

## **PART II**

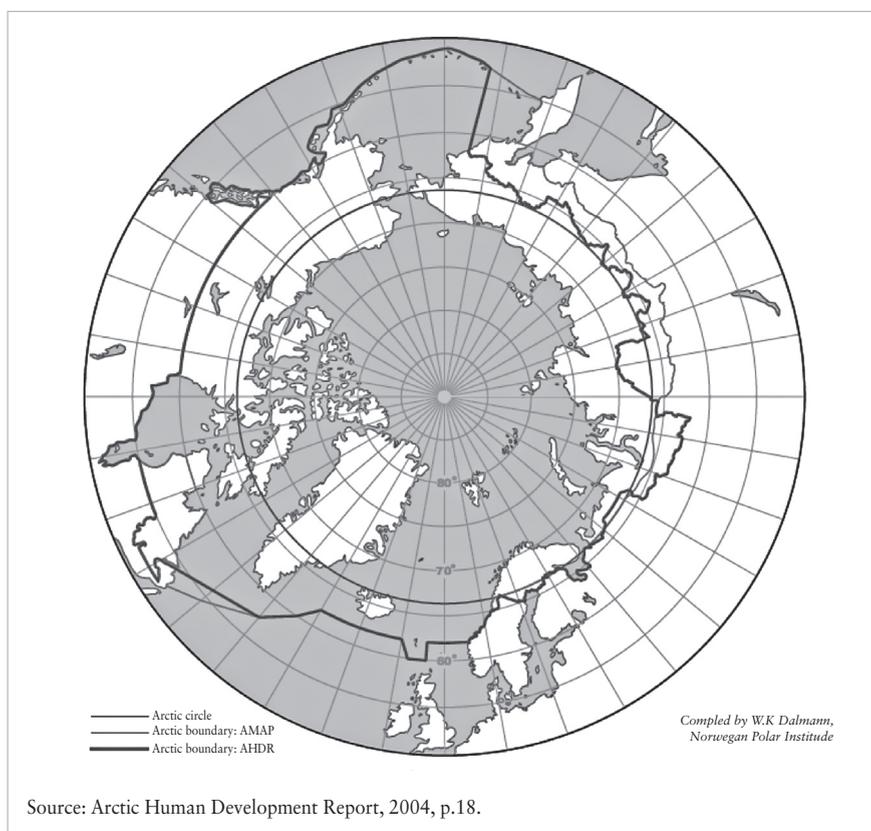
### **COMPARING NATIONAL ARCTIC POLICIES**



## 4. Canada's Arctic Policy<sup>1</sup>

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The Arctic described in a number of Arctic Council publications is a vast region that includes some areas that are generally considered to be sub-Arctic. For the purposes of this paper, the Arctic Council's expansive definition of "Arctic" is adopted. In Canada, the lands and marine territories north of the 60°N latitude are commonly referred to as "the North." Consequently, this paper treats "Canada's Arctic policy" and "Canada's northern policy" as one and the same thing.



*Figure II-1. Map showing the Arctic circle and a boundary of the circumpolar Arctic region*

## THE EVOLVING CONTEXT OF CANADA'S ARCTIC POLICY

Canada is a federation, which means in practical terms that Canada's Arctic policy encompasses often-divergent views of several levels of government, including the Government of Canada, the governments of several provinces and territories, and indigenous peoples' institutions and governments recognized in modern treaties. Significant political, economic and social changes have occurred in Canada's Arctic or North in the past three decades. The evolving roles of the Territorial Governments (Yukon, Northwest Territories, Nunavut) and of the numerous indigenous peoples' governments and organizations are perhaps the most dramatic developments. Territorial Governments and indigenous peoples governments and organizations are integral components of the political and economic decision-making processes in Canada's North today. Fundamental amendments to the Yukon Act in 2003 and the NWT Act in 2014 to implement devolution agreements are examples of important transfers of jurisdiction and responsibility from the Government of Canada to northern governments in key sectors such as resource development. Most recently, the Government of Canada has begun a process to negotiate devolution with the Government of Nunavut.

Similarly, modern Aboriginal land claim and self-government agreements in the Yukon, NWT, Nunavut, northern Quebec, and Labrador contain important land and resource rights, as well as a variety of governance and administrative arrangements that affect decision-making in relation to Arctic lands and waters. For example, environmental protection provisions in most of these agreements create powerful boards and agencies with guaranteed representation for indigenous peoples, to encourage sound decision making in relation to resource development. Together, these complex legislative, regulatory and policy-making processes constitute the major elements of the broad scope of "Canada's Arctic policy."

The body of this paper will focus primarily on the policies of the Government of Canada (hereinafter referred to as "Canada"). A number of departments or ministries in the Government of Canada have activities in the Arctic and carry out their mandates in accordance with key statutes and policies. A lead department on domestic Arctic affairs is the Department of Aboriginal Affairs and Northern Development (AANDC). However, other departments such as Fisheries and Oceans, Natural Resources

Canada, Parks Canada, and Environment Canada also have significant responsibilities in the region. At the international level, the Department of Foreign Affairs, Trade and Development is the lead for Arctic Council matters.

## CANADA'S VISION FOR THE FUTURE OF THE ARCTIC

There are several key documents in relation to the Arctic that represent the formal policy pronouncements of the current Government of Canada. These include:

- Canada's Northern Strategy: Our North, Our Heritage, Our Future (2009);
- Canada's Arctic Foreign Policy Statement: Exercising Sovereignty and Promoting Canada's Northern Strategy (2010); and
- Canada's Arctic Council Chairmanship Program 2013-2015 (2013)

While these documents share many common themes and positions with previous Liberal and Conservative federal governments, the policy approach to Arctic issues taken by the Conservative government of Prime Minister Stephen Harper has been quite different. Indeed, the policy development process itself has undergone significant change during the term (2006 to present) of the Harper government. More will be said on this point below.

Prime Minister Harper has shown sustained personal interest in the Arctic. Unlike any other prime minister in Canadian history, he has made annual trips to the region since becoming prime minister in 2006. The record of achievement in the Arctic of the current Government of Canada has been significant, but the longer-term implications of current policies are difficult to understand and predict. There is much uncertainty, for example, in relation to the direction of Canada's Arctic science and research policy, climate change and environmental protection policies, and the tenor and direction of circumpolar/international cooperation through such bodies as the Arctic Council.

In 2009 the Government of Canada released its Northern Strategy.<sup>3</sup> The strategy is based on recognition that the Arctic is on "the cusp of change." It contains the following domestic vision statement:

*“The Government of Canada has made the North a top priority, placing it higher on the agenda than it has been in many decades. This Government has a clear vision for the North as a healthy, prosperous region within a strong and sovereign Canada. By moving forward with Northern Strategy commitments and ensuring results are benefiting Northerners and all Canadians, the Government of Canada is making substantial progress across all four priority areas: exercising our Arctic sovereignty, protecting our environmental heritage, promoting social and economic development, and improving and devolving Northern governance.”<sup>4</sup>*

In 2010, the international dimensions of Canada’s Northern Strategy were articulated in an Arctic foreign policy statement entitled *Exercising Sovereignty and Promoting Canada’s Northern Strategy*.<sup>5</sup>

*“Canada’s vision for the Arctic is a stable, rules-based region with clearly defined boundaries, dynamic economic growth and trade, vibrant Northern communities, and healthy and productive ecosystems. The statement articulates Canada’s priorities with respect to sovereignty, economic and social development, environmental protection, and governance in the Arctic region. It details the ways Canada will show leadership and work with others to demonstrate responsible stewardship and to build a region that is responsive to Canadian interests and values.”<sup>6</sup>*

The Harper government actually began implementing elements of these policies in 2007. Such initiatives included:

- 156 million USD to support Canadian participation in the fourth International Polar Year;
- 200 million USD over two years for the renovation and construction of new housing units in the North;
- Initiating a procurement process for six to eight new Arctic patrol ships;
- 50 million USD over five years for the creation of a northern economic development agency;
- 85 million USD over two years to maintain and upgrade Arctic research facilities;

- 90 million USD over five years for the renewal of the Strategic Investments in the Northern Economic Development program;
- Initiating a procurement process for a new Polar icebreaker, the CCGS John G. Diefenbaker;
- 37.6 million USD to support initiatives related to the proposed Mackenzie Gas Project;
- Expansion and modernization of the Canadian Rangers Program;
- 100 million USD for a five-year (2008-2013) Geo-mapping for Energy and Minerals (GEM) Program geological mapping program to support increased exploration of natural resources and inform decisions on land use;
- RADARSAT-2, a commercial radar satellite, launched in December 2007, for marine surveillance, ice monitoring, disaster management, environmental monitoring, resource management and mapping in Canada and around the world, and the planned RADARSAT Constellation Mission (2018) to provide complete coverage of Canada's vast land mass, oceans and coastal approaches at least once per day and up to four times daily in the high Arctic, under all weather conditions;
- More than 85 million USD from 2008 to 2014 to conduct research relating to the Canada's claim for an extended continental shelf in the Arctic;
- More recently, in 2012, the Conservative government announced 142.4 million USD over six years for construction and equipment for a new Canadian High Arctic Research Station (CHARS) in Cambridge Bay, Nunavut, including 46.2 million USD over six years for the CHARS Science and Technology research program. For 2018-19, an additional 26.5 million USD has been set aside for the ongoing program and operations of CHARS; and
- Also of note are commitments of 300 million USD to build a highway from Inuvik to Tuktoyaktuk to connect the Arctic Ocean coast to the rest of Canada's road network, and renewed support for the GEM Program in the amount of 100 million USD over seven years (2013-2020).

What these and other expenditures demonstrate is a strong commitment to the North/Arctic, with a particular focus on economic development. In addition the prime minister has personally encouraged and supported

initiatives that attempt to raise public interest in the Canadian North and its history. Key among these initiatives was the search effort to locate the ships of the ill-fated Franklin expedition from the mid-1800s. This enduring mystery was solved in part with the discovery of the remains of the *Erebus* in the summer of 2014.

## CANADA'S ARCTIC COUNCIL CHAIRMANSHIP PROGRAM 2013-2015

In August, 2012, Prime Minister Harper announced that the Honourable Leona Aglukak, then Canada's Minister of Health, now Minister of the Environment, would serve as Canada's Arctic Council Chair. This appointment was somewhat surprising, because since the inception of Arctic Council, the Minister of Foreign Affairs had been Canada's head of delegation at Arctic Council ministerial meetings. However, Minister Aglukak, an Inuk from Nunavut with a life-long understanding of the Arctic, had served as Canada's ministerial representative at the Nuuk Ministerial Meeting in May, 2011 (Minister of Foreign Affairs Lawrence Cannon had lost his seat in parliament in a national election a few weeks before the Nuuk Ministerial Meeting and no new foreign minister had yet been appointed.).

Vowing to strengthen the Arctic Council and demonstrate strong leadership, Canada announced the broad themes for its chairmanship at the Senior Arctic Officials (SAOs) meeting in Haparanda, Sweden in November, 2012. The overarching theme is "Development for the People of the North" with a focus on creating conditions in the North for dynamic economic growth, vibrant communities, and healthy ecosystems.<sup>7</sup> Three subthemes - 1. Responsible Arctic Resource Development, 2. Responsible and Safe Arctic Shipping, and 3. Sustainable Circumpolar Communities, - reinforced the overall emphasis on long-term prosperity for northerners while committing to maintain high standards of environmental protection. The subthemes were deliberately broad, to accommodate ongoing council work as well as Canadian priorities.<sup>8</sup>

In the period following the announcement of this theme and subthemes, Canada prepared 10 draft proposals for activities to flesh out this program. These proposals were brought forward for approval by the other Arctic states in the run-up to the 2013 Kiruna Ministerial Meeting. The titles of

these 10 proposals are as follows:

1. Oil Spill Environmental Sensitivity Mapping in the Arctic
2. Circumpolar Business Forum
3. Promoting Mental Wellness in Northern Circumpolar Communities
4. Protecting Arctic Lifestyles through Migratory Bird Conservation
5. Arctic Adaptation Exchange: Facilitating Adaptation to Climate Change
6. Development of an Instrument or Other Arrangement to Address Short-Lived Climate Pollutants
7. Guidelines for Arctic Marine-based Tourism and Cruise Ship Operation
8. Strengthening the Arctic Council
9. Supporting Traditional/Community Lifestyles and Knowledge
10. Arctic Marine Oil Pollution Prevention

Although the incoming chair generally has significant influence on the substantive elements of Arctic Council declarations, only a few of Canada's initiatives survived the Kiruna negotiations intact. In a published article examining the Canadian Arctic Council Program, one commentator concludes that Canada's agenda going into the Kiruna meeting emerged in a significantly weakened form:<sup>9</sup>

*"...Canada proposed an expansive policy agenda for the Arctic Council in the months preceding the Kiruna meeting. In doing so Canada drew upon a February 2013 statement by environment ministers of all Arctic states which urged the Arctic Council to commit to negotiate 'an instrument or other arrangement to enhance efforts to reduce emissions of black carbon.' Notwithstanding these efforts, the most substantial components of Canada's proposed policy agenda—preventing pollution of the marine environment, reducing emissions of black carbon and concluding a polar code for shipping—have been visibly watered down. These issues will still be addressed during Canada's chairmanship, but instead of negotiation of international agreements or 'instruments'—processes which attract and focus political attention—the stage seems set for further research and technical analysis. Moving these issues from research to international public policy formation will likely have to await the chairmanship of the USA.... This prompts an obvious question: What will be achieved in line with Canada's Arctic Council theme, 'Development for the People of the North'? The*

*likely answer to this question is promotion of business through the proposed Circumpolar Business Network. This may be a worthwhile objective, but it surely does not require the attention of the Arctic Council. If business, particularly 'big' business believes it needs a circumpolar network it is more than capable of establishing one without the assistance of the Arctic states operating through the Council."*

One Canadian priority did receive approval exactly as proposed, namely the establishment of "a task force to facilitate the creation of a circumpolar business forum." However, this "independent body of business representatives," later re-branded as the Arctic Economic Council (AEC), raises some questions that could have an important bearing on the nature of future Arctic cooperation and the mandate of the Arctic Council itself.

## THE ARCTIC ECONOMIC COUNCIL AND OTHER CANADIAN-INITIATED DELIVERABLES

An analysis of political statements by key participants in formulating Canada's Arctic Council agenda and general Arctic strategy suggests that Canada's Arctic policy is firmly focused on economic development, with a particular emphasis on opportunities for Arctic communities and northern businesses. The establishment of the AEC, therefore, appears to be a key goal of Canada's Arctic Council Chairmanship.

The AEC was agreed to at an SAOs meeting in Yellowknife in June 2014. The document establishing the AEC, approved by SAOs, characterizes its overall aim as "Fostering sustainable development, including economic growth, environmental protection and social development in the Arctic region." The document also proposes that the AEC address "responsible resource development." So the AEC, an "independent body of business representatives," has a mandate very similar to the Arctic Council's own mandate set out in the 1996 Ottawa Declaration.

Is this what ministers anticipated when they called for a circumpolar business forum in the Kiruna Declaration? Will the AEC become a more relevant and accessible forum for non-Arctic state observers to the Arctic Council given their economic interests in the circumpolar world? It would be rather ironic if Canada helped during its first chairmanship (1996 -1998) to launch the increasingly relevant Arctic Council, only to then launch a

competing forum during its second chairmanship (2013-2015).

The AEC held its inaugural meeting in Iqaluit on September 2 and 3, 2014. Although all Arctic states nominated participants for this first meeting, there are some signs that not all share the Government of Canada's enthusiasm regarding this initiative. Because the AEC, once created, is now an independent body, its future course is difficult to predict, as is its ongoing relationship to the Arctic Council.

Aside from the AEC, Canada does not appear to have a robust slate of Canadian-initiated deliverables for the Ministerial Meeting in Iqaluit scheduled for April 2015. Practical outcomes, if any, of Canadian efforts to promote capacity building among Permanent Participants and social development of indigenous communities, including mental wellness and application of traditional indigenous knowledge, will become clearer in the final months of its chairmanship.

