sup>20</sup> Alyson J.K. Bailes, „Options for Closer Cooperation in the High North: What is Needed?“. <[http://www.ndc.nato.int/download/publications/fp\\_07.pdf](http://www.ndc.nato.int/download/publications/fp_07.pdf)>.

<sup>21</sup> Ibid.

<sup>22</sup> Ibid.

<sup>23</sup> EurActiv.com, „Solana to sound alarm over coming climate conflicts“. <<http://www.euractiv.com/en/climate-change/solana-ound-alarm-coming-climate-conflicts/article-170880>>.

<sup>24</sup> Mail Online, „Nato to have military presence in the Arctic as melting ice leads to scramble for energy reserves“. <<http://www.dailymail.co.uk/news/worldnews/article-1131848/Nato->

was voiced again on October 1, 2009, by new NATO Secretary General Anders Fogh Rasmussen<sup>25</sup>. The foregrounding of the Arctic issue in NATO agenda would testify to the unanimous position of the US, Canada, Denmark and Norway on defense issues of the Arctic territories and expansion of Alliance's activities in the Arctic Region, which is seen as strategically sensitive to Russia.

NATO may also become a mechanism for an indirect military cooperation in the Arctic. For example, the development of military cooperation in the Arctic is of particular interest to Northern countries<sup>26</sup>, which at the Northern countries Foreign Ministers' meeting on June 8-9, 2009 in Reykjavik (Iceland) announced their plans to further their military cooperation. The impetus for the expansion of military cooperation of the Northern countries was voiced by then Norway Foreign Minister Thorvald Stoltenberg in a report announced on February 9, 2009 and devoted to cooperation of the Northern countries in the spheres of foreign policy and security<sup>27</sup>.

The report provided a review the demand for cooperation in the light of global and regional security (including the Arctic). On the basis of this report Denmark, Iceland, Norway (all NATO members) as well as the neutral Sweden and Finland announced their intention to develop a military block that would ensure security of the relevant Arctic territories. The objectives of the block are to ensure security of the Icelandic airspace, to establish special patrol units, quick reaction forces and a common satellite-based surveillance system in the region. A more specific draft on Nordic military cooperation is expected to appear before the next meeting of Nordic foreign ministers in 2011.

The plans of Nordic countries to enhance joint military cooperation may be assessed in two ways. First, in their negotiations on Russia-related bilateral issues (Russian wood export duties, energy, etc.), Nordic countries obtain certain levers. Second, with Nordic countries strengthening common military forces, infrastructural and functional overlaps of their military forces with NATO forces as well as joint operations (for example, airspace surveillance, rescue operations and so on), Finland and Sweden may be encouraged to integrate in the Alliance's processes in the long run. But even if the latter did not seek integration into NATO, such security regime already means an indirect presence of NATO in the region. This is why the development of cooperation of

---

military-presence-Arctic-melting-ice-leads-scramble-energy-eserves.html#ixzz0djTZ64ws>.

<sup>25</sup> Speech by NATO Secretary General Anders Fogh Rasmussen on emerging security risks. <[http://www.nato.int/cps/en/natolive/opinions\\_57785.htm](http://www.nato.int/cps/en/natolive/opinions_57785.htm)>.

<sup>26</sup> Denmark and Norway have corresponding Arctic sectors, Iceland does not have its own military forces, Sweden and Finland partly belong to the Arctic Region, however, do not have direct access to the Arctic continental shelf and are not NATO members.

<sup>27</sup> Thorvald Stoltenberg, „Nordic Cooperation on Foreign and Security Policy: Proposals presented to the extraordinary meeting of Nordic foreign ministers in Oslo on 9 February“. <<http://www.regjeringen.no/upload/UD/Vedlegg/nordicreport.pdf>>.



Nordic countries in the Arctic essentially means the “zero outcome” game to Russia’s disadvantage. If the aforementioned initiatives are to be implemented, the region’s security issues will turn into a lever in NATO’s hands that will enable fortification of the position in relations with Russia.

