

New strategic dynamics in the Arctic region

Implications for national security and international collaboration

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The Arctic region becomes more accessible and holds promises of new sea routes and various resources. What is at stake, and what role do individual countries and organizations like NATO and the EU play? This article analyzes the security issues and concerns of the 'Arctic Five' and other Arctic players.

The promise of new sea routes and resources

As the polar ice cap continues to melt, the world is witnessing nothing less than the opening of a new ocean. As if its creation were not newsworthy enough, this new, fifth ocean – which will essentially be an expanded and more navigable version of the Arctic Ocean that now exists – holds out the promise as well of new seaways linking Europe and Asia via the High North that could, in the view of numerous maritime experts, substantially reduce travel distances, transit times, and overall transportation costs by the 2030 – 35 timeframe.¹ Adding to the Arctic's importance even before then is the prospective extraction of significant strategic fuel and non-fuel mineral supplies from the northernmost territories – especially those offshore in the Arctic seabed – of Norway, Russia, Denmark, Canada, and the United States, commonly referred to as the Arctic Five. Most prominent in this context are the Arctic's oil and gas reserves that are currently projected to account for upwards of 22 percent of the world's undiscovered but technically recoverable hydrocarbon deposits, the development of which will become increasingly feasible and cost-effective over the next decade. Indeed, for this reason alone, the Arctic Five have quickened their efforts to secure their sovereign rights over extended continental

shelves (ECS's) where some of the most promising deposits are believed to be located, while other countries with a strong interest (but no territorial or resource claims) in the Arctic – including distant, energy-dependent economic powerhouses like China, Japan, and South Korea – do their best to retain access to the Arctic and to avoid being marginalized in policy debates over its future.

That said, time, cost, and technology constraints appear to be working against any competitive "rush to the Arctic," fueled in part by the lure of an oil and gas bonanza beyond compare, as some have suggested. Far more likely is a slow and methodical push into the High North, not the least because there is so much yet to learn (or, in some cases, to relearn) about operating safely in the harsh Arctic landscape, so little infrastructure already (or soon to be) in place to support such operations, and such limited capacity even among the Arctic Five to undertake and sustain Arctic operations of any kind, be they commercial or military in nature. Moreover, while access to – if not control over – offshore Arctic resources remains a strategic goal shared by quite a few influential countries located both within and beyond the Arctic region, the probability of serious interstate rivalry or, in the worst case, open conflict in pursuit of this objective seems quite low, at least in the near- to mid-term future. In the first place,



the vast majority of hydrocarbon deposits locked in the Arctic seabed are concentrated within the sovereign territory of one or another of the Arctic Five, where ownership is clear and undisputed. Secondly, while there are disagreements over who owns various resource-rich areas where two or more exclusive economic zones and potential ECS's appear to overlap, the 2010 agreement between Norway and Russia over how best to divide a sector they both claimed in the Barents Sea, together with a commitment by the Arctic Five in 2008 to abide by procedures set forth in the UN Convention on the Law of the Sea (UNCLOS) for determining the dimensions of each country's ECS, suggest that a peaceful settlement of any territorial dispute is more likely than not. Third, and finally, the sheer expense and technical challenges involved in extracting oil, gas, and other strategic resources from the Arctic ocean floor argue for a joint, collaborative effort among interested parties, Arctic and non-Arctic alike, as opposed to a "go it alone," unilateralist approach.

Security concerns and the potential for conflict

While these and similar considerations are likely to preserve the Arctic as a "High North, low tension" arena for

some years to come, it is not axiomatic that the region as a whole will remain trouble-free as its resources and sea lanes become increasingly accessible. For one thing, it remains unclear what would happen if an Arctic Five country whose ECS claim was rejected under UNCLOS procedures refused to abide by the ruling. Given the resource wealth that could be at stake, the resulting standoff could indeed lead to disputes and military posturing by rival claimants that could eventually trigger a crisis in the Arctic that might even end up with shots being fired. At the same time, a steady melting of the polar ice cap could provide fishermen with access to previously unreachable fishing grounds where ownership is unclear, and warmer Arctic water temperatures could encourage a migration of fish from one state's exclusive economic zone (EEZ) to that of another or to disputed regions within the High North. Both developments could increase the possibility for rivalry or conflict – similar, for example, to the brief but bitter "cod wars" between Iceland and Norway in the mid-1990s – between fishing fleets from a growing number of competing countries, especially as global fish stocks plummet.²