## THE FUTURE OF MULTILATERAL ARCTIC COOPERATION

Ongoing tensions arising from Russia's actions in Crimea and eastern Ukraine, and the responses of Canada, the U.S. and Europe, could have longer-term implications for the Arctic Council. An optimistic conventional wisdom seems to have emerged that Pax Arctica will prevail. On one hand, it seems convenient and wise to maintain an open Arctic channel of cooperation and diplomacy. On the other, a key feature of Arctic affairs today is the realization that this region is tightly bound to global biophysical, geopolitical and socioeconomic systems. If Russia does not participate in the Arctic Council Ministerial Meeting in April 2015, for whatever reason, the outcomes of the Canadian Chairmanship could be seriously compromised. Rule 7 of the Arctic Council Rules of Procedure could provide some relief. It states that "...In the event that a ministerial or SAOs meeting is held without the attendance of all eight Arctic states, consistent with Rule 3, decisions may be taken by a consensus of all Arctic states present, subject to confirmation in writing by the absent Arctic states within 45 days after receiving notice of the decision."

Furthermore, if strained relations with Russia persist, the recently announced USA chairmanship program could also be compromised. The future of the Council, as well as the alignment of Arctic affairs generally,

could be dependent upon the next ministerial meeting and the ongoing fragile situation with Russia.

## ANALYSIS

Canada's current Arctic policy has received a mixed reception in domestic and international media reports, academic commentary, and public discourse. The apparent ambivalence of the Government of Canada in relation to climate change, and the science that accompanies it, have received considerable attention and concern. Economic development priorities have been characterized in negative terms by several environmental organizations. However, on some domestic Arctic files, such as devolution, the Government of Canada has taken major steps to move control closer to the people of the North. Similarly, although often portrayed in the media and in the public service as anti-science and anti-research, the Canadian Government has committed considerable funding and political capital to refurbishing Arctic research facilities and building a world-class high Arctic research laboratory and research program in Cambridge Bay.

The figure below encompasses four dimensions of Canada's Arctic policy. While in substantive terms the formal policy documents appear

<p style="text-align: center;"><b>Substance</b></p> <ul style="list-style-type: none"> <li>• Primary pillars of Canada's Policy are generally acceptable across all national parties</li> </ul>	<p style="text-align: center;"><b>Tone</b></p> <ul style="list-style-type: none"> <li>• Canada First</li> <li>• More inward looking</li> <li>• Less multi-lateral and cooperative in tone</li> </ul>
<p style="text-align: center;"><b>Priorities</b></p> <ul style="list-style-type: none"> <li>• Economic development</li> <li>• Greater local control</li> <li>• Reinforcing sovereignty</li> </ul>	<p style="text-align: center;"><b>Process</b></p> <ul style="list-style-type: none"> <li>• Policy options formulated more by political actors than by officials in the bureaucracy</li> <li>• Changing attitudes to the nature of policy "evidence"</li> </ul>

*Figure II-2. Four dimensions of Canada's Arctic policy*

to reflect an agenda that would be generally acceptable across all national parties, the priorities, tone and processes adopted by the current government tend to distinguish it from past Canadian governments.

As mentioned above, it is not clear where the threads of Canada's Arctic policy will lead. How should the Government of Canada's policy positions and achievements be characterized?

- During the years of the Prime Minister Harper's leadership, the Conservative government (2006 to present) has shown a heightened domestic interest in the North, articulated early and clear commitments, and undertaken substantive initiatives, a few examples of which are noted earlier in this article.
- One practical result, which has been discussed by many commentators, appears to be a more inward-looking, domestic approach to Arctic issues, rather than an outward-looking, multilateral approach. The tone and substance of Canadian diplomacy in the Arctic seem to have become decidedly less multilateral, less cooperative and less accommodating. Some media commentators have referred to this as a "Canada-first approach to the Arctic."<sup>10</sup>
- As reported by *Global News* on 21 August 2013: "There have been numerous assertions that Harper's once-tough rhetoric on the federal government's Northern strategy has gone largely unfulfilled.... [A] number of promises made by Harper in 2007—including Arctic offshore patrol ships and a deep water facility at Nanisivik—have gone unfulfilled."
- An alternative view, provided by Professor Rob Huebert, an expert on Arctic military affairs, is that Prime Minister Harper deserves credit for an unrelenting focus on the Arctic, even if he has under-achieved on some of his pledges: "If you go down the checklist in terms of what he's promised and what he's delivered on, there's nothing that has been abandoned yet."<sup>11</sup>
- Some northern interests believe the investments being made, for example in relation to patrol ships (\$8-billion CD), would be better spent to subsidize air travel and build other infrastructure that is more beneficial to northern residents, such as sealift facilities to improve the resupply of communities and airport infrastructure which is critically important in most parts of the Canadian Arctic.
- Notwithstanding significant expenditures for research facilities

and various programs, the Government of Canada's commitment to pure Arctic scientific research, climate change mitigation and environmental protection have been questioned by some commentators and by the science community itself.<sup>12</sup>

## CONCLUSIONS

Regardless of what conclusions one draws from policy documents, actions and commentaries, it is clear that in 2006 with the election of the Conservative government of Stephen Harper, the tone, processes, and priorities, if not the content, of Canada's Arctic policy underwent considerable change.

The manner in which policy is developed has also undergone dramatic changes in Ottawa. It appears that the role of the federal government bureaucracy as primary formulator of policy options has been significantly constrained. The prime minister and his cabinet have taken firm control of policy development and its tactical and strategic elements, reducing the role of bureaucracy to policy implementation alone. In many cases it appears that bureaucratic input is neither sought nor desired. Nor does the current Government of Canada seem particularly interested in the lengthy, inclusive, and at times unproductive consultative processes that have become the norm in Canadian governance over the past few decades. The tendency of the Harper government to be decisive and unapologetic about its positions has generated criticism from many commentators about a lack of transparency and political dogmatism.

Taken together with efforts to reduce the size of government, both in terms of program spending and numbers of civil servants, the Canadian policy environment at the national level is quite different that it was 10 years ago. This is especially true in the context of the Arctic. While there has been a notable shift away from multilateral Arctic internationalism, there has also been a concerted effort to bring the Canadian North into the mainstream of national affairs. By advancing the devolution of jurisdiction to northern territorial governments, asserting Canadian interests and sovereignty in the Arctic, and initiating programs such as the Geo-mapping for Energy and Minerals (GEM) Program to support increased exploration of natural resources, the Harper government has brought a more sustained and focused national interest to Arctic affairs than at any other time in

Canadian history. The determined effort to build a high Arctic research laboratory in Cambridge Bay and the search for Franklin's lost ships also demonstrate a continuing interest in exciting the imaginations of the Canadian public in this formerly peripheral region.

In all of these initiatives, the political message seems to be "action" instead of "process." However, there will be ongoing challenges to sustain or increase Canadian activities in the Arctic because of the significant infrastructure deficits in respect to marine shipping and operations, for example. The high costs of building and maintaining ports and harbors, navigational aids, icebreakers and patrol ships, communication systems and so on could make it difficult to maintain the momentum of current policies and to meet new demands as the Arctic becomes more accessible. The Harper government's emphasis on economic development in the North suggests that in part it sees private investment, rather than government spending, as the key to addressing some of these infrastructure issues. This is perhaps one rationale for dedicating so much political capital during its Arctic Council chairmanship to the creation of the Arctic Economic Council.

## Notes

1. The views expressed in this paper are those of the author and do not represent any department or agency of the Government of Canada, nor any other institution or body.
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4. Source: <http://www.northernstrategy.gc.ca/cns/au-eng.asp>
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6. Source: [http://www.international.gc.ca/arctic-arctique/arctic\\_policy-canada-politique\\_arctique.aspx?lang=eng](http://www.international.gc.ca/arctic-arctique/arctic_policy-canada-politique_arctique.aspx?lang=eng)
7. *Canada's Arctic Council Chairmanship Program 2013-2015* (Brochure), Cat. No.: FR5-83/2013 | ISBN: 978-1-100-54624-7
8. See: <http://www.international.gc.ca/arctic-arctique/chairmanship-presidence>.

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9. This comparison of texts is taken from the following publication permission of the author: Fenge, Terry. "Canada and the Kiruna Declaration", in *Northern Public Affairs* Vol. 2, No. 1 (2013) 43-46.
10. Chase, Steven. "Myth versus reality in Stephen Harper's northern strategy," *The Globe and Mail*, 17 Jan. 2014.
11. Ibid.
12. Linnitt, Carol. "Harper's attack on science: No science, no evidence, no truth, no democracy" in *Academic Matters, The Journal of Higher Education*, (May 2013); See: <http://www.academicmatters.ca/2013/05/harpers-attack-on-science-no-science-no-evidence-no-truth-no-democracy/#sthash.QAnEbHdk.dpuf> ; and Belluz, Julia. "Scientists vs. Harper, Science-ish looks at the evidence on the claim that the Tory government is anti-science" in *MacLeans Magazine* (10 July 2012).

## 5. Russia's Arctic Policy

### Alexander N. Vylegzhanin

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*“He who walks in his uprightness reveres the Lord, but who is perverse in his way despises Him”  
(the Bible)*

#### INTRODUCTION

With new possibilities for economic and social activity in the Arctic and relevant environmental and other risks and challenges,<sup>1</sup> interest in the contemporary policy in the region on the part of both Arctic and non-Arctic states is increasing.<sup>2</sup> The responsibility of the Arctic states for the future of the Arctic and the necessity to govern its unique spaces wisely is obvious today. Regional (within the Arctic) and inter-regional (the Arctic and North Pacific) cooperation of states is essential. The prevailing view of experts is that the Arctic should be insulated from global geopolitical diseases. There is a déjà vu exchange of mutual accusations between Russian leaders on the one hand, and President Obama and leaders of the European Union on the other, this time after the coup d'état in Kiev in February 2014, when President Yanucovich was overthrown by Ukrainian nationalists in violation of the Constitution of Ukraine, with the presumed support of Obama and EU leaders. These accusations may hinder Arctic cooperation in the short term, but not within a long-term perspective.<sup>3</sup> Shared interests among Arctic and Non-Arctic states will prevail in the long run.

This paper first provides a general overview of basic documents that form the legal basis of Russia's current Arctic policy. Then, sectoral policies in the Arctic are considered, such as transport policy in general and the status of the Northern Sea Route (NSR) in particular, taking into account the recent federal law on the NSR; Arctic oil and gas development policy; fisheries policy in the Arctic zone of the Russian Federation; and international relations of the country in the Arctic region, especially

regarding environmental protection. Specific attention is paid to the question of a balance between development and environmental protection in Russia's Arctic policy. And last but not least, the paper dwells upon institutional arrangements, spurring and hindering the development and implementation of Arctic policy, including in relevant international fora.

## **GENERAL OVERVIEW OF BASIC DOCUMENTS ON RUSSIA'S CURRENT ARCTIC POLICY AND STRATEGY**

At the level of general applicable law (*lex generalis*), two sets of legal sources are most prominent: 1. the National Laws of the Russian Federation (the Constitution of Russia, Constitutional Acts, Federal Acts, Acts of the President of the RF, Decrees of the Government of the RF, Orders of Ministers and other federal organs, legal acts of entities-members of the RF—regions, oblasts, etc.), and 2. the rules of international treaties of the Russian Federation and of other sources of international law applicable to the Arctic (customary rules of international law, first of all).

The analysis of this level of legal regulation and of bulky texts of the relevant documents is available,<sup>4</sup> as is that of Russia's position as to the legal regime of Spitsbergen and of adjacent marine areas, based on the Agreement between Russia and Sweden-Norway of 1871-1872 and the Treaty on Spitsbergen of 1920.<sup>5</sup> Russian maritime policy in general, as reflected in the 2001 "Maritime Doctrine of the Russian Federation until 2020" (approved by the president of the RF) is also described.<sup>6</sup>

Specific political and legal documents, where the Arctic policy and strategy of the country is reflected concretely (on the level of *lex specialis*), are considered also in this paper.

### **Fundamentals of the State Policy of the Russian Federation in the Arctic for the Period until 2020 and a Further Perspective of 2008 (hereinafter "the 2008 Arctic Fundamentals")**

This document, adopted by the president of the Russian Federation on September 18, 2008, is considered to be an initial political and legal source in which an overall modern Arctic policy of the country was formulated after the demise of the Soviet Union in 1991.

There are no references in the 2008 Arctic Fundamentals to the

boundaries of the “Arctic sector” of the country, contrary to the mainstream of Soviet literature on international law. Instead, Part I of the document (“general provisions”) introduces a new notion—“the Arctic zone of the Russian Federation,” which is defined as “a part of the Arctic which includes, in full or in part, the territories of the Republic of Sakha (Yakutia), Murmansk and Arkhangelsk provinces, Krasnoyarsk territory, Nenets, Yamal-Nenets and Chukchi autonomous districts,” and also “lands and islands” specified in the Decree of the Presidium of the Central Executive Committee of the USSR of April 15, 1926, “On announcement of lands and islands located in the Arctic Ocean as the territory of the USSR.” The sea components of the Arctic zone encompass “the internal maritime waters, territorial sea, exclusive economic zone and continental shelf of the Russian Federation adjoining to such territories, lands and islands.” Previously, the Decree of 1926 mentioned above established sector lines from western and eastern land boundaries of the USSR on its arctic coast up to the North Pole. Within such a sector, all the “islands” and “lands,” discovered or not, were legally designated as “the territory of the USSR.” While the Decree of 1926 is still a part of National Law of the Russian Federation, these sector lines are not specified by the 2008 “Arctic Policy” as limits of the Arctic zone of the Russian Federation. The 2008 Arctic Fundamentals provides that limits of such a zone are specified “according to legal acts of the Russian Federation and rules of international treaties to which the Russian Federation is a party.”

Such western limits are provided in the Treaty between the Kingdom of Norway and the Russian Federation concerning Maritime Delimitation and Cooperation in the Barents Sea and the Arctic Ocean, signed in 2010 and entered into force in 2011.<sup>7</sup> The Treaty establishes maritime delimitation line between the coasts of Norway and Russia in the Barents Sea and the Arctic Ocean, roughly between the sector line (claimed by Russia) and pure equidistant line, claimed by Norway (rejecting sector line or Spitsbergen Treaty Box as a special circumstance). The Treaty also provides for continuation of fisheries cooperation between the Parties (Annex I to the Treaty) and for modern legal mechanisms of joint utilization of transboundary hydrocarbon deposits (Annex II).<sup>8</sup> The eastern limits of the Arctic zone of the RF are specified in the agreement between the USA and the USSR on the maritime boundary of 1990. The boundaries of the continental shelf in the High North—between Canada and Russia, and between Denmark (Greenland) and Russia—are not yet delimited.

The 2008 Arctic Fundamentals notes factors that influence “the formation of the state policy in the Arctic”: “extreme natural-climatic conditions, including a permanent ice cover or drifting ices in the Arctic seas; focal character of industrial-economic development of territories and a low population density; remoteness from basic industrial centers, high resource consumption and dependence of economic activities and life-support of the population on deliveries of fuel, food and essential commodities from other regions of Russia; and low sustainability of ecological systems” in the Arctic region.

Part II of the document (“National Interests of the Russian Federation in the Arctic”) identifies “use of the Arctic zone of the Russian Federation as a strategic resource base,” “maintenance of the Arctic as a zone of peace and cooperation,” “preservation of unique ecological systems of the Arctic,” and “use of the Northern Sea Route as a national transport communication of the Russian Federation in the Arctic.” The word “national” refers to national regulations, and not to shipping: Russia is interested in developing international shipping via the NSR, without environmental accidents, as will be shown later.

Part III of the document is devoted to “basic objectives” and strategic priorities of Russia’s Arctic policy, specifically noting the objectives of sectoral policies. Part IV provides for goals within such sectoral policies. These parts will be dealt with later, while considering sectoral policies of the Russian Federation in the Arctic.

The 2008 Arctic Fundamentals also provides for three stages of its realization: 1) 2008-2010, 2) 2011-2015, and 3) 2016-2020. According to the document at the current stage (until 2015), the following should take place, in particular: “structural reorganization of the economy in the Arctic zone of the Russian Federation on the basis of development of a mineral-raw-material base and water biological resources of the region,” and “creation and development of the infrastructure and control system of communications of the Northern Sea Route for solving problems of maintenance of the Eurasian transit.” During the third stage (until 2020), “transformation of the Arctic zone of the Russian Federation into a leading strategic resource base” is to be achieved. It is noted in the document that with the realization of this policy, Russia may “maintain the role of a leading Arctic power.”

## The Strategy of Development of the Arctic Zone of the Russian Federation (hereinafter “the 2013 Arctic Strategy”)

This document was signed by the president of the Russian Federation (RF) on February 8, 2013. The 2013 Arctic Strategy was developed “in accordance with” the 2008 Arctic Fundamentals, so these two documents are considered as legally and politically interlinked.