### **The Arctic and EU-Russia relations**

Russia’s analysts emphasize that, seeking to counterbalance the expansion into the Arctic of NATO’s potential “tough” (military) force as well as the ambitions of other countries, Russia would have to consider the involvement of the EU in the resolution of the Arctic issues. In what form could this EU-Russia cooperation proceed? Russia’s foreign policy experts believe that the most beneficial scenario for Russia would be the renewal of the Northern Dimension. So far the EU does not have a consistent strategy in the Arctic, while to date the Northern Dimension format is the only EU instrument that at least in formal terms covers the Arctic Region. In 1997 the EU initiated the Northern Dimension policy which determined a cooperation framework for Northern European countries in the spheres of welfare and sustainable development; however, the Arctic Region was not included until 2006. In 2006 the Northern Dimension policy was reviewed: it upheld equal rights in the partnership involving the EU, Norway, Russia and Iceland, and its geographic borders were extended to embrace the Barents Region. The Arctic and Sub-Arctic Regions, the Baltic Sea and the Kaliningrad Oblast of Russian Federation would have to become priority areas; however, in practice the Arctic remained EU’s peripheral political sphere.

Russia’s initiative for cooperation on Arctic issues would provide an opportunity for revitalization of the Northern Dimension direction. Ideally, it would allow the EU to contribute making relevant decisions and forming the Arctic energy policy<sup>28</sup>.

How would Russia benefit from this situation? EU involvement in the resolution of the Arctic issues would balance NATO’s role thus substituting the “tough” security agenda for “mild” questions, and ever more bureaucratize and “wash out” (“to forumize”) the existent institutional ties in the Arctic. On the other hand, such decision would enable Russia to build relations with the EU in a different fashion and to a certain extent to redraft the map of interest zones.

---

<sup>28</sup> Adele Airoidi, „The European Union and the Arctic: policies and actions“. <[http://www.norden.org/en/publications/publications/2008-729/at\\_download/publicationfile](http://www.norden.org/en/publications/publications/2008-729/at_download/publicationfile)>.

## **Consolidation of the “Northern vector” in Russia’s foreign policy and interests of the Baltic States**

The Arctic policy is important to the Baltic States due to the fact that in the EU-Russia relations the Arctic range of problems may offer additional dividends dealing not only with the resolution of the Arctic issue, but also with Russia-EU relations, notably, Russia’s interests in the Baltic Sea Region. If Russia succeeded in foregrounding the Arctic issue in the Northern Dimension policy, this would give rise to an opportunity to combine three Russia’s foreign policy agendas: 1) Russia’s relations with the Baltic States; 2) Russia’s relations with the Nordic countries; 3) Russia’s energy resources and commercial opportunities in the Arctic.

Joining of the three agenda would be particularly disadvantageous to the Baltic States, as the Baltic Sea Region might become a “hostage” of the Arctic Region. It should be taken into consideration that, despite the renewed EU “Northern Dimension” policy of 2006, Russia’s bonds are meager due to the poor interaction between the EU and NATO. This equips Russia with the possibility to implement a “multivectoral” foreign policy through the formation of unions with individual states on the basis of various interests. Adding the Arctic issue to the Northern Dimension would not boost Russia’s international obligations, rather, the contrary is more likely: the content of the Baltic Sea Region policy would depend on the success of Arctic-related negotiations of the large countries. All this could provide premises for distinctive political “exchanges”: Russia’s obligations in the Arctic and provision of energy resources to Europe in exchange for discounts to Russia in the Baltic Sea Region.