As a result, it cannot be dismissed that localized episodes in the Arctic could still develop into armed clashes despite the original intentions of the parties involved, especially

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given local asymmetries of military strength (principally in Russia's favor) which could potentially encourage the use of limited force by one or another state actor in the region, based on the conviction that the other side(s) would avoid at all costs escalating the conflict into a major confrontation. In addition, given their track record, it is possible to imagine as well countries like China and Russia deciding at some future date to exploit the natural resources found in pockets of "high seas" in the region, particularly those in the central Arctic Ocean, without acknowledging their obligations under UNCLOS and rejecting the legal control of the areas by the International Sea-Bed Authority (ISA).³ That said, it remains unlikely that any of the five Arctic littoral states would risk a large-scale, interstate military conflict, particularly to impose its preferred solution to regional clashes of interest, since the resulting political and economic costs of doing so would likely outweigh any conceivable gain.⁴ Their military forces are far more likely to be used in the Arctic to support search and rescue, disaster relief, and other civil emergency/civil support operations than for combat-related missions.

Additional Arctic Five considerations

Indeed, whatever the source and level of regional tension at any particular time, the future of the Arctic and its strategic importance will be determined first and foremost by decisions made and actions taken by the five circumpolar states, each of which has a significant Arctic coastline, EEZ, and potentially resource-rich ECS to protect and over which to assert its sovereign rights. Each is also likely to witness a substantial increase in economic activity, along with seaborne trade, in and through Arctic waters under its jurisdiction in the 2030 to 2040 timeframe. Within this context, clarifying who owns what in those areas where that is still unclear, providing security (and protecting strategic interests) in resource-rich areas where ownership is not disputed, and establishing international rules of the road for those who wish to transit Arctic waterways and/or help to tap the region's mineral wealth and fisheries are certain to remain priority tasks for the five coastal states in the future of the Arctic. Significantly, despite Russia's sometimes belligerent stance in the north, including provocative naval maneuvers and increased incursions by Russian bombers into Arctic neighbors' air space, Moscow will likely choose, at least in the near term, to act with, not against, other Arctic countries such as Norway and the United States, that can provide it with the necessary expertise for deep-water offshore drilling in icy conditions that Russian firms sorely lack. Norway, for example, whose energy giant Statoil operates the world's only offshore

gas-production facility above the Arctic Circle, continues its successful exploration of Arctic waters, with plans to develop as much as 600 million barrels of recoverable oil in the recently discovered Skrugard and Havis fields alone, while Russia's Shtokman gas project in the Barents Sea has been delayed indefinitely, following years of failed Russian efforts.

At the same time, Greenland's extensive new self-government agreement and its growing aspirations for even greater autonomy and economic self-sufficiency vis-à-vis Denmark could potentially add an entirely new twist to the Arctic sovereignty debate and regional geostrategic dynamics. Should current explorations for oil and gas off the Greenland coast hit pay dirt, talk of independence among Greenlanders will certainly increase, a turn of events that could push Greenland (together with its hydrocarbon riches) into an ever closer association with the United States or, more likely, would lead an independent Nuuk to retain formal but much looser ties to Copenhagen to counterbalance an overly dominant Washington. Canada will also keep a watchful eye on developments in Greenland, given the obvious implications for the final resolution of overlapping territorial claims related to Hans Island and portions of the Lincoln Sea, areas where offshore oil and gas deposits could be substantial. With a view toward protecting its national interests and affirming its sovereignty throughout the Canadian Arctic, Ottawa can be counted on as well to continue its "use it or lose it" approach to the High North, especially under the newly re-elected Harper administration, albeit in a somewhat less jingoistic, unilateralist manner than has prevailed in recent years. Canada will still pursue a military strategy aimed at strengthening its presence in the Arctic, but, in part thanks to cuts in its budget for defense procurement, it will seek greater opportunities going forward to cooperate more closely with the United States on Arctic security matters.

With regard to Washington's interests, in particular, the Arctic region, situated atop three continents, will continue to be, in geostrategic terms, extremely valuable to U.S. national security planning. This is particularly true with respect to America's ability to conduct early warning and missile defense operations, deploy air and naval forces in support of strategic deterrence, carry out global airlift and sealift, maintain an overall maritime presence, and ensure freedom of navigation and overflight rights, as appropriate, throughout the Arctic. Added to these considerations is the projected strategic value of the oil, gas, and other natural resources likely to be found in the Alaskan Arctic, with preliminary results indicating that Washington may be eligible

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to claim one of the largest and richest ECS sectors in the world, measuring two to three times the size of California. All of this simply reinforces the incentives for America to sustain a relatively robust military presence in and around Alaska, to assert (where appropriate) its sovereignty within the Arctic, and to improve its overall ability to conduct a variety of civil support and more traditional military missions under Arctic conditions.