Some provisions in the two documents are similar or even identical; for example, Part II of the 2013 Arctic Strategy (“The main risks and threats and the purpose of the Strategy”) begins with a list of factors “that influence the socioeconomic development of the Arctic zone” of the RF. They are practically the same as the factors that influence “the formation of the state policy” provided in the 2008 Arctic Fundamentals and cited above.

Part III of the 2013 Arctic Strategy provides for “development priorities” such as an “integrated socioeconomic development of the Arctic zone” of the RF; development of science and technology; establishment of a modern information and telecommunications infrastructure; environmental security; international cooperation in the Arctic, and provision of military security, protection, and protection of the state borders of the Russian Federation in the Arctic. This state borders, according to the national laws of the RF, are the outer limit of its territorial sea, which is in accordance with international law.

Part IV of the 2013 Arctic Strategy is titled “Mechanisms for the implementation of the Strategy.” The document provides that the sustainable socioeconomic development of the Arctic zone of the RF is based on systems “of interaction between government, business and nonprofit organizations and civil society through public-private partnership in the implementation of key investment projects.” The state’s participation is aimed at “economic development, solving social problems,” and also at creating “economic incentives for business.” According to the document, “the main mechanisms for the implementation of the strategy are: a) State program of social and economic development of the Arctic zone” of the RF for the period up to 2020, and b) other public programs of the Russian Federation, federal and departmental target programs and sectoral strategies, regional and municipal programs, programs of large companies, with activities aimed at the comprehensive development of the territory of the Arctic zone” of the RF. Funding for the activities that implement the

Arctic Strategy come mainly from the federal budget. “Extra-budgetary financial support of the Strategy is provided by a public-private partnership, with the resources of development institutions, international financial institutions and foreign investments.”

According to Part V, the first phase of Implementation of the Strategy (2015) provides, *inter alia*, for (a) creation of conditions necessary for “strengthening national security through the integrated development of the Arctic zone” of the RF, including improvement of the legal framework and governance, coordination of all stakeholders of the state policy of the RF in the Arctic, and development and implementation of economic incentives; (b) “formation and implementation of the state’s social and economic development of the Arctic zone” of the RF; (c) “completion of hydrographic and formation on the basis of results of proposals on the need to amend or revise the list of geographical coordinates of points defining the position of baselines for measuring the breadth of the territorial waters and economic zone and the continental shelf;” “establishment and development of the Coast Guard of the Federal Security Service of the Russian Federation in the Arctic zone of the RF; establishment of “an integrated information and telecommunications infrastructure (central processing, transmission and storage of data, and mobile networks, wireless and satellite communications and data) to provide services (the network Internet, television, communication, etc.) to public authorities, individuals and legal entities;” development of “rescue preparedness, including establishment of integrated rescue centers,” and development of “the unified national system of monitoring pollution of the Arctic zone” of the RF. It is noted in legal literature that a number of such provisions are correctly formulated but not efficiently enforced, such as: “provision of basic, problem-oriented and applied research in the Arctic zone of the Russian Federation;” “implementation of measures to ensure environmental security in the Arctic zone” of the RF, and “identification of measures of state support for traditional economy of indigenous peoples in the Arctic.”

The document provides also for “development of border infrastructure in the Arctic Zone” of the RF; “creation and development of a unified system of integrated control surface situation;” “development of integrated security system for the protection of territory, population and critical facilities in the Arctic zone” of the RF from the threats “of natural and man-made disasters;” “establishment and development of the multipurpose space system ‘Arctic;’” modernization of the Loran system (“Route”);

“development of infrastructure of the Northern Sea Route,” and “implementation of measures to ensure long-term sustainable use of marine biological resources of the Arctic zone” of the RF.

It is noted in the document that at all stages of implementation of the strategy it includes measures aimed at the “rational use of resources and preservation of the natural environment of the Arctic zone” of the RF, based “on its systematic comprehensive research study.”

## SECTORAL POLICIES

### Arctic Policy on Shipping and Other Modes of Transport

Shipping along the Arctic coast of the Russian Federation is considered both by the 2008 Arctic Fundamentals and the 2013 Arctic Strategy as a fundamental basis for cooperation between Russia and other Arctic and non-Arctic states in the North, linked with such common interests as protection and conservation of the Arctic’s fragile marine environment, including that in ice-covered areas. According to the 2008 Arctic Fundamentals, organization and effective utilization of air routes in the Arctic and also “use of the Northern Sea Route for international navigation under the jurisdiction of the Russian Federation” is one of the “strategic priorities of the Russian state policy” in the Arctic. The document provides for such “basic objectives” of this policy as forming “a system of monitoring over the maintenance of navigation safety, management of transportation flows in the areas of intensive navigation, including through the realization of measures aimed at hydro meteorological and navigating maintenance in the Arctic zone” of the RF.

Similarly, the 2013 Arctic Strategy provides for the “modernization and infrastructure development of the Arctic transport system, modern information and telecommunication infrastructure” and, specifically, “management of the Northern Sea Route and safety transit and transpolar air routes in the Arctic.” In order to modernize and develop Arctic transport system infrastructure and to retain the NSR as an integrated transport “backbone” along the coast of the Russian Federation, the document provides for “development of an integrated transport system of the Arctic Russian Federation ..., which includes the Northern Sea Route and gravitating toward it meridional river and railway communications

and airport network;” improvement “of the transport infrastructure” in the regions of development of the “Arctic continental shelf;” restructuring and growth “of freight traffic along the Northern Sea Route”, including through construction of icebreaking ships, rescue and auxiliary vessels, as well as development of the coastal infrastructure; improvement of state regulation by the Russian Federation of navigation through the NSR, “its security, tariff regulation for icebreaking services and other types of support, and development of mechanisms of insurance;” “establishment and development of complex safety of Arctic shipping traffic control in areas of heavy traffic of ships, including navigational and hydrographic, hydrometeorological, icebreaking and other types of support, and creation of rescue centers;” modernization of Arctic ports and building new port and industrial complexes in the Arctic zone of the RF; state support of the “delivery to the North” of goods and export of products via transport schemes “river – sea”; forming a support network of roads in the Arctic zone of the RF “which are parts of international transport corridors,” and ensuring their “compliance with international standards in order to integrate them with the Eurasian transport systems”; and development of an effective system of air service in the Arctic, including “the reconstruction and modernization of the airport network along the Northern Sea Route.”

As for Russian laws on Arctic shipping,<sup>9</sup> on July 28, 2012, a new Federal Act was adopted, with a long title: “On Modification of Some Acts of Legislation of the Russian Federation relating to regulation of merchant navigation in the Northern Sea Route Areas.” The most important parts are modifications in the text of the Federal Act “On Internal Waters, Territorial Sea and Contiguous Zone of the Russian Federation.” According to the amended text, its new article 14, though repeating the previous wording of legislation about the NSR as “a historically established national transport communication of the Russian Federation,” doesn’t mention the Rules of Navigation through the NSR. Provisions on such a navigation system are now in the amended text of the Code of Merchant Marine of the Russian Federation, which contains a new article 5-1 (“Navigation through the Areas of the Northern Sea Route”). This article also provides for the status of the administration of the NSR and its functions, firstly, organization of navigation. The status of the administration, however, is lower in the hierarchy of the state bodies compared to that of its counterpart during the Soviet period. The important new part is that payments by ship owners (whether Russian or foreign) depend on the volume of services rendered to

a specific vessel during specific navigation (icebreaker services, ice pilots, etc). In full accordance with these documents, the new Rules of Navigation in the Areas of the Northern Sea Route were adopted by the Ministry of Transport of the RF on January 17, 2013, as Order N7, and are available now on the site of the ministry.

## Arctic Policy on Oil and Gas

Russia's energy policy in the Arctic takes into account a number of facts: that the Arctic coast of the RF is the longest; its continental shelf is the biggest; that the RF possesses considerable unexploited oil and gas resources, both on land and in marine sub-soil; that the RF is the second-most important source of oil for the market of the EU, and that the RF possesses more than one quarter of proven global gas reserves.

At the same time, there are a number of relevant challenges to be dealt with: depletion of the country's developed gas fields and a possibility of a gas supply gap,<sup>10</sup> disputes between such mighty state-controlled companies as Rosneft and Gazprom on the one hand, and the Ministry of Natural Resources on the other, which is advocating access for private companies to the Arctic shelf; cases of corruption and money laundering in the oil and gas industry, etc.

The 2013 Arctic Strategy provides, in particular, for "effective use and development" of resources of the Arctic zone of the RF as a goal "to meet needs of Russia in the hydrocarbon resources." In order to achieve this goal, the following policy measures are provided: formation of an integrated project study of the continental shelf and coastal areas; preparation for hydrocarbon resources development on the basis "of the state program of exploration of the continental shelf and development of its mineral resources;" guarantees for energy security and sustainable development of the energy sector in the long term; "implementation of large infrastructure projects, which integrate the Arctic zone of the RF with the developed regions of Russia; development of "the Timan-Pechora and hydrocarbon deposits on the continental shelf of the Barents, Pechora and Kara seas, the Yamal Peninsula and Gydan;" development of hydrocarbon deposits on the continental shelf of the Russian Federation; science-based marine services, including marine exploration, use of fiber-optic and satellite communication systems, mobile radio communications and wireless access to information and telecommunications network; means to ensure hydrometeorological

and environmental safety, and to “ensure protection of public interests in the development of hydrocarbon deposits on the continental shelf of the Russian Federation in the Arctic.” Special attention in this context is to be paid to projects developed by Rosneft in the Barents Sea, for developing about 2 billion tons of oil and about 2 billion cm of gas, and in the Kara Sea for developing about 5 billion tons of oil and about 8 billion cm of gas.<sup>11</sup>

The Russian Federation – as with any other arctic coastal state – is responsible under international law for the rational management of marine subsoil in areas under its sovereignty (that is, in its internal waters and territorial seas) and jurisdiction (the Arctic shelf of the RF). So, as correctly noted in other papers presented for this conference, Russia is interested in attracting more foreign investment in oil and gas development on the Arctic shelf, especially in order to introduce advanced technologies and relevant eco-friendly infrastructure.

### Arctic Fisheries Policy

In formal terms, the Russian fisheries policy in the Arctic seas does not need much clarification. The national Arctic fishing industry is located mainly on the Russian coasts of the Barents Sea. According to the 2013 Arctic Strategy, in order to modernize the fishing industry in the Arctic zone of the RF, the following measures are provided: preservation and development of fishery resources and implementation of technical upgrading of new capacities for processing of aquatic biological resources and the development of marine biotechnology; effective use of key species of marine biological resources and involvement of nontraditional fishing sites, and preventing and combating the illicit production and trafficking of marine biological resources.

In practice, however, this component of the country’s Arctic fisheries policy is often criticized in the Russian Parliament and by society and the media, like the environmental law and policy of the country. The rare example of a consistent Russian fishery policy is related to Spitsbergen Treaty.<sup>12</sup> In practically all other Arctic areas, the fishery policy does not look consistent, including the policy relating to the status of the conservation regime in the Central Arctic.<sup>13</sup> For example, under the auspices of the Russian Council on International Affairs, the Russian International Maritime Law Association, and the Pew Environment Group, a symposium was conducted in Moscow on September 4, 2012, where

experts from Russia, the United States, Canada, the United Kingdom, and elsewhere assembled “to consider the potential for increased access to biological resources in the Arctic Ocean due to climate change, and discuss the scientific, legal, and policy challenges to coastal states and the world community to ensure the conservation and rational management of these resources.” There was a general consensus that “current scientific information and institutional arrangements are not sufficient to ensure proper conservation and management of fisheries in the high seas area of the Central Arctic Ocean.”<sup>14</sup> But during the U.S.-Russia Consultative Fisheries Committee meeting, Russian officials took a different position. Afterwards, however, there were official attempts to join U.S. efforts to prevent illegal, unreported and unregulated fishing in the Central Arctic Ocean.<sup>15</sup>

## International Relations

The 2013 Arctic Strategy instructs the government and other state authorities to promote international cooperation and preservation of the Arctic as a zone of peace. To achieve this goal the following is to be done, with an obvious accent on regional and bilateral levels of cooperation: “providing a mutually beneficial bilateral and multilateral cooperation between the Russian Federation and other Arctic states;” “coordinated activity of the Russian Federation with other Arctic states in order to protect Russia’s national interests and to implement rights of the coastal states in the Arctic region as provided under international acts, including issues relating to exploration and exploitation of resources of the continental shelf and delimiting its external limits;” “combining the efforts of the Arctic states to create a single regional system for search and rescue, and to prevent man-made disasters and elimination of their consequences, including the coordination of rescue forces;” “enhancing good neighborly relations between the Russian Federation and the Arctic states, on bilateral basis and within regional organizations, intensification of economic, scientific, technical and cultural cooperation as well as cross-border cooperation, including effective management of natural resources, preservation of the environment in the Arctic;” “regular exchange of information on the environment, as well as data on the Arctic climate and its dynamics, development of international cooperation in improving systems for meteorological observations in the Arctic climate, including

from space;” “organization of international research expeditions to study the environment (ice, pollution of marine waters) and influence of observed and projected climate change;” “development of the dialogue between the regions and the municipalities of northern countries to exchange experiences in the field of climate and energy policy,” and “development of international tourism, including recreational, scientific, cultural, educational, and environmental” activities.

The special vulnerability of the Arctic environment is recognized both by Arctic and non-Arctic states. Because of such vulnerability, the RF takes special measures relating to Arctic nature protection, especially in areas of the NSR. In fact, the initial forms of cooperation of the RF with other Arctic states in the protection of Arctic nature were of a bilateral character.<sup>16</sup> This level remains effective until now and deserves to be analyzed further.

*Russia and the USA.* In 1972, the Soviet Union and the United States of America signed an agreement on cooperation in the field of environmental protection.<sup>17</sup> The importance of this agreement consists in the fact that the USSR and USA, as the largest world powers at that time, recognized the necessity of cooperation in the sphere of environmental protection. At that moment, the agreement of 1972 represented the most comprehensive, in terms of its content, bilateral international treaty, concerning environmental protection. Being “a sample of successful international cooperation on a bilateral level,” this treaty was subsequently taken as a basis for other, similar bilateral agreements between states.<sup>18</sup> Following the disintegration of the Soviet Union, the parties wishing to continue joint work, and also “taking into account mutual interests and experience obtained from implementation of the Agreement of 1972”<sup>19</sup>, prepared an updated variant of this treaty titled “Agreement between the Government of the Russian Federation and the Government of the United States of America on cooperation in the field of protection of the environment and natural resources,” which was signed in 1994. The new agreement not only expanded the sphere of interaction between the U.S. and the RF in this area, but also reflected the results of the development of international law on environmental protection during the preceding 20 years. In 1989, an agreement between the USSR and the USA concerning cooperation in combating pollution in the Bering and Chukchi Seas in emergency situations was signed. The parties to the agreement undertook to render assistance to each other in combating such pollution incidents, which may affect the “areas of responsibility” of the parties.<sup>20</sup> This area includes the

water within the Bering and Chukchi Seas, which are the respective party's internal waters or its territorial sea, and "the sea area beyond the territorial sea, in which that Party exercises its sovereign rights and jurisdiction in accordance with international law" (art. 2).

One of the key directions of environmental protection is preservation of Arctic wild nature. Traditionally, polar bears have a great importance for the well-being of the indigenous peoples of the region. In 1956, it was completely prohibited to take these animals across all territory of the Soviet Union, and subsequently of Russia. The outcome of the eight-year U.S.-RF negotiations was an agreement on the conservation and management of the Alaska-Chukotka polar bear population signed in 2000. That agreement was developed not only by experts on the state level, but also with the active participation of the indigenous population of Chukotka and Alaska, with a view to maintaining their right to the traditional use of the wildlife. The U.S.-Russia bilateral agreement of 2000 is a logical bilateral extension of the content of the regional agreement on the conservation of polar bears of 1973,<sup>21</sup> and it takes into account all its provisions.