- One of the most relevant issues to the security of the Baltic States is the extent to which the EU will seek to participate in the resolution of the “tough” security in the Arctic issues. If the Northern Dimension acquired the “tough” security aspect, Russia would automatically gain more influence on the security of the Baltic Sea Region. In exchange for armament restrictions Russia could make demands on the security infrastructure in the Baltic Sea Region. Another possibility rests on the idea that three of the A-5 states, viz. the US, Canada and Norway, are not EU members, and based on that Russia could come up with a regional security system, alternative to Euro-Atlantic structures (for instance, a Baltic States defense union, or European security agreement organization). The rise of such phenomena would have negative consequences to NATO’s agenda and efficiency as well as the security of the Baltic States.
- An undefined format does not ensure energy security interests of the Baltic States. The flexibility of the Northern Dimension policy opens vistas for the development of bilateral energy diplomacy, in which the obligations of the Northern Dimension have virtually no influence. This means that the development of energy infrastructure in the North-West or North-South directions will only reflect the interests of those countries

which will be ready for direct negotiations with Russia (as, for example, the already mentioned “Nord Stream” gas pipeline in the Baltic Sea.). The skills of the Baltic States to defend their interests in this situation successfully are poor.

As long as the A-5 “agreement not to agree” is in effect, it is early to speculate on specific Arctic policy outcomes for the Baltic States. However, the announced positions of the main actors allow one to foresee the outlines of interests of the Baltic States in the development of this policy and identify the most favourable and most unfavourable scenarios, which could help form a purposeful Baltic States policy in an attempt to protect against surprises in the future.

**Table 2. Scenarios for Russia and Baltic States interests in the Arctic**

<b>Changes in Arctic policy</b>	<b>Russia’s interests</b>	<b>Interests of the Baltic States</b>
<b>NATO’s unified stance on security and military policy issues in the Arctic</b>	NATO’s involvement in “tough” security policy in the Arctic is unhandy to Russia which does not have direct influence on NATO’s levers. Given this situation, in the resolution of issues related to the military status of the Arctic Russia would become “an invited guest” rather than a decision-maker.	NATO’s involvement in ensuring stability in the Arctic would be favourable to the Baltic States, since the security agenda of the Arctic would then be kept separate from the Baltic States security agenda.
<b>Involvement of Nordic countries in ensuring security and defense in the Arctic</b>	The involvement of Nordic countries causes little inconvenience to Russia in political terms, since the direct involvement of NATO (which, judging by Russia’s national security standpoint, is analogous to but another NATO’s expansion in Russia’s space of interests.	Such solution of the problem would bring about less tension to NATO-Russia relations than NATO’s direct involvement, while “mild” and “tough” security issues in the Arctic would be kept separate from Russia-EU relations.  On the other hand, this initiative remains a grey area until a specific cooperation mechanism and Russia’s role in this mechanism have been agreed upon.
<b>Involvement of</b>	EU involvement would allow Russia to	EU-Russia cooperation is

<p><b>the EU in the resolution of the issues of the Arctic Region.</b></p>	<p>counterbalance to a certain degree or to change the potential NATO involvement in the Arctic policy as well as the role of other A-5 states. For Russia this would imply a not too binding cooperation in the sphere of “tough” security and investments needed for the absorption of the resources.</p>	<p>favourable to the Baltic States on condition that it is kept separate from issues dealing with the Baltic Sea Region and is devoted to solely energy and “mild” security questions. In the best-case scenario, the Arctic issues would be incorporated in the EU-Russia energy dialogue (covering environmental, investment, and energy supply issues).</p>
<p><b>The Arctic factor in the Northern Dimension</b></p>	<p>It would allow Russia to counterbalance the influence of NATO and the A-5 states, but also “cleanse” “tough” and “mild” security provisions as well as Russia’s obligations. Russia would gain additional weight by resolving the Baltic Sea security issues and grounds for initiating the formation defense alliances with a view to devaluing the role of NATO. Meanwhile the dimension of energy security would remain totally dependent on the type and possibilities of agreements between individual EU Member-states and Russia.</p>	<p>This scenario is particularly unfavourable to the Baltic States. Should the Baltic Sea issues be coupled with the Arctic issues, interests of the Baltic States might become the exchange object between the EU and Russia. Meanwhile, as energy security issues are becoming less definite, the likelihood of the development of projects analogous to “Nord Stream” is increasing, i.e., projects which do not improve the state of energy security of the Baltic States, but cause ecological damage and make energy isolation probable.</p>