That said, effectively exploiting the economic, maritime, and airpower advantages that Alaska and the Arctic as a whole appear to offer will also impose additional requirements and obligations on U.S. military forces. Insofar as operational needs are concerned, those forces most likely to be operating in the Arctic – especially the maritime services (including the U.S. Coast Guard) – must develop a more robust capacity

NATO's unique expertise and assets could prove indispensable

to operate in Arctic conditions, including greater maritime domain awareness, a better communications architecture, additional shore-based infrastructure and support facilities that would be required for persistent maritime operations in the region, and, at

some point as well, the procurement of ice-capable ships, including both icebreakers and ice-strengthened surface vessels, none of which exist in the Navy's current inventory and only a few in the Coast Guard's. Further, with increased activity in and over Arctic waters, the U.S. military's knowledge base will need to be improved significantly with regard to the evolving operational environment in the Arctic (including newly accessible, uncharted waterways), as will the military's ability (as noted above) to conduct search and rescue, disaster response and relief, and environmental security operations, among other essential missions, within the Arctic's harsh conditions. The lack of infrastructure that U.S. forces currently face in the High North was particularly evident during the Coast Guard's summer 2012 effort, its largest ever patrol presence in the waters north of Alaska, when the service could rely on only one helicopter hangar, whose entrance is getting lower as the building continues to sink into the permafrost.⁵

The role of other Arctic players

While the views of the Arctic Five will remain paramount (particularly in the near term), the three non-coastal

Arctic states – Iceland, Sweden, and Finland – are poised to exert as well a significant degree of influence over the future development and overall management of the Arctic region. As full-fledged, founding members of the Arctic Council, each country has already played a key role with regard to establishing international tools for environmental protection, maritime shipping, and, most recently, search and rescue operations in the High North. Moreover, building on the work of the council, along with that of other prominent multilateral forums to which they belong, all three are likely to continue their efforts to promote mechanisms for regional cooperation in the Arctic aimed at ensuring appropriate access to the region for coastal and non-coastal states alike. Such initiatives, of course, could strengthen the case for greater and more assured access to the Arctic for relatively distant countries as well – such as China, Japan, and South Korea – that nonetheless want a say in how the region evolves, given their growing interests in the potential use of future Arctic sea lanes and in the eventual extraction of resource supplies from the region. Broader global access is an objective, no doubt, that key regional organizations with Arctic members (most notably NATO and the EU) are likely to endorse as well, in part to help reinforce their own status as legitimate Arctic stakeholders.

In this context, NATO and the EU have both increasingly begun to ponder what role they ought to play with regard to future developments in the Arctic region. However, while the EU has growing influence and regulatory competence in policy realms that have an Arctic dimension, it currently lacks any formal authority or control over continental shelf claims or the management of Arctic fishing and energy resources. Given as well its ongoing bureaucratic challenges and the varied interests of its member states, Brussels is unlikely to have a decisive say on how the future of the Arctic unfolds. Nevertheless, the organization can still contribute to Arctic affairs, especially with regard to vital shipping and fishing regulation in the Arctic's international waters, by establishing, for example, important standards, procedures, and rules for the large maritime fleets that operate under EU jurisdiction.⁶ To the extent that it can coordinate such initiatives with the Arctic Council and other regional and sub-regional organizations with a pre-existing role in High North affairs, the EU's contributions are likely to be both more effective and more welcome.

In a similar way, NATO, which has been careful to avoid talk of any immediate threats of consequence to Alliance interests in the Arctic, could do more to buttress efforts



by the Arctic Council, the Nordic Council, and individual Arctic nations in the areas of aerial surveillance, maritime situational awareness, and disaster relief missions in the Arctic, including search and rescue at sea. Better preparations for operating in the High North should also provide the Alliance with a greater capacity to deter conflict in the region and to control escalation when such conflict can't be deterred. That said, apart from improving allied capabilities for responding to an Arctic crisis, NATO can also help reduce tensions by providing a forum where all the major Arctic nations can more openly discuss their legitimate national interests in the Arctic and their concerns over how best to protect those interests over the long term, concerns that are still difficult to air in the Arctic Council. Moreover, if NATO were to apply, as the EU has, for observer status on the Arctic Council, the council might use such a tie, if it were ever granted, as a way to link up informally with a security-oriented forum that could address the strategic and defense policy aspects of High North issues. Given that Russia will likely play a key role in ensuring the Arctic region's future long-term stability, a major challenge for NATO will be to devise appropriate policies that meet the fundamental security interests of its members, while simultaneously taking into account Russian sensibilities and concerns in the polar area.