Between the USA and the RF there is also the Shared Beringian Heritage Program, founded in 1991.<sup>22</sup> In 2011, the presidents of the RF and the USA in a joint statement recognized the value of the shared natural and cultural heritage of Chukotka and Alaska. The presidents declared "an intention to deepen cooperation between the United States of America and the Russian Federation in the cross-boundary Bering Strait region, including the expansion of interaction between the national agencies that are responsible for specially protected natural territories/areas of both countries in the State of Alaska and the Chukotka Autonomous District, including their commitment to developing a dialogue with native peoples to help determine the specific goals and methods for such cooperation."<sup>23</sup>

*Russia and Canada.* The long-term interaction between Canada and Russia is shaped by several factors. Both countries have adjacent sub-water and sub-ice shelf areas extending up to the North Pole. Both states are within the Polar Circle as opposite states, and both are fundamentally interested in the preservation of the ecosystems of these areas and the Arctic as a whole. So, their cooperation on a bilateral basis in this region is in great demand. The initial forms of Arctic cooperation between the USSR and Canada were of a scientific and technical character, beginning in 1971, when representatives of Canada visited the Soviet North. In 1972, the parties concluded two memorandums of mutual understanding.

Subsequently, it so happened that relations between the two countries as a whole became politically tense (for reasons not connected with the Arctic) and provisions of these memorandums have not been effectively realized.<sup>24</sup> Negotiations about cooperation in the Arctic began again in 1982-83. A positive result of these negotiations was a protocol on working out a program of scientific and technical cooperation in the Arctic and North, which was signed in 1984 between the National Scientific Research Council of Canada and the USSR State Committee for Science and Technology. In 1989, the USSR and Canada signed a memorandum of mutual understanding and cooperation on preventing and controlling pollution in the Arctic marine environment. The memorandum addresses the cases of pollution of the marine environment from vessels in ice-covered areas as they are defined in Article 234 of the UN Convention on the Law of the Sea of 1982 (UNCLOS). In 1993, Canada and the Russian Federation concluded the Cooperation Agreement between the Government of Canada and of the Russian Federation on the Environment (framework agreement). While confirming the principles of sustainable development, the parties consolidated the areas of cooperation directed at environment protection, including protection of the marine environment and fresh waters, and preservation of ecosystems. In 1992, the parties signed the Declaration of Friendship and Cooperation, in which they undertook to develop further their cooperation in this sphere, and also indicated the basis for developing their relations. In particular, they recognized the global importance of environmental protection and of their cooperation under the Cooperation Agreement on the environment. The parties to the declaration affirmed their support for the creation of an International Arctic Council and identified the economic development of the Arctic areas as a priority of the cooperation. The same idea is reflected in the joint statement by Canada and Russia on cooperation in the Arctic and the North, 2000. The projects "Arctic Bridge" and "Northern Air Bridge" provide for the creation of cross-polar sea and air routes, respectively. The Air Bridge between the countries may considerably reduce the flying time from Europe and Asia to America. In 2011, the Arctic and North working group of the Russian-Canadian Economic Commission officially approved this project.

*Russia and Norway.* The Agreement on Measures to Regulate Sealing and to Protect Seal Stocks in the Northeastern Part of the Atlantic Ocean of 1957 was the first environmental bilateral treaty between the USSR and

Norway. The sphere of application of the agreement includes the waters of the Northeast Atlantic to the east from the Farvel Cape where citizens of both countries engage in sealing, namely the Greenland and Norwegian Seas together with the Dutch Strait and the Jan-Mayen area and the Barents Sea. The purpose of the agreement is to ensure the maximum allowable productivity of the seal population and maintain a sustainable level of harvesting these species. The regulations establish special protected areas and periods of permitted sealing. The use of poisonous substances is prohibited. This prohibition was later formalized in the multilateral Agreement on Conservation of Polar Bears, 1973.

In 1992, Russia and Norway concluded an Agreement on Cooperation in the Field of Environmental Protection. This agreement provides a broad spectrum of interactions by the two countries on environmental issues, including protection of the air basin from pollution; protection and preservation of the marine environment; protection of water; protection of ecosystems; preservation of marine living resources; sharing the results of scientific research, and perfection of legislation in the field of environment protection.

Being countries bordering the Barents Sea, Russia and Norway pay special attention to protecting the environment of this sea, since pollution in this area would inevitably lead to adverse ecological consequences for both countries. The first joint maneuvers of the two countries in the Barents Sea with a view to oil pollution prevention and response took place in 1991. Following the maneuvers, a joint emergency pollution response plan was elaborated. Consequently, such work led to the conclusion of the Agreement between Russia and Norway on Co-operation in Combating Oil Pollution in the Barents Sea, 1994.

Cooperation in emergency search and rescue operations is also a subject of bilateral relations of Russia and Norway. In 1995, the parties signed an Agreement on Cooperation in the Search for Missing Persons and Rescue of People in Distress in the Barents Sea. Later, in 2000, the two countries signed the Memorandum of Understanding between the Government of the Russian Federation and the Government of the Kingdom of Norway about Cooperation in Search and Rescue and Prevention of Serious Incidents, in which the parties reaffirmed their commitment to notify each other immediately in the case of any incident on water or land in areas of the Barents, Norwegian and Northern Seas.

A joint statement made in 2010 by the president of the Russian

Federation and prime minister of the Kingdom of Norway once again provides for the special responsibility of Arctic states for the preservation of the Arctic. Referring to the Ilulissat Declaration of 2008,<sup>25</sup> the two leaders agreed that existing international legal instruments represent a sufficient basis for solving issues that can arise in the Arctic and form a solid basis for the development of interaction between states located in this region and beyond its limits.<sup>26</sup>

*Russia and Denmark.* Cooperation between Russia and Denmark in the area of Arctic environment protection is mainly realized at the regional level in the framework of the Arctic Council. At the bilateral level, the countries are parties to the Agreement in the Field of Environment Protection of 1993. The agreement notes the adherence of the parties to the Arctic environmental protection declaration and the Arctic Environmental Protection Strategy. The agreement consolidates a broad spectrum of interaction between the two countries, including, inter alia, protection of air from pollution; nature protection issues linked to energy production; marine environment protection; monitoring, and environment impact assessment.

In sum, the bilateral practice of the Russian Federation and its participation in the environmental activities of the Arctic Council show that regional environmental *lex specialis* pertaining to the Arctic is extensive.<sup>27</sup>

## BALANCE BETWEEN DEVELOPMENT AND ENVIRONMENTAL PROTECTION

Theoretically, the accepted response to the question of settling conflicts between commercial and environmental interests in Russia is the concept of sustainable development. However, in practice, the concept is not properly developed in Russian national laws.<sup>28</sup> In 1990, a decree by the president of the USSR was adopted in which a list of measures was indicated that could lead to establishing legal instruments of sustainable development. In 1990-91, some steps were taken to adapt the foreign experience of environmental impact assessment procedure to Russia, as well as an environmental management system, liability for past environmental damage, etc. In particular, ecological expertise as an instrument of harmonizing commercial and environmental interests was discussed in detail. In the long run, the relevant Russian legal model was construed as a mixture of

these two procedures. The law provided for public inputs, provided by nongovernmental organizations, scientists, representing communities, and so forth. That procedure was able to prevent the realization of projects that would be harmful for the environment. In the Russian variant, the ecological expertise initially covered a wide spectrum of commercial activity, and also included plans and programs of regional development, and in this aspect it came rather close to a strategic environmental assessment. In the late 1990s, however, a new strategy was adopted in Russia aimed at intensifying economic development. A new management strategy was launched. As the economic interests of Russia's mighty companies got priority, environmental limitations were almost subordinated to their economic activity, including the environmental impact procedure. The list of activities that should be covered by this procedure was cut down. In the energy sector, for example, only drilling and gas activity on the continental shelf of the Russian Federation remained covered by this procedure.

In recent years, environmental organizations have insisted constantly on returning to the original version of the list of activities subject to ecological expertise, referring to international experience, especially in the Arctic. Later, several initiatives were launched to draft Russian Arctic environmental laws in order to harmonize them with development projects. A working group of legal experts was created by the Russian Ministry of Economic Development that worked for more than a year with a task to formulate a draft law on protection of the Arctic environment. The mandate of this group was rather wide: national legislation in force, international law applicable to the Arctic area, foreign legislation and comparative legal analysis. On this basis, an attempt was made to draft a law, which, however, was not adopted.

In sum, the current state of Russian environmental legislation is criticized by Russian specialists. They note, for example, that in the RF there is no special legislative act establishing the specificities of a legal regime for the protection of Arctic ecosystems.<sup>29</sup> In the legal system of Russia, relationships in the sphere of Arctic environmental protection are regulated mainly by general rules of national environmental legislation. In other words, the Arctic environment is an object of regulation by a number of national laws applicable both to the Arctic and to the Black Sea, such as the Water Code, Forest Code, and Land Code of the Russian Federation, and the federal laws "On environment protection," "On production and consumption of wastes," "On specially protected natural territories," "On

protection of the atmospheric air,” “On fauna,” “On ecological expertise,” “On Internal sea waters, Territorial sea and Contiguous zone of the Russian Federation,” “On Continental shelf of the Russian Federation,” “On Exclusive economic zone of the Russian Federation,” “On Subsoil.”

At the level of presidential documents, such acts are often cited as Decrees of the President of the Russian Federation, such as “On state strategy of the Russian Federation on protection of the environment and maintenance of sustainable development,” “On climatic doctrine of the Russian Federation,” and “Fundamentals of the state policy in the sphere of environmental development of the Russian Federation for the period till 2030.” At the level of documents of the government of the RF, such orders are cited as “On Environmental doctrine of the Russian Federation,” and “On adoption of Water strategy of the Russian Federation for the period till 2020,” having sometimes a declaratory wording.<sup>30</sup> In contrast, the federal law “On specially protected natural territories” consolidates some specific rules on the organization of specially protected natural territories in the Russian Federation, and also establishes a regime for their protection and use.<sup>31</sup> But the final conclusion of specialists is not optimistic: for the 10- year period of the realization of the Environmental Doctrine of the Russian Federation (starting in 2002) the instrument of strategic environment assessment “was not duly consolidated in the legislation” and, therefore, “it has not been at all incorporated in the national nature protection practice.”<sup>32</sup>

## INSTITUTIONAL ARRANGEMENTS

There exist a number of institutions that contribute to developing the Arctic policy of the Russian Federation. Within the Russian government, the Ministry of Economic Development and the Ministry of Transport play leading roles in this respect. The issues of current Arctic policy are also considered within the Analytical Center of the Government of the Russian Federation. There is also the Expert Council on Arctic and Antarctic of the Council of Federation—the Upper Chamber of the Russian Parliament (Federal Gathering of the Russian Federation), where ministerial officials are supposed to report on draft Arctic policy acts. As to international cooperation in the Arctic, it is the Ministry of Foreign Affairs of the Russian Federation that is the leading authority. According to the Constitution of the Russian Federation, however, it is the president of the Russian

Federation who is determining the foreign policy of the country. It was recently suggested to create a new inter-ministerial body on coordination of activity in the Arctic zone of the RF.

## **SPURRING AND HINDERING THE DEVELOPMENT OF ARCTIC POLICY**

Environmental and economic changes in the Arctic certainly gave impetus to the development of the 2008 Arctic Fundamentals as an initial source of such policy. While northern regions and companies interested in economic development of the Arctic are the primary driving forces of new initiatives in the national Arctic policy, the national institutions mentioned above play a major role in formulating drafts of relevant specific documents.

As mentioned above, the insufficient quality of some acts of environmental legislation of the country applicable to the Arctic, combined with their growing quantity, hinder the proper governance and development of the Arctic policy of the Russian Federation. Other hindering factors are cases of corruption, bad management and bureaucratic approaches, especially at ministerial and municipal levels. Reprimands specifying that some Russian officials from Federal ministries trying to involve multilateral technical mechanisms do not represent the “national interests” of the RF have also been published.<sup>33</sup>

## **STATUS OF NATIONAL POLICY IMPLEMENTATION**

As shown above, the 2008 Arctic Fundamentals (in which the Arctic policy of the Russian Federation was initially formulated) are nowadays being implemented. One result was the development and adoption the 2013 Arctic Strategy. The government of the Russian Federation is leading this implementation process. It presents annual implementation reports to the president of the Russian Federation. The Council of Federation of the Federal Gathering of the Russian Federation publishes regular reports on the status and problems of realization of the Arctic strategy of the Russian Federation (in Russian).<sup>34</sup>

## THE ROLE OF ARCTIC ISSUES IN NATIONAL POSITIONS AND APPROACHES IN INTERNATIONAL FORA

According to the Russian legislation applicable to activities of the Ministry of Foreign Affairs, national positions and approaches in international fora are suggested by the ministry. However, it is the president of the Russian Federation who determines legally the national foreign policy of the Russian Federation, including its Arctic policy. Since both the 2008 Arctic Fundamentals and the 2013 Arctic Strategy were adopted by the president, a Russian delegation represented at any international meeting is to tackle Arctic issues in accordance with these documents and other legal acts signed by the president. In practice, however, inconsistent steps are sometimes taken. The president of the RF has made the Arctic a top priority, as expressed in a number of documents, cited above. There also exists a foreign policy department within the administration of the president to oversee consistency in national positions and approaches in international fora.

### Notes

1. Oran R. Young. "Navigating the Arctic/non Arctic Interface: Avenues of Engagement." An essay prepared for discussion at the 2014 North Pacific Arctic Conference, Honolulu, Hawaii, August 20–22, 2014.
2. The term "Arctic coastal states" usually means the group of five states bordering the Arctic Ocean, each of them having internal waters, territorial seas, an exclusive economic zone and a continental shelf in this ocean, i. e., Canada, Denmark (because of Greenland), Norway, Russia and the USA (because of Alaska). The term "Arctic states" usually means the group of eight states, the territories of which are crossed by the North Polar Circle; that is, in addition to the five states mentioned above, Finland, Iceland and Sweden. These eight states are also members of the Arctic Council.
3. Such mutual accusations, considered in legal literature as "upright" or "perverse," are not new. After U.S. President Truman ordered two atomic bombs to be dropped on Japanese cities in 1945, the Soviet leadership accused the United States of this not being a military necessity and a violation of international humanitarian law. When the United States took military action against Vietnam

in 1964, another accusation followed. When the Soviet Union intervened in Czechoslovakia in 1968, defending “socialism” against “creeping capitalism” (with its growing difference between “rich” and “poor”), the United States accused the USSR of a violation of territorial sovereignty of an independent state. But later the United States was accused of a similar breach of international law when it tried “to overthrow the Sandinista Government of Nicaragua” and the government of Castro in Cuba (but didn’t succeed), and when it took military action against such the independent state of Iraq and succeeded in overthrowing Hussein’s government (without a relevant resolution of the Security Council). This list of mutual accusations is certainly not complete. What is remarkable is that even during the Cold War the Arctic was insulated from these “geopolitical diseases.”

4. Arctic Region. Problems of International Cooperation. Vol. III. General Editor I. Ivanov. Introduction by A. Vylegzhanin. Moscow. 2013. p. 661 (in Russian).
5. A.N. Vylegzhanin, V.K. Zilanov. Spitsbergen. Legal regime of Adjacent Marine Areas. Ed. and translated by W.E. Butler. Eleven International publishing. 2007. p. 167.
6. D. Vasilevskay, A. Nikolaev, G. Tsoy. The Environmental Component of the National Maritime Policy of the Russian Federation on the Arctic Ocean. Environmental Security in the Arctic Ocean. Ed. by P. Berkman and A. Vylegzhanin. Springer. 2013. p. 93-101.
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- doesn't exist" – "to the benefit of Norway".
8. Developing International Legal Basis of Cooperation of Russia in the Arctic. Russian Council for International Affairs. Moscow. 2013. Ed. Ivanov I. S. P. 16-17 (in Russian). A. Vylegzhanin. Legal Regime of the Arctic as reflected in the documents. – Introduction to Vol. III. / Arctic Region. Issues of International Cooperation. Volumes I-III. Ed. Ivanov I.S. Vol. III. Moscow. 2013. P. 11-44. (in Russian).
  9. Cf.: The Arctic in World Affairs. Ed. by R.W. Corell, J.S.-C. Kang, and Y.H. Kim. The Korea Transport Institute. East-West Center. KMI. 2013. p. 298-299.
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  11. Presentation of Rosneft in MGIMO University, December 2013.
  12. Vylegzhanin A., Zilanov V. Spitsbergen. Legal Regime of Adjacent Marine Areas. Ed. and translated by W. Butler. Eleven International Publishing. 2007. p. 168.
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  14. A. Vylegzhanin, Y. Maleev, et. al. Materials of the International Scientific Symposium. Moscow, September 4, 2012. International Cooperation in Environmental Protection, Preservation, and Rational Management of Biological Resources in the Arctic Ocean. Ed. I. Ivanov. Moscow, 2013. p. 79.
  15. Roundtable discussion at Analytical Center of the Government of the Russian Federation. September 10, 2014. Available at the site of the center.
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  17. Robinson N.A. The U.S. – U.S.S.R. Agreement to Protect the Environment: 15 Years of Cooperation. *Pace Law Faculty Publications*. Paper 384. 1988. p. 408-410.
  18. *Ibid.*, p. 408. As an example, Robinson N. cites the agreement between the USA and Poland on cooperation in the field of environment protection of 1987 for which the agreement of 1972 served as a precedent, and therefore provisions of these two agreements should be identical.
  19. The preamble of the Agreement between the Government of the Russian

- Federation and the Government of the United States of America on cooperation in the field of protection of the environment and natural resources of 1994.
20. According to the agreement, a “pollution incident” means a discharge or an imminent threat of discharge of oil or other hazardous substances from any source, which character demands an immediate response action for the prevention of such discharge or restriction of its distribution, gathering or removal of this substance to eliminate a threat or to reduce to a minimum the harmful impact on living resources, marine flora and fauna, health and well-being of the population.
  21. Signed by all five Arctic coastal states: Russia, the USA, Canada, Denmark and Norway.
  22. Beringia is defined as the land and maritime area bounded on the west by the Lena River in Russia; on the east by the Mackenzie River in Canada; on the north by 72 degrees north latitude in the Chukchi Sea; and on the south by the tip of the Kamchatka Peninsula. Available at: <http://www.nps.gov/akso/beringia/ru-index.cfm>. According to the scientists, a millennium ago, in the area of the Bering Strait, there was an overland bridge connecting Asia with North America that allowed nomad tribes of that time to move freely from one part of the world to another.
  23. Available at:  
<http://iipdigital.usembassy.gov/st/russian/article/2011/05/20110526155335x0.5310894.html#axzz24MDX6CU7>
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  25. The Ilulissat Declaration dated May 28, 2008, adopted by the five Arctic coastal countries (Russia, Canada, the USA, Norway, and Denmark) available at: [http://www.oceanlaw.org/downloads/arctic/Ilulissat\\_Declaration.pdf](http://www.oceanlaw.org/downloads/arctic/Ilulissat_Declaration.pdf)
  26. Joint statement of the President of the Russian Federation and the Prime minister of Kingdom Norway, 27.04.2010. Available at: [http://news.kremlin.ru/ref\\_notes/534](http://news.kremlin.ru/ref_notes/534)
  27. For more : Vylegzhanin A. N. The regional level of legal regulation of relations between states in the Arctic (commentary to documents of the Arctic Council). *Moscow Journal of International Law*. 2012. No. 1 (85) p. 270-297 (in Russian).
  28. For more cf.: <http://www.sjoretsforeningen.no/site/?p=352>
  29. Khludneva N. in: International Cooperation in the Field of Environment Protection, Preservation and Rational Management of Biological Resources in the Arctic Ocean / Materials of the International Scientific Symposium. A.Vylegzhanin (Lead. Author). Ed. I. Ivanov. Moscow, September 4, 2012,

- RIAC. p. 26 .
30. Ibid. p. 27.
31. Ibid. p. 28.
32. Khludneva N. in: International Cooperation in the Field of Environment Protection, Preservation and Rational Management of Biological Resources in the Arctic Ocean / Materials of the International Scientific Symposium. A.Vylegzhanin (Lead. Author). Ed. I. Ivanov. Moscow, September 4, 2012, RIAC. p. 29.
33. Melkov G.M. Mezhdunarodno-pravovoe oformlenie vneshnih granits kontinentalnogo shelfa RF (Limits of the Continental Shelf of the RF)/Gazovaja Promishlennost (*Gas Industry Journal*). N 704/2014. p. 94 (in Russian).
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## 6. United States' Arctic Policy

Raymond V. Arnaudo

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The United States became an Arctic country when it purchased Alaska from Russia in 1867, allowing it to acquire the land as well as potential ocean access to the Far North. But it would be another century before the U.S. federal government would begin to develop a broad set of goals to provide an approach to, and goals for, oversight and development of this region.

The Arctic policy of the United States has remained broadly constant over the years since the early 1970s, when initial efforts to craft a unified U.S. government inter-agency approach to the Arctic were initiated. This policy has been based on several key principles, which include the protection of our national security interests and the preservation of the principle of freedom of the seas and superjacent airspace as well as the development and implementation of programs and activities to facilitate international cooperation in the areas of exploration, scientific research, resource development, exchange of scientific and technical data and the engagement of indigenous and local communities. The past two decades have witnessed an evolutionary trend and growth in the perspective of the United States to welcome greater structured international and multilateral cooperation, which has resulted in more cohesion and better communication among Arctic countries.

Pan-Arctic cooperation is a relatively recent innovation among the countries bordering the Arctic Ocean. One of the earliest agreements in the northern regions was the Spitsbergen Treaty of 1920, which recognizes the sovereignty of Norway over the Svalbard Archipelago, but mandates the demilitarization of the islands while providing access to the signatories to commercial activities, such as mining. Prior to the collapse of the Soviet Union, international cooperation was limited to scientific efforts or logistical support for exploration or business projects, such as explorations of the ice, or to natural resources management and conservation, such as the North Pacific Fur Seal Convention (1911) or the Polar Bear Agreement (1973). While there have always been these types of cooperative arrangements, there were overriding reasons for a lack of initiatives to broaden cooperation (primarily the Cold War), and the territories of

the north were clearly under the jurisdictions of the five Arctic countries: Canada, Denmark (Greenland) Norway, the United States, and the Soviet Union.

The political tensions between East and West continued to hinder most substantive dialogues about multilateral cooperation in the Arctic. With the Soviet Union on one side of the equation, and the United States, Canada and Nordic countries on the other, many efforts to reach across this divide were stunted, although some government agencies did work together on specific problems, mostly on a bilateral basis. Adding to this tension was the presence of the military factor. The United States, working with its allies, had constructed an early warning radar system, the DEW (Distant Early Warning) line, as a tripwire against potential Soviet intrusions, and a military presence in the Arctic regions could only reinforce this barrier to multilateral discussions to address common problems.

The Arctic also has limited political clout. In the specific case of the United States, the country's focus on the North has generally been limited. Although Alaska is America's largest state by far, with 1.7 million km<sup>2</sup>, this represents less than 20% of the country's total landmass. More importantly, its population of under 750,000 is less than one percent of the entire U.S. population. Although the United States is an Arctic power because of its northernmost state, Alaska has a distinctly limited share of the total voting influence on the decision-making authority in government. Federal decisions about international cooperation originate in Washington. This means that only two of the 100 U.S. senators, and only one representative among 435 in the House of Representatives, specifically represent Arctic interests. While several large, under-populated states have this similar "minimal" representation, Alaska, isolated regionally and by its far north location, speaks alone for Arctic interests. In this regard, it is important to remember that the United States does not have a parliamentary form of government: major federal programs or decisions affecting the Arctic must be approved by Congress, often not an easy process with such a small congressional representation.

The interests of Alaskan indigenous groups are similarly underrepresented nationally. The agency designed to protect the rights of Native Americans, the Bureau of Indian Affairs, has long focused its attention on the tribes of the Lower 48 states. And the legislation designed to protect the rights and interests of Alaska Natives, the Alaska Native Claims Settlement Act (ANCSA), is poorly understood among non-

Alaskans.

With no significant federal focus on the Arctic, and congressional membership restricted to three, pressure for international outreach in the Arctic has always been limited. On the Alaskan side, there was also limited pressure on the federal government to seek greater international cooperation among the bordering countries. Alaska has always sought cooperation with its regional partners in the former Soviet Union and/or Canada, but has never been particularly enamored with seeking federal assistance to gain cooperation, which it understood to be the state's own prerogative.

The federal government does have two interagency organizing structures which coordinate Arctic policy and Arctic scientific efforts: the Arctic Policy Group, under the National Security Council structure, chaired by the State Department, and the Interagency Arctic Research Policy Committee, authorized by the Arctic Research and Policy Act of 1984, chaired by the National Science Foundation. But funding for initiatives and programs is broadly ad hoc, as no single federal department or agency has control of or a dedicated budget for Arctic funding. The Arctic Research Commission has theoretical authority over all federal Arctic research, but it does not control the budgets of different departments and agencies that fund projects and activities in Alaska. Nor has there ever been a "Department of the Arctic" in the federal government that could serve as an overseer of management of and funding for activities in the Arctic.

The specific problems of the indigenous peoples living on the land have presented another set of limits. As noted above, the relevant U.S. federal agency, the Bureau of Indian Affairs, has tended to focus on indigenous peoples in the Lower 48, and not those in Alaska. And internationally, prior to the formation of the Inuit Circumpolar Conference (now Council) in 1977, there was little structured coordination among native populations. The problems of Cold War tensions and lack of appropriately proportionate political influence by those living in the northern regions thus limited discussions of formalizing political cooperation in the Arctic. Add to this the simple fact that the populations affected are relatively small in all Arctic countries, and it is clear that the barriers to political cooperation in the North were large.

But in the late 1970s and early 1980s, several forcing events took place to heighten awareness of the need for greater cooperation, which would improve the atmosphere for Arctic cooperation. First and foremost was the

growth in the public's consciousness of the importance of environmental protection and global responses to problems. The State Department was called upon to address increased global interest and heightened public concerns over the effects of transboundary air pollution and environmental protection. The United States and Canada held a series of discussions beginning in the 1970s over the issue of Arctic haze, the north-spreading air pollution from the United States into Canadian airspace. Globally, the world's countries organized to adopt the Convention on Long-range Transboundary Air Pollution (1979) under the United Nations Economic Commission for Europe. The pace of multilateral negotiations that would address the growing concerns over the environment accelerated in the 1980s, leading to agreements on polar protection, wildlife conservation regimes, environmental cooperation, and climate change, and a global emphasis on the need for more actions to protect the environment. These efforts culminated in the Rio Earth Summit of 1992, raising awareness regarding the importance of a regional focus on ecosystems, such as the Arctic. There nevertheless continued to be concerns over the specific effects of transboundary air pollution in the Arctic.

A second forcing event was the scientific community's interest in improving cooperation among Arctic researchers. Taking a page from cooperation in the Southern Ocean and Antarctica, which led to the Scientific Committee for Antarctic Research (SCAR) and then to the Antarctic Treaty of 1959, scientists began to press for improving pan-Arctic cooperation to improve research interactions. They began discussions by drawing Arctic and non-Arctic countries together, leading to the formation of the International Arctic Science Committee (IASC) in 1990. IASC was the first pan-Arctic scientific body to be established, whose goal was to initiate, develop, and coordinate scientific activity in the Arctic region, and on the role of the Arctic in the Earth system. There were efforts by some countries to restrict membership solely to Arctic countries, but this was resisted, in keeping with the normal arrangements of scientific bodies, and IASC became a global scientific body with an Arctic focus. Its creation jump-started the push for international governance in the North. If scientists could form an organization to assist in international cooperation, why could not regional Arctic powers do so as well?

Third, the Soviet Union began to signal its interest in Arctic cooperation. Nordic states began to encourage the idea of an Arctic political forum, mainly to engage the Soviets, whose transboundary

pollution into the northern regions was of growing concern. But there was a limited or negative response from the Soviet Union to these ideas, until 1987, when Soviet Party Secretary Gorbachev, in a speech at the Ceremonial Meeting on the Occasion of the Presentation of the Order of Lenin and the Gold Star to the City of Murmansk, called for greater cooperation and peaceful activities in the Arctic, especially in the areas of resource development, scientific research, environmental protection, and the rights of native groups. This remarkable statement, albeit buried in a long speech, confirmed for many of those engaged in the process of strengthening Arctic cooperation that the Soviets were finally recognizing the need for reaching out to the West.

Lastly, the influence of nongovernmental groups should be noted. Native groups in the North would occasionally meet to discuss transboundary cooperation, but in 1977, a broadly representative group of Arctic indigenous peoples met in Barrow, Alaska, and created the Inuit Circumpolar Conference, thus organizing a voice for the natives of the North. Additionally, a group of academics started an informal consultative group in the late 1980s, the Working Group on Arctic International Relations, which brought together several of those government officials, including some from the Soviet Union, who would eventually work on the formation of the Arctic Council in an informal setting, where options and solutions could be explored without attribution or government endorsement. These discussions would lead the Russians to explore ideas that were formally acknowledged in Gorbachev's now-famous Murmansk speech, which indicated to the other Arctic countries that the Soviet Union was interested in greater cooperation.

Shortly thereafter, the government of Finland broached the need for greater Arctic cooperation, an initiative that later into the cooperative arrangements leading to the Arctic Council. There was no consensus in support of a binding convention or an overly centralized organization. But the mood for a regional agreement had coalesced, and the result was the first step, the Arctic Environmental Protection Strategy (1991), adopted in Rovaniemi, which five years later would be broadened to become the Arctic Council (Ottawa Declaration 1996).

America's geopolitical interests have remained broadly constant over the years, and one the major strengths of U.S. Arctic policy is that it, too, has remained relatively constant. The 1971 National Security Decision Memorandum states that it will be the Arctic policy of the United States

to “insure that Arctic development is orderly and consistent with U.S. policy on consideration and protection of the environment; to maintain a posture sufficient to protect our national security interests and preserve the principle of freedom of the seas and superjacent airspace; to develop and implement programs and activities, within a framework of international cooperation wherever appropriate and feasible...” U.S. policy should also include “mutually beneficial cooperation with Arctic and other countries in exploration, scientific research, resource development and exchange of scientific and technical data.” The decision memorandum also called for the creation of an interagency Arctic policy group to review and coordinate U.S. policy in the Arctic to be chaired by the Department of State.

Ten years later, the U.S. government, under a Republican administration, reaffirmed the basic tenets of these policies with another National Security Decision Directive (1983), which stated: “the United States has unique and critical interests in the Arctic region related directly to national defense, resource and energy development, scientific inquiry, and environmental protection...” and specifically recommitted the United States to promoting “beneficial international cooperation.” In 1984, a major new effort to move the ball forward was introduced with the enactment of the Arctic Research and Policy Act of 1984. This Act established the new, independent national Arctic Research Commission to oversee and coordinate U.S. scientific efforts in the Arctic. It also created the Interagency Arctic Research Policy Committee, to be chaired by the National Science Foundation and to oversee U.S. federal agencies’ Arctic research.

The international efforts in the late 1980s—the Murmansk speech by Soviet leader Mikhail Gorbachev, described above, and the global push for greater Arctic cooperation—led the United States to once again review its Arctic policy, a process initiated by a public forum and conference sponsored by the U.S. Department of State in Alaska in 1993 and resulting in a new Presidential Decision Directive involving the Arctic the following year. As with previous directives, the broad thrust of policy principles remained the same, although, for the first time, U.S. policy emphasized the importance of indigenous communities in decision making and policy development along with the need to protect the environment.

While the broad Arctic policy goals have provided a foundation for U.S. policy for decades, toward the end of the second term of the Bush administration it was concluded that it was an appropriate time to review U.S. policy. Fourteen years had passed since the last federal Arctic policy

review, and there had been several notable changes worthy of consideration. The growing concern about the need to understand the causes and effects of climate change on the planet, especially in the Arctic, had caused all northern countries to reassess their activities in the region. The United States, for its part, had taken the lead in the late 1990s, initiating the Arctic Climate Impact Assessment (ACIA 2004) under the auspices of the Arctic Council (in cooperation with IASC). In addition, many of the initiatives to develop greater multilateral cooperation in the North, leading to the formation of the Arctic Council, had happened after the last policy review and needed to be taken into account. Rapid change in the extent and thickness of the Arctic ice shelf and sea ice was leading to increased maritime activity, which in turn raised new questions about the possible expansion of fisheries, increased pollution, commercial shipping, new forms of energy exploration and development, and, collectively, potential new questions about the entire scope of sustainable and economic development in the region.