A security dialogue for the Arctic

As for the existing architecture of international governance and cooperation, the situation in the Arctic remains somewhat muddled and undeveloped, especially with respect to security-related issues. While the jury is still out on the best system of governance for the Arctic region as a whole, current trends suggest that a patchwork of relevant private, public, intergovernmental, and nongovernmental organizations could present the best approach, centered perhaps around a core group of interested parties such as the Arctic Council. Thus, rather than a single, overarching, and legally binding regime for managing Arctic affairs, what is likely to prevail for some time to come is a mix of collaborative frameworks, including bilateral, sub-regional, regional, and broader multilateral mechanisms, depending on the issue or issues to be addressed. As this approach matures, moreover, the Arctic could serve as a valuable laboratory for testing how best to establish and maintain a safe, stable, and secure environment in regions where a diversity of interests, ambitions, and expectations could easily clash, possibly in a violent manner, absent an effective mechanism for multinational and multilateral governance. In view of the Arctic Council's increasing purview with respect to search and rescue and oil-spill response operations, for example, a growing

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number of U.S. officials and experts have begun to embrace the idea of establishing an Arctic Council Plus (also referred to as an A8 Plus) structure that would allow governance to gradually evolve from within the region and then outward, beginning with an inner core group of Arctic countries and key stakeholders that would expand as necessary, adding more nations and/or institutional players, as the particular issue or challenge at hand may require.

The situation becomes much less clear, however, when matters of national and international security are involved, with regard to which the eight Arctic nations – most particularly, the five coastal countries – remain highly sensitive. At the multinational level, NATO appears to be the one organization that is able to address Arctic security in a serious manner, though its attempts to do so are still in the earliest stages and viewed with suspicion by Russia, which could play, if it chose to, a very disruptive role vis-à-vis Arctic policy. Aside from its ability to meet Western needs in the realm of military security, NATO's unique expertise and assets for addressing possible civil emergencies and large-scale search and rescue problems in the circumpolar area could also prove indispensable in the years and decades ahead.⁷ Future security risks in the Arctic are probably best handled by what is known in NATO circles as a "comprehensive approach" strategy, according to which the diverse array of national, international, IGO,

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and NGO institutions that have a stake in the Arctic would take more concrete steps to coordinate and integrate their individual efforts in support of a common plan. It is also possible that a new multilateral mechanism could be established to facili-

tate Arctic-wide discussions of emerging security concerns and military challenges. In that regard, promoting and developing an informal, unofficial forum for an Arctic-oriented security dialogue – similar perhaps to the annual Munich Security Conference in Germany and the Shangri-La Dialogue in Singapore – might be an ideal way forward. Indeed, given the traditional reluctance of the Arctic Five to address security policy issues at the Arctic Council, such a forum, which could be open to all parties interested in contributing to a stable and secure Arctic region, is long overdue.

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1. See remarks made by Admiral Gary Roughead, USN, then U.S. Chief of Naval Operations, at the "Active in the Arctic" seminar held in Washington, D.C., on Capitol Hill on June 16, 2011.
2. Christine Parthemore with Will Rogers, *Sustaining Security: How Natural Resources Influence National Security* (Washington D.C.: Center for a New American Security, 2010), 16.
3. See Roger Howard, *The Arctic Gold Rush: the New Race for Tomorrow's Natural Resources* (London and New York: Continuum, 2009).
4. Sven Holtsmark, *Towards Cooperation or Confrontation? Security in the High North*, NATO Defense College, Research Paper no. 45, February 2009.
5. Kirk Johnson, "For Coast Guard Patrol North of Alaska, Much to Learn in a Remote New Place," *New York Times*, July 22, 2012.
6. Alyson Bailes, "How the EU Could Help Cool Tempers over the Arctic," *Europe's World*, June 19, 2009.
7. Alyson Bailes, "Options for Closer Cooperation in the High North: What Is Needed?" *Security Prospects in the High North: Geostrategic Thaw or Freeze?* ed. Sven G. Holtsmark and Brooke A. Smith-Windsor (Rome: NATO Defense College, May 2009).