For these reasons, the administration sought comments and suggestions from relevant stakeholders and from the most recent interagency review, which included input from a wide variety of U.S. players and stakeholders, such as the state of Alaska, indigenous groups, environmental leaders, and industry representatives as well as members of the academic and research community. After extensive discussions and meetings of government officials with various stakeholders, the administration released an updated policy in January 2009. The revised National Security Presidential Directive (2009), which retained the six central tenets of previous Arctic policies, was a nonpolitical document and represented goals that might appropriately be called bipartisan. In a demonstration of this, early in the new term, the Obama administration reaffirmed that the 2009 presidential directive from the Bush administration would continue to accurately describe U.S. Arctic policy, thereby retaining the same six broad policy goals first expressed in the 1994 Arctic policy of the Clinton administration:

- 1) Meet national security and homeland security needs relevant to the Arctic region;
- 2) Ensure that natural resource management and economic development in the region are environmentally sustainable;
- 3) Strengthen institutions for cooperation among the eight Arctic nations (Canada, Denmark, Finland, Iceland, Norway, Russia,

- Sweden and the United States);
- 4) Enhance scientific monitoring and research into local, regional, and global environmental issues;
  - 5) Involve the Arctic's indigenous communities in decisions that affect them; and
  - 6) Protect the Arctic environment and conserve its biological resources.

It is important to remember that the Bush administration worked for eight years under the Arctic directive that had been developed by the Clinton administration, which reflects the constancy of U.S. fundamental interests and objectives in the North, regardless of which political party is in power. While these basic U.S. interests and objectives in the Arctic endure and have not changed much from the prior directives, there have been new developments in policy that reflect the changes that have been taking place in the Arctic. U.S. domestic policies on homeland security and defense have changed significantly since September 11, 2001. The United States has fundamental homeland security interests in preventing terrorist attacks and criminal or hostile acts in or via the Arctic domain. There had also been time to reflect on the progress made under the Arctic Council. Finally, there was a need to consider the potential increases in commercial shipping and economic activity as well as how best to prepare for possible rapid changes in the environment.

As a result, the various national security components of the U.S. government, as well as the state of Alaska, have in the past few years outlined their goals and plans for operations in the Arctic. The National Security Council, the White House, the Department of Defense, the Navy, the Coast Guard, and the state of Alaska have all issued new guidance and directions in various strategies and plans:

- Arctic Region Policy, NSPD 66 National Security Council, 2009
- National Strategy for the Arctic Region, 2013
- Managing for the Future in a Rapidly Changing Arctic: Report to the President, 2013
- Arctic Strategy, Department of Defense, 2013
- Inter-Agency Arctic Research Policy Committee, Five-year Arctic Research Plan FY2013-17, February 2013
- The U.S. Coast Guard's Vision for Operating in the Arctic Region, 2014

- Arctic Roadmap, 2014-2030, U.S. Navy, 2014
- Implementation Plan for the National Strategy for the Arctic Region, White House, 2014
- Alaska Policy Commission, Preliminary Report to the State Legislature, 2014
- Arctic Action Plan, National Oceanic and Atmospheric Administration, April 2014
- Arctic Issues: Better Direction and Management of Voluntary Recommendations Could Enhance U.S. Arctic Council Participation, Government Accountability Office (GAO) # 14-435, May 2014.

The collapse of the Soviet Union and the end of the Cold War clearly lowered the prominence of traditional security issues in the Arctic, but the potential increase in transportation and other human activities due to the melting of polar ice certainly raises new concerns and calls for a renewed focus on potential new conditions. As a result, the current U.S. policy directive calls for “greater capabilities and capacity, as necessary, to protect United States air, land, and sea borders in the Arctic region.” The recent Department of Defense Arctic Strategy (2013) best summarizes this approach:

*“Security in the Arctic encompasses a broad spectrum of activities, ranging from resource extraction and trade to activities supporting safe commercial and scientific operations to national defense. Security cooperation activities and other military-to-military forms of engagement establish, shape, and maintain international relations and the partnerships necessary to meet security challenges and reduce the potential for friction.*

*The Department will continue to build cooperative strategic partnerships that promote innovative, affordable security solutions, and burden-sharing in the Arctic, and seek to increase opportunities with Arctic partners to enhance regional expertise and cold-weather operational experience. The Department will continue to train and operate routinely in the region as it monitors the changing environment, revisiting assessments and taking appropriate action as conditions change.”*

This strategy identifies the Defense Department’s desired end-state for the Arctic: a secure and stable region where U.S. national interests are safeguarded, the U.S. homeland is protected, and nations

work cooperatively to address challenges. It also articulates two main supporting objectives: ensure security, support safety, promote defense cooperation, and prepare to respond to a wide range of challenges and contingencies operating in conjunction with other nations when possible, and independently if necessary, in order to maintain stability in the region. Finally, it identifies the ways and means the department intends to use to achieve these objectives as it implements the National Strategy for the Arctic Region.

While such recent reviews of Arctic operations and planning by the military have prompted reactions about increased militarization of the North, these measures do not reflect any heightened tensions in the area, but rather are simply a prudent response to new conditions, driven largely by potential new evolving economic interests. All eight members of the Arctic Council have recently reviewed their Arctic policies and made similar statements about the need to examine their capabilities to respond to changes taking place in the Arctic. In addition, the state of Alaska, the reason the United States is an Arctic nation, has formed a state-level Alaska Policy Commission, which completed a preliminary study in January 2014 that reports on the major Arctic policy issues facing the state. Its final report to the state legislature is due in 2015.

Although it is not yet party to the United Nations Convention on the Law of the Sea (UNCLOS 1982), the United States has long considered that, with respect to traditional uses of the ocean, the convention generally reflects customary international law and these provisions are thus binding on the United States. UNCLOS is the fundamental legal instrument governing activities on, over, and under the world's oceans, and has the complete support of the Obama administration. The increased interest in, and greater access to, the Arctic only heightens the importance of this convention, which provides a roadmap for maritime cooperation.

With respect to accession to the convention, it remains an important goal of the Obama administration to secure Senate approval of UNCLOS. Every administration—whether Democratic or Republican—since the treaty was first submitted to the Senate in 1994 has supported U.S. accession to the convention and ratification of the associated 1994 Agreement. The Obama administration is working closely with Senate leadership for the Senate to take up this important treaty at the earliest opportunity. The other four Arctic coastal states (Canada, Denmark, Norway, and Russia) are parties to the convention. United States accession UNCLOS would

further our national security, environmental, economic, and diplomatic interests, and would reaffirm U.S. leadership in this arena.

The importance of the law of the sea and its role in the Arctic is reflected in the Ilulissat Declaration (2008) adopted by the five Arctic coastal states. The declaration explicitly recognizes that “an extensive international legal framework applies to the Arctic Ocean. Notably, the law of the sea provides for important rights and obligations concerning delineation of the outer limits of the continental shelf, the protection of the marine environment including ice-covered areas, freedom of navigation, marine scientific research, and other uses of the sea.”

Another important reason to become a party to the UNCLOS arises from the interests of non-Arctic states in the Arctic. The convention divides ocean areas—both the water column and the seafloor—into different zones, with states enjoying varying rights in each zone. The five coastal states of the Arctic thus do not “control” or “own” the entire Arctic Ocean, although they do exert jurisdiction at various levels over their respective territorial seas, extended economic zones and continental shelves. All states may exercise freedoms of navigation and overflight in areas beyond the territorial sea. Thus, while non-Arctic states may have legitimate interests in the Arctic Ocean, these are carefully defined by the UNCLOS.

Lastly, as a result of the U.S. failure to accede to the convention, it has not been able to nominate an expert for election to the Commission on the Limits of the Continental Shelf (CLCS), which reviews countries' submissions for delimiting their continental shelves. Thus, until the United States becomes a party to the convention, it cannot participate fully in the review process, nor even nominate American commissioners to review the detailed data submitted by other countries on the limits of their continental shelves beyond 200 nautical miles.

The United States is also eager to delineate the outer limits of its continental shelf beyond 200 nautical miles, which would be reviewed under the provisions of the UNCLOS. A coastal state exercises certain sovereign rights over its continental shelf, including exploration, exploitation, conservation, and management of non-living resources, such as oil, gas, minerals, and living, “sedentary” species, such as clams, crabs, and sponges. The United States has vast areas of continental shelf—at least twice the size of California and, in the Arctic, at least as far as 600 miles from the coastline. Parties to the convention have access to the CLCS, whose technical recommendations assist a coastal state in establishing

the outer limits of its continental shelf. In spite of this, the United States is in the process of completing a multi-year study of its continental shelf, including cooperation with its neighboring Arctic state, Canada.

The United States, like all eight Arctic states, is a member of the International Maritime Organization (IMO), a United Nations specialized agency that oversees issues related to maritime safety and shipping security, and the prevention of marine pollution by ships, among other topics. In accordance with UNCLOS, the IMO provides a global structure for ships operating in polar waters. After years of research and efforts, the IMO expects to complete the Polar Code, setting forth mandatory regulations pertaining to ships operating on polar waters by the end of 2014 or early in 2015.

The United States believes that the primary focus of the Arctic Council should remain its excellent work in the areas of environmental protection and sustainable development, but also recognizes that changing conditions in the Arctic present an opportunity to expand and broaden cooperation in the region. Multilateral cooperation in the Arctic has improved steadily since the adoption of the Arctic Environment Protection Strategy and later the Arctic Council, and the organizational elements have been adjusting to new challenges. The United States is actively engaged in efforts to improve the effectiveness and efficiency of this forum, in accordance with its general mandate.

In this regard, at its ministerial meeting in Nuuk, Greenland in 2011, the Council agreed to establish a new secretariat in Norway to provide better continuity and transition between the two-year country chairmanships. Evolving challenges frequently require creative solutions, and in this regard, Arctic Council has begun to craft binding commitments to strengthen protections in the North. Specifically, in 2011, members concluded an agreement for search and rescue cooperation (Agreement on Cooperation on Aeronautical and Maritime Search and Rescue in the Arctic, 2011), the first time all eight Arctic countries have adopted a legally binding agreement under the Council's auspices. Two years later, they concluded a second binding agreement on oil spill response (Agreement on Cooperation on Marine Oil Pollution Preparedness and Response, 2013).

The members of the Council have also begun to explore possible measures that can be taken to address the climate impacts of black carbon and other short-lived climate pollutants. Other potential areas, which may need further attention, include shipping, energy and other resource

development and oil spill response. Finally, there is a growing interest by non-Arctic countries in the region, with increased demands for a larger role in the Arctic Council, and the Council will need to address the growing demand for an increased voice and participation by observer countries in Council activities.

There are also regional jurisdictional questions that need the attention of the U.S. and Canadian governments, since they disagree over the location of their maritime boundary in the Beaufort Sea. Canada claims that the land boundary dividing Alaska from the Yukon Territory, the 141st line of longitude, should also be the maritime boundary heading due north. The United States claims that the maritime boundary should be an equidistant line out to 200 nautical miles, i.e., a series of points that are equidistant to the nearest points of land in each country. As a result of this difference of views, both states claim a roughly triangular area in the Beaufort Sea covering approximately 6,100 square nautical miles. The infusion of continental shelf claims offers another layer of dispute. Both states have offered oil and gas leasing blocks in the disputed area, but neither side has moved forward with drilling. There are not thought to be any significant fishery resources in this area at this time, although both countries acknowledge the need for more research, as melting ice provides new fishing areas. The United States takes the position that until there is adequate knowledge of the fishery stocks in arctic waters, there should be a moratorium on any commercial fishing activities.

The United States has periodically suggested to Canada that the two sides attempt to reach an agreement on all four disputed maritime boundaries (the others are in the Dixon Entrance, outside the Strait of Juan de Fuca and in the Gulf of Maine), and Canada has recently suggested that there is political willingness in Canada to discuss a resolution of the Beaufort Sea maritime boundary.

Although Canada regards the Northwest Passage, which connects Baffin Bay/Davis Strait in the Atlantic with the Beaufort Sea in the Arctic Ocean, as "internal waters" through which there are no passage rights, the United States, and most other maritime powers, regard the Northwest Passage as a waterway used for international navigation with the same status as the Strait of Gibraltar, for example, through which vessels enjoy the right of transit passage.

The United States recognizes Canadian sovereignty over its Arctic islands as well as its sovereignty over territorial seas adjacent to those islands. The

United States, however, has long disputed Canada's "straight baselines" that attempt to enclose much of Canada's arctic waters as "internal waters." Those straight baselines are not drawn in a manner consistent with the provisions of the Law of the Sea Convention. The United States also has concerns about Canada's mandatory requirements for foreign-flagged ships transiting Canadian-claimed Arctic waters, commonly referred to as NORDREG, and has recommended that they be submitted to the IMO for review. Lastly, there is also a bilateral agreement between the two countries on the navigation and transit of ice-covered areas by research vessels (Agreement Between the Government of the United States of America and the Government of Canada on Arctic Cooperation 1988), which affects this strait.

In the area of science, and considering the role of the International Arctic Science Committee as a catalyst to greater scientific and political cooperation, the United States remains deeply committed to the need for sound scientific and socioeconomic information. Arctic countries should continue to work to promote unfettered scientific research on a host of Arctic issues, including climate change and its effects. The United States has already made significant investments in the infrastructure needed to collect environmental data in the Arctic, and welcomes the investments others are making to advance research in the Arctic. The United States will seek the involvement of all Arctic and non-Arctic nations in order to advance scientific understanding that could provide the basis for assessing future impacts of climate change and proposed response strategies. In this regard, the United States also has supported strongly the need for the traditional knowledge of indigenous people in support of science-based knowledge. The role of indigenous people and their understanding of the environment and use of natural resources are well acknowledged under the Arctic Council's mandate. The Arctic Council recognized this with the establishment of a unique role of native representatives as "Permanent Participants," as distinct from the "Observers" and "Nongovernmental Organizations."

The United States will assume the chairmanship of the Council in 2015, its first return to the leadership role since 1998-2000. It is working to develop its goals and major themes under its leadership, following on from the current Canadian chairmanship. These goals are likely to include initiatives in the areas addressing climate change, protection and management of natural resources, strengthening the roles of indigenous people, and protection of the environment. They may also expand efforts to examine the structure of the working groups and the task forces of the

Council, as well as examining and improving the role of Observer States.

The last 40 years have seen a remarkable evolution in the policies of countries in the Arctic region toward greater engagement and mutually beneficial efforts. Growing from mostly bilateral and limited regional cooperation and starting from the era of tensions and confrontation of the Cold War, Arctic countries have created new mechanisms to foster greater regional cooperation. While the broad trends of greater global interconnectedness have helped this cooperation, the increased awareness of policy makers in the United States regarding the benefits of pursuing regional approaches to share information and approaches to solutions has led to a recognition that many of its problems in the Arctic are better solved through regional approaches. U.S. Arctic policy has always recognized this fact, but the benefits of this growing cooperation are more apparent than ever.

*Table II-1. U.S. Arctic policy timeline*

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1971	Arctic Policy Group established by United States
1973	Polar Bear Treaty (Canada, Denmark, Norway, USSR, USA)
1977	Inuit Circumpolar Conference (now Council) established
1984	Arctic Research and Policy Act: created the Arctic Policy Group, under the National Security Council structure, chaired by the State Department, and the Interagency Arctic Research Policy Committee, chaired by the National Science Foundation.
1987	Murmansk speech. Soviet Party Secretary Gorbachev looks west
1988	Working Group on Arctic Relations, informal consultative group, chaired by academics
1989	Rovaniemi Process (Beginning of discussions for the AEPS)
1990	International Arctic Science Committee, the first pan-Arctic scientific body to be established
1991	Arctic Environmental Protection Strategy (AEPS) signed
1992	Rio Earth Summit (Global focus on ecosystems, such as the Arctic)
1993	Nuuk Ministerial (First AEPS ministerial meeting)
1994	National Security Decision Memorandum (Review of U.S. Arctic policy)
1996	Ottawa Declaration (Founding of Arctic Council)
1998	U.S. Chairmanship of Arctic Council
2000	Arctic Climate Impact Assessment (ACIA) begun
2009	First joint meeting of the Arctic Council and the Antarctic Treaty
2011	Arctic Search and Rescue Agreement (First pan-Arctic agreement)
2013	Oil Pollution Preparedness and Response Agreement
2013	Arctic Council Secretariat established
2015	United States will assume Chairmanship of Arctic Council

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U.S. Arctic Policy reviews: 1971, 1983, 1994, 2008.

*Table II-2. Arctic Council chairs*

1996-1998	Canada
1998-2000	USA
2000-2002	Finland
2002-2004	Iceland
2004-2006	Russia
2006-2009	Norway
2009-2011	Denmark
2011-2013	Sweden
2013-2015	Canada
2015-2017	USA

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## 7. China's Arctic Policy

Jian Yang

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With the acceleration of ice melting in the Arctic, the importance of the Arctic in terms of navigation, resource exploitation and scientific research, has increased in recent years. The cold Arctic is consistently warming with the increase of human activities. Softened ice needs hard norms and rules. The evolution of Arctic governance and the expanding functions of the Arctic Council are under way. While the situation is undergoing complex and profound changes, all parties concerned with Arctic affairs are working together to face the common challenges and to compete for more benefits from changing situations. The natural environment in the Arctic region is changing at a greater pace than people anticipated. Human society, including the nations outside the Arctic Circle, must make necessary adjustments to their practices, ways of production, and way of life and build up new social governance mechanisms to adapt to the new natural surroundings.

### FIVE QUESTIONS ABOUT CHINA'S POSITION AND POLICY ON THE ARCTIC

In May 2013, the Arctic Council officially granted observer status to six non-Arctic states, opening the door for China to be involved in Arctic governance affairs at the regional level. On September 10, 2013, the M.V. Yong Sheng from COSCO Shipping Co. successfully completed her maiden voyage through the Northeast Passage and arrived at the Port of Rotterdam.<sup>1</sup> Before the Yong Sheng, China had only made one actual voyage in Arctic waters with its Arctic research vessel the Xue Long in August 2012.

In recent years, China has carried out bilateral dialogues with all the Arctic nations and some non-Arctic nations to enhance understanding and mutual trust and promote pragmatic cooperation in Arctic affairs. In April 2012, China and Iceland signed an agreement on Arctic cooperation. This is the first time for China to sign such an agreement with an Arctic nation, laying a solid legal basis for pragmatic bilateral cooperation. In addition,

agreements on marine cooperation between China and the USA, Canada, Russia, Iceland, Germany, France, and Korea have been signed, and Arctic cooperation is an important part of the agreements. Many academic seminars on Arctic governance sponsored by institutes from China and the Arctic nations have been held. In December 2013, the Chinese Nordic Arctic Research Center, consisting of many academic institutes from China and the Nordic countries, was established.<sup>2</sup>

As a non-Arctic state and globally important economy, will China be a positive contributor or a burden to Arctic governance? In recent years, the world has paid great attention to China's involvement in Arctic affairs. The questions focusing on the Chinese position and policy regarding Arctic issues can be sorted into five categories: Firstly, what forces are driving China to participate in Arctic affairs? Secondly, how does China view the current international order in the Arctic, and how does it view the existing Arctic governance mechanism? Thirdly, how does China realize its rights and interests in the Arctic? Fourthly, how does China value international cooperation in terms of environmental protection and economic cooperation? Lastly, how does China deal with the relationship between Arctic states and non-arctic states.

### **What Forces are Driving China to Participate in Arctic Affairs?**

In the next decade, China will be one of the most important trading nations. Its economic growth is heavily dependent on trade and shipping. With labor costs rising in China, transportation costs will be a factor for multinational corporations that wish to choose China as a production base. The opening of the Arctic commercial sea routes will change the world trade pattern. The exploiting of sea routes and oil and gas resources will facilitate the formation of an Arctic Circle economy including the northern parts of Russia, North America, and the Nordic nations, thereupon affecting the entire world economic and geopolitical pattern. Therefore, many countries are stepping up to formulate Arctic strategies, making preparations for the chance. China, as one of the world's major economies, should follow the trend of globalization and seize an opportunity to further its economic development.

In order to guarantee employment and individual welfare, China must maintain a certain level of economic growth. It is necessary for the nation to find various channels to secure energy supplies. In 2012, China's

dependence on imported oil exceeded 58%. According to the World Situation Report 2011 composed by the Development Research Center affiliated with China's State Council, for the next two decades and along with urbanization, China's energy consumption will grow at the same time for both production and living. By 2030, 70% of China's oil and 40% of its natural gas will need to be imported.<sup>3</sup> No matter how the structure of China's economy is optimized with policies, its status as one of the world's major energy-consuming economies will not change in the short run. In this sense, positive involvement in the development and utilization of the Arctic sea routes and importing resources through bilateral economic cooperation is a sensible choice for China to explore new channels to facilitate economic security and decrease economic uncertainties.

We are currently in the incubation period of a new technology revolution. Environmental limitations to exploiting resources constitute an important factor restricting the further development of the economy. A possible breakthrough to a new technological revolution could be at the junction where energy and environmental limitations are solved. The Arctic is a resource-abundant region and environmentally fragile area; green technology and resources are most likely to achieve a breakthrough there. The Arctic can become an important testing ground for China to become a pioneer in specific fields of science and technology.

In short, China's positive participation in Arctic affairs should be treated as part of its strategy for further development and integration into the world. The economic security and uncertainty raised by Arctic ice melting is one of the main driving forces for China's participation. To gain soft power by achieving a scientific edge in polar studies and providing a public good to protect the environment and biodiversity is also one of China's aspirations. Participating in Arctic affairs and engaging in Arctic governance is a new type of diplomatic practice for China that needs overall planning and coordination between its domestic and international situations.

At present, China's involvement in exploiting Arctic resources is far below the level that international media have mentioned. In practice, many Arctic countries welcome China's enterprise to invest in the Arctic and participate in sustainable development there. Chinese enterprises are cautious about engaging in economic activities in the cold Arctic because of the harsh climatic conditions, safety and health issues, environmental concerns, and lack of necessary infrastructure.<sup>4</sup> At present, there are only

few Chinese enterprises carrying out some pilot projects by cooperating with foreign companies, or just beginning to probe the possibility of establishing cooperative projects. In 2009, the China Zhongrun Resources Investment Corporation signed an agreement with a British mineral company to exploit a copper mine in Greenland.<sup>5</sup> This is one of the few projects that Chinese enterprises are carrying out in the Arctic.

### **How Does China View the Current International Order in the Arctic, Including the Existing form of Arctic Governance?**

The Arctic is a polar region located at the northernmost part of the Earth. The Arctic consists of the Arctic Ocean and parts of Canada, Russia, the United States (Alaska), Denmark (Greenland), Norway, Sweden, Finland, and Iceland. The United Nations Convention on the Law of the Sea (UNCLOS) is relevant as a governance tool for the order of the Arctic Ocean. As for the parts of land of the eight nations mentioned above, most of the sovereignty issues have been settled properly. Respecting the sovereignty of Arctic states and respecting the existing Arctic governance mechanisms is the primary legal basis for China to deal in Arctic affairs. The ownership of the land territories and most of the marine rights in the Arctic have been clearly established, which means the governance of the Arctic is essentially different from the governance of Antarctica, which can be called a global commons. This is of positive significance in establishing an international order and regional peace in the Arctic. Only peace in the Arctic can bring environmental and economic benefits to China, so respecting the sovereignty of Arctic states is the legal basis for China to view the current international order, as is encouraging Arctic states to resolve territorial disputes and marine rights through consultation on the basis of the UNCLOS. That is why China has supported the efforts of Norway and Russia to solve their dispute regarding jurisdiction in the Barents Sea through negotiation.

Because Arctic governance is a system that is mixed with multiple levels (global, regional and local), issue areas (climate change, biodiversity, fishery, energy etc.), and actors (states, NGOs, indigenous peoples, companies, etc.), an international organization that can play the role of platform and of harmonizing and integrating all sorts of governance mechanisms is most important. The Arctic Council is the most important regional intergovernmental forum to discuss the issues of sustainable development

and environmental protection in the Arctic. With the expansion of its functions and representatives, the importance of the Council has been upgraded. China appreciates the positive role the Council plays in Arctic affairs. China will make its own contribution to Arctic governance by participating in relevant working groups and projects.

### **How Does China Define its Interests and Rights in the Arctic?**

China is a signatory to important international treaties like the Spitsbergen Treaty and UNCLOS. Like other signatories, China assumes its due obligations as well as enjoying rights in many aspects of the Arctic region. According to the Spitsbergen Treaty, Chinese ships and nationals shall enjoy equal rights of mining, fishing and hunting in the territories of the Svalbard Archipelago specified in the treaty. According to UNCLOS, Chinese ships and aircraft enjoy freedom of navigation and overflight in the exclusive economic zones of the Arctic countries, freedom of navigation in the high seas of the Central Arctic Ocean, and the rights of a flag state specified in the treaty.

Some Chinese scholars say that in the Arctic, China's interests mainly comprise environmental interest, navigation interest, resource interest, maritime scientific exploration interest, etc.<sup>6</sup> To my understanding, all the interests mentioned above are indirect ones. China is a product-processing place on a global scale. It is also an important market for Arctic products. Most of the interests can be realized by international law and by bilateral economic cooperation and trade. Statements like "China has sovereign rights in the Arctic," or "the entire Arctic is a heritage belonging to all humankind"<sup>7</sup> are totally wrong and will never be supported by the Chinese government.

### **How Does China Value International Cooperation Relating to Scientific Research, Environmental Protection, and Sustainable Development?**

The Arctic is a unique region that is vulnerable to global climate change and to increasing human activities, so it needs cooperative protection by international society. Climate change is making the Arctic a greener, warmer, and increasingly accessible place for economic activities. However, climate impacts such as sea ice loss and rising ocean acidification are

straining coastal community resilience and sound resource stewardship. There is a big knowledge gap for good governance in the Arctic. The impact goes far beyond the Arctic to the rest of the world, and requires scientists from all over the world to cooperate with each other to better understand the region's influence on global weather and climate patterns, to find ways to protect the environment and biodiversity, and to promote sustainable development. As reiterated by Chinese diplomats, the eco-environment of the Arctic region is unique and fragile, and highly susceptible to global environmental problems such as climate change and persistent organic pollutants. The protection of the eco-environment of the Arctic requires joint efforts of Arctic states and the whole international community. China has ratified or acceded to the major international environmental agreements, including the Stockholm Convention on Persistent Organic Pollutants and the United Nations Framework Convention on Climate Change and the Kyoto Protocol. China is fulfilling its treaty obligations in good faith, and has made solid achievements in controlling greenhouse gas emissions and reducing persistent organic pollutants. China will keep working to contribute to the protection of the global and Arctic environment.<sup>8</sup> Chinese institutes attach great importance to cooperation with the Arctic states. The people living in the Arctic region have a tradition of respecting and protecting their natural heritage. China also has a tradition of living harmoniously with nature. The ancient Chinese philosopher Laozi, the founding father of Taoism, once said, "tiandi shang bu neng jiu, er kuang yu ren hu?," which means, if nature cannot be sustained, how can man? Also, Taoism encourages people to lead simple lives. A quotation from "The Book of Tao and Teh" says that a life of luxury will make a man lose the ability to observe and to think: "Colors make man blind, music makes man deaf, too much food makes man lose his sense of taste." The theme of Taoism is that rules and laws are set by nature, and human beings should respect and learn from nature. We can find many similarities between Chinese traditional thoughts and the traditional knowledge of the indigenous people in Arctic. Similar traditions lay a sound foundation for further cooperation between China and the Arctic states. These states have the experience and best practices in scientific research, environmental protection, and technology innovation. China cherishes and respects the knowledge and experience that the Arctic nations have acquired and accumulated.

## How Does China Treat Relations between Arctic and Non-Arctic Nations?

Cooperation between Arctic and non-Arctic states has always been part and parcel of Arctic cooperation, either bilaterally or within the frameworks of regional fora and international organizations, on scientific research, environmental protection, and sustainable development. A good partnership between Arctic and non-Arctic states should include four essential elements:

First, recognizing and respecting each other's rights constitutes the legal basis for cooperation between Arctic and non-Arctic states. Arctic states hold sovereignty and related sovereign rights and jurisdiction in the Arctic region, while non-Arctic states also enjoy relevant rights of navigation and scientific research. Second, to enhance cooperation, Arctic and non-Arctic states should strengthen communication, increase mutual understanding and trust, and act on common interests. Third, addressing transregional issues through joint research endeavors represents a major field of cooperation between Arctic and non-Arctic states. Arctic and non-Arctic states are partners, not competitors. Fourth, upholding and promoting peace, stability and sustainable development in the Arctic region is vital.

To enhance cooperation, Arctic and non-Arctic states should, on the basis of respecting each other's rights, strengthen communication, increase mutual understanding and trust, support and assist each other, and seek areas of converging interests. This model of cooperation has already yielded sound results in addressing such issues as climate change and Arctic shipping. We should continue to enhance our mutually beneficial and win-win cooperation.

## WHAT KIND OF MESSAGES DO NON-ARCTIC STATES GET FROM ARCTIC STATES?

The Arctic is the homeland of peoples in the eight Arctic states. It is natural for these states to have a greater stake in the governance of the Arctic. In this sense, the policies of non-Arctic states will contain elements reacting to the Arctic states' policies toward the non-Arctic states. The policy of the Arctic states toward important non-Arctic states is to inform and to engage them. For the non-Arctic states, the policy in this regard is to get well-informed about and be positively engaged in Arctic affairs.

## Exclusiveness or Inclusiveness

Like forms of regional governance out there in the world, Arctic governance faces the issue of exclusiveness and inclusiveness. Any regional organization will take considerations on the issue as follows: (1) Efficiency of governance policy. The more member states there are, the more difficult it is to reach regional agreements and the longer it will take to negotiate platforms for taking action. (2) Allocation of interests. Regional interests should be allocated within the region as more as possible, which can prevent external competitors. (3) The capability of extra-regional actors to provide public goods. (4) The extent to which the external actors will become a cost of governance. If a governance regime cannot effectively incorporate important factors, internal and external alike, the cost cannot be effectively controlled and efficiency will be low.

The allocating process of Arctic resources has the nature of a market, while Arctic environmental governance involves the bearing of obligations that have the nature of a non-market. These differences give Arctic states exclusive and inclusive proclivities, respectively. Resource allocation in the Arctic is market-oriented. In other words, under market conditions, the volume of the interests to be allocated is limited. Thus, limited resources will compel the regional members to bar newcomers or competitors. In a case when newcomers are undeniable, a good alternative for this purpose is to raise the threshold of entrance or to introduce discriminative arrangements. The Arctic nations still have vigilance about and suspicion of non-Arctic nations' involvement in Arctic affairs. Before 2013, the Arctic Council repeatedly postponed accepting new observers. The European Union has been rejected as a formal observer, partially because it advocates multilateral governance in the Arctic with a high profile.<sup>9</sup> The Arctic Economic Council is a new example. In the 2013 Kiruna Declaration, ministers from the eight Arctic Council states decided to establish a task force to facilitate the creation of a circumpolar business forum. In December 2013, the Task Force to Facilitate the Circumpolar Business Forum (TFCBF) proposed a new name for the circumpolar business forum, the Arctic Economic Council, and it was approved by Senior Arctic Officials in January 2014. The Arctic Economic Council will foster business development in the Arctic, engage in deeper circumpolar cooperation, and provide a business perspective to the work of the Arctic Council.<sup>10</sup> But the fact is that the non-Arctic economies were excluded from the first Arctic

Economic Council meeting even though some of them have been granted formal observer status.

Arctic governance, on the other hand, is non-market-oriented in terms of environmental protection and climate change. In other words, enlarging the group will not necessarily bring about competition, but rather bring more members to share interests as well as costs, lowering costs for the original members. Exactly for these reasons, seeking fewer sharers of interests and more investors in public goods, Arctic states are prone to taking an open and inclusive attitude on issues of climate change, the environment and ecology by seeking common interests and common responsibility with extra-regional actors, while taking exclusive policies on issues of resources. As Olav Schram Stokke put it, when it comes to resource allocation, the fewer members the better; when it comes to sharing of cost, the more members the better.<sup>11</sup>

Out of their own interest, the Arctic states are fully justified in incorporating or denying extra-regional participants. In this case, it is an option to not accept categorically non-Arctic states in the Arctic governance mechanism. Any candidate member should prove itself to be associated with the club to a very large extent, and its contribution should be greater than its share of interests. Moreover, extra-regional participants should not exert overdue influence on the policy decisions of the regional club, lest Arctic states lose their predominance over regional affairs.

### **Tactics and Diplomatic Practices of the Arctic States**

The Arctic states vary in their thinking regarding whether they should incorporate non-Arctic states, which countries or national organizations should be accepted, and in what way they should be accepted. Relatively speaking, Russia and Canada, the two big powers in the region, attach more importance to sovereignty and demarcation lines in Arctic affairs, while Nordic countries and the United States are more in favor of international cooperation. Former Secretary of State Hilary Clinton used to express discontent with the exclusive meetings arranged by Canada, saying that the tasks of Arctic affairs are so heavy and time is so urgent that broad participation is needed.<sup>12</sup> The Nuuk Ministerial Meeting and the Kiruna Ministerial Meeting have basically formed the tactics of the Arctic Council on how to cope with its relations with important non-Arctic states.

First, on the issues of allocating resource interests, which are also

related to the interests of external actors, the Arctic states have effectively divided the Arctic issues into two levels, national and regional, by treating environmental and climate change issues as international cooperation issues while leaving the ownership of resources at the disposal of national governments, thus successfully preventing non-Arctic states from affecting the allocation of Arctic resources through participating in regional platforms. The Arctic Council thus applies either the form of a formal organization or a form of informal consultation to handle intra-regional relations and interregional relations separately, which can ensure that public goods are provided by extra-regional actors and restrain extra-regional actors from sharing interests.

Second, the Arctic Council raised the threshold and separated the rights of Arctic states from the rights of non-Arctic states to ensure policy exclusiveness, and in the meantime prevented non-Arctic states from organizing alternative mechanisms in the case of being denied. The alternative mechanism outside of the Arctic would have confronted the intra-Arctic regional mechanism. "Except for other reasons, the non-Arctic states will manage to establish an alternative forum if the East Asian countries are denied formal observatory status," said Alexander Sergunin, a Russian scholar, when talking about Russia's change of position in the last minute agreeing to accept East Asian countries as formal observer states.<sup>13</sup> Thus, the Arctic states finally decided to handle the issue of non-Arctic states' participation in Arctic affairs by granting limited access and discriminatory rights.

The Ministerial Meeting of the Arctic Council in 2013 passed the Kiruna Declaration, which welcomed the non-Arctic states of China, South Korea, and so on to become formal observer states, and emphasized the responsibility of the observer states to contribute through their provision of scientific and expertise knowledge, information and financial support.<sup>14</sup> The Observer Manual released at the meeting made it clear, "Decisions at all levels in the Arctic Council are the exclusive right and responsibility of the eight Arctic states with the involvement of the Permanent Participants. All decisions are taken by consensus of the Arctic states. The primary role of observers is to observe the work of the Arctic Council. Furthermore, observers are encouraged to continue to make relevant contributions through their engagement, primarily at the level of working groups."<sup>15</sup> This dichotomy is apparently aimed at restricting non-Arctic states' participation in the decision-making process of regional governance, and at the same

time encouraging external contributions to the areas mentioned above.

These documents and the Observers' Manual have clarified the relationship between the Arctic and non-Arctic states, and specified the standards, methods and paths of introducing external influence.<sup>16</sup> Before becoming observer states, non-Arctic states have to recognize the sovereignty and jurisdiction of Arctic countries, and they must not put forward governance proposals that transcend the policy goals of the Arctic states and Permanent Participants. They must not challenge the legal framework that is already established and recognized by the Arctic Council, and they must respect the culture, interests and values of the Arctic region. Obstacles to the observer states are designated at the operational level as well. Firstly, the participation is indirect, i.e., the bill of an observer state must be submitted indirectly through the Arctic countries. Secondly, the influence is ceilinged, i.e., contributions of project funding must not be larger than those of the Arctic countries. Thirdly, their identity is passive in that the participation status is non-permanent or needs to be reappraised periodically, which can be used to weaken the influence of the non-Arctic states in the Arctic and their legitimacy of participating in governance.<sup>17</sup> By admitting non-Arctic states' participation in this way, the Arctic Council has reached its dual goals of restriction and exploitation, and effectively enhanced the importance of the Arctic in global politics.

## **THE RESPONSIBILITY OF NON-ARCTIC STATES WHILE PARTICIPATING IN ARCTIC AFFAIRS**

As non-Arctic states gain connectivity with the Arctic, they should assume the global responsibility of maintaining environmentally friendly and sustainable development and keeping the peace in the Arctic region.

### **Non-Arctic States' Participation: Do Favors for the Goals of Governance**

Incorporating non-Arctic states into the Arctic Council is determined by the needs of Arctic governance and the trends of world development. Taking China as an example, at the global level, it is a global economic power, a permanent member of the UN Security Council, a signatory to UNCLOS, and an important constructor of many international regimes of

environmental protection. This status means that China can play a leading and coordinating role in peacekeeping, rationally handling contradictions between national sovereignty and the common heritage of humankind, balancing between interests of the Arctic states and those of the non-Arctic nations, and protecting the fragile Arctic environment and common home of humankind.

Moreover, important non-Arctic states can help to provide the public goods necessary for Arctic governance, which can play a direct role in fulfilling the tasks of governance. China is highly valued by some Arctic states for its capital, market and capabilities in infrastructure construction. The international scientific community regards Chinese polar scientists as an important contingent in addressing polar scientific conundrums. Since Arctic governance needs a system involving land-based, marine, aerial and space technologies to monitor and prevent outbreaks of incidents, China is exactly one of the few countries equipped with those technological systems needed to provide public goods for Arctic R&D and economic activities. The president of Iceland, Olafur R. Grimsson, said in the 2nd China-Nordic Arctic Cooperation Symposium that how wide the table of the Arctic Council is depends on the observer's knowledge and understanding about the Arctic, and it also depends on the scientific contributions from the observer states.

### **How Do Non-Arctic States Substantiate Their Self-Interest and Bear Their Responsibility?**

Although non-Arctic states do not have jurisdiction over territories and territorial seas in the Arctic region, they can enjoy rights ruled by international laws. Oran R. Young, the internationally famous theorist of governance, has claimed that non-Arctic states have rights to a variety of uses of the Central Arctic Ocean (e.g., rights to navigation, high seas fishing, laying submarine cables, and overflights).<sup>18</sup>

As an emerging power that accounts for one-sixth or more of the global population, China is also an important market for Arctic economies. As a big trade power in the northern hemisphere, the legal system of maritime navigation bears directly on China's navigation interest. Any change in the nature of the Arctic region will have an impact on the sea waters and the climate of China's periphery. Therefore, Arctic scientific exploration and research will exert far-reaching impacts on China's economy and

development of science and technology. More and more Arctic countries recognize China as “an Arctic stakeholder”. They are looking forward to more contributions to Arctic affairs from China.<sup>19</sup>

Although non-Arctic states enjoy some legitimate rights in the Arctic, the Arctic states are alert to any non-Arctic states’ claims regarding their interests in the Arctic, and in particular, they are suspicious of the rapid economic rise of China. In this circumstance, non-Arctic states should not pursue their interests in the Arctic region only by resorting to their own interests and abilities, but rather by resorting to the reconciliation between international mechanisms and domestic policies. As for its role in Arctic affairs, China should seek an adjustment among three variables: the Arctic countries’ expectations and definition of China, the non-Arctic countries’ expectations and definition of China, and China’s definition of itself, seeking commonality in the contradictions. Seeking common interests, reducing conflicts of interest and creating new shared interests require cautious and correct assessment of the change of the natural environment and the change of the politico-economic order in the Arctic region and full exploitation of the existing international mechanisms to acquire and protect legitimate interests.

In participating in Arctic affairs and realizing its interests in the Arctic, China should observe the principles of the three “follows”: follow the cardinal principles of international law; follow the trends of economic globalization; and follow the necessity of bilateral links between China and relevant countries. While China is enjoying the rights of participating in Arctic affairs and acquiring relevant rights according to existing international laws, it should also assume the global responsibility of keeping the peace and maintaining environmentally friendly, sustainable development in the Arctic region.

The major non-Arctic states’ responsibility in the Arctic should be carried out on multiple levels. First, they should assume big country responsibility at the global level, such as responsibility in global organizations like the United Nations to make their own contribution to Arctic environmental governance, climate change and ecological protection, and insist on the importance of environment protection and oppose any exploitation at the cost of the environment. Second, they should play a positive role in regional Arctic organizations, strengthen ties and communication with governance organizations such as the Arctic Council, and highlight the necessity of the non-Arctic states’

participation. They should also increase the vigor of their participation in domains and functional issues of navigation, environmental protection, tourism and resource exploration, in order to allow future mechanisms and arrangements to take into account global interests, non-Arctic states' interests, and the interests of the big traders from other parts of world. Third, as cooperators in the Arctic, they should pay great attention to social responsibility while conducting economic and science and technology cooperation with the Arctic countries. Besides realizing win-win bilateral interests, they should demonstrate humanitarian and environmental concerns in the host countries in connection with investment and cooperation, especially the concerns shared by the indigenous people.

## LOOKING FORWARD TO THE PUBLICATION OF CHINA'S ARCTIC POLICY

It takes a long time, even for Arctic nations, to form a strategy such as a Northern Strategy, the High North Strategy, or the Arctic Strategy. So it is also a time-consuming process for China to formulate its Arctic policy. This explains why China has launched many policy research projects and many bilateral dialogues with the Arctic nations. There is some preparatory work that should be done domestically and internationally. China's Arctic work relates to foreign policy, marine governance, transportation, science and technology, weather, energy and other aspects that require all departments to form a cohesive program. In 2011, the Chinese government established a coordination mechanism to deal with Arctic issues. The main task of this coordination mechanism is to exchange information and to analyze the evolution of the Arctic situation. Since it was established, this mechanism has played a positive role in promoting information sharing, in integrating various practices, and laying a sound foundation for forming China's Arctic policy in the future. As Jia Guide and Shi Wuhong observe, after comprehensive research and all-round dialogues with the Arctic nations and related organizations, China should introduce its policy on Arctic issues in the form of a timely white paper.<sup>20</sup> The timely introduction of China's Arctic policy can provide correct guidance for related work in domestic coordination. It can facilitate the transparency of China's strategy and policy and help the international community to understand China's activities and enhance mutual trust. "China's voice on the Arctic" will

emphasize its contribution to the fields of Arctic research and environmental protection to guide the international community to understand its Arctic policy as moving from “benefit oriented” to “contribution oriented” and to create a favorable environment in international public opinion.

## Notes

1. COSCO press conference on the M.V. Yong Sheng’s successful maiden voyage through the Northeast Passage of the Arctic waters. The voyage of the ship from Taicang to Rotterdam lasted 27 days and covered 7,800 nautical miles, which was nine days and 2,800 nautical miles less than the conventional routes transiting the Strait of Malacca and the Suez Canal. [http://www.cosco.com/art/2013/9/18/art\\_40\\_40672.html](http://www.cosco.com/art/2013/9/18/art_40_40672.html)
2. “Chinese Nordic Arctic Research Center is formally established,” <http://id=1242bf35-ca6b-426b-9226-50dfaf33d971>. [www.pric.gov.cn/detail/News.aspx?](http://www.pric.gov.cn/detail/News.aspx?)
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5. Greenland Lures China’s Miners with Cold Gold, <http://english.caixin.com/2011-12-07/100335609.html>
6. Qu Tanzhou et al., eds. *The Arctic Studies*, Beijing: Maritime Press, 2011, p. 283.
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8. Hu Zhengyue, China’s View on the Arctic, A Presentation at the High North Study Tour, July 2, 2009.
9. The EU has proposed to build an “Arctic Treaty” system by taking the “Antarctic Treaty” as a reference, a proposal that caused the Arctic nations doubts and dissatisfaction. In 2013, an Arctic Council ministerial meeting decided to accept the EU as an official observer because it set laws banning the seal fur trade that affected the daily life of the Inuit indigenous people.
10. <http://www.arctic-council.org/index.php/en/arctic-economic-council>
11. Speech by Olav Schram Stokke, “Arctic Change and International Governance”

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  13. Alexander Sergunin, "Russia and the East Asian Countries in the Arctic: An Emerging Cooperative Agenda?" Paper Presented at the SIPRI/IMEMO International Workshop, Moscow, October 1, 2013.
  14. The Eighth Ministerial Meeting of the Arctic Council, "Sweden Kiruna Declaration," MM08-15, Kiruna, Sweden, May 2013.
  15. Arctic Council, "Observer Manual for Subsidiary Bodies," Document of Kiruna Ministerial Meeting, 2013, <http://www.arctic-council.org/index.php/en/document-archive/category/425-main-documents-from-kiruna-ministerial-meeting#>
  16. The Seventh Ministerial Meeting of the Arctic Council, "Nuuk Declaration," Nuuk, Greenland, May 12, 2011.
  17. Arctic Council, "Observer Manual for Subsidiary Bodies," Document of Kiruna Ministerial Meeting, 2013, <http://www.arctic-council.org/index.php/en/document-archive/category/425-main-documents-from-kiruna-ministerial-meeting#>
  18. Oran R. Young, "Informal Arctic Governance Mechanisms: Listening to the Voices of Non-Arctic Ocean Governance," in Oran R. Young, Jong Deog Kim, and Yoon Hyung Kim, eds., *The Arctic in World Affairs: A North Pacific Dialogue on Arctic Marine Issues*, Seoul: KMI Press, 2012, p. 282.
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## 8. Japan's Arctic Policy

Fujio Ohnishi

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### INTRODUCTION

Compared to those of China and South Korea, Japan's Arctic policy is harder to recognize. Nevertheless, Japan has been involved in the Arctic region for many years (Tonami and Watters 2012). The question whether Japan has an Arctic policy or not depends on the meaning of the term "policy." If policy means the publication of a formal Arctic strategy, Japan does not have one. But if we understand the term as the pursuit of goals and actions to achieve the goals based on national resources, Japan's Arctic policy exists.

Although Japan had not a number of footprints in the Arctic in the past, the big ice-melt in the Arctic Ocean prompted several government ministries to begin making their agendas relevant to changing Arctic developments. By sketching this process of defining Arctic interests for Japan at ministerial levels, Ohnishi argued that Japan's approach to the Arctic region transformed from involvement, or less active and sporadic actions, to engagement or more focused actions (Ohnishi, 2014). However, this picture of Japan's Arctic policy changed when the government adopted the Basic Plan of Ocean Policy (which was the second version under the Basic Act of Ocean Policy) in April 2013, in which Arctic-related measures were stipulated.

This second Basic Plan was significant because it was the first document at the cabinet level to recognize the Arctic Ocean as an ocean where the government needed to take action. In addition, the Basic Plan designated goals and measures to be taken in relation to activities in the Arctic Ocean. On the other hand, most of the measures were not new. Instead, the plan demonstrated linkages among existing measures. No studies have analyzed the impact of the 2013 Basic Plan on Japan's Arctic policy, so providing an evaluation in this sense is one of the motives of this article.

Taking into account the discussion above, this article's main goal is to

examine the strategy embedded in the Arctic policy of Japan. In doing so, it employs an analytical framework consisting of three pillars: diplomacy, science, and business. The three pillars are important because they have constituted the driving forces behind Japan's Arctic policy. This article analyzes each pillar's consistency and inconsistency in Japan's past and current Arctic policy. In addition, it considers the prospects of each pillar based on the current trends.

In the next section, the article argues that the three pillars emerged in the period prior to the millennium. In the third section, it deals with the Basic Plan on Ocean Policy. Within this section, the article first explains the process of the formulation of the Basic Plan. It then examines both perceptions regarding Arctic affairs in the Plan and measures related to Arctic affairs by making a clarification based on the three pillars. In addition, this section argues that there are emerging linkages among the three pillars. These linkages reveal the strategy of Japan's Arctic policy in the plan. The fourth section examines the prospects of Japan's Arctic policy in the pillars of business and diplomacy, where recent trends are identified. In the conclusion, based on the above discussions, the article demonstrates a clear view on the strategy in Japan's Arctic policy by describing each pillar's features judged from the following points: 1) main actors, 2) traditional or not, 3) driving forces, 4) the degree of emphasis in the second Basic Plan, 5) linkages, and 6) prospects. The main finding of the article is that the observable strategy or longstanding plan in Japan's Arctic policy that emerged in the 2013 Basic Plan is pursuing business opportunities in the Arctic through improving scientific knowledge and enhancing Arctic diplomacy, or, in other words, promoting the pillar of business by enhancing the pillars of science and diplomacy.

## THE FORMATION OF THE THREE PILLARS

The focus of this article is limited to the involvement of governmental entities of Japan before the millennium. Thus, activities other than government actions are excluded from examination. In addition, the reason to make a demarcation before and after the millennium is that there is an obvious difference in the attitudes of actors toward the Arctic. As detailed in this section, ministerial entities in the Japanese government came to deal with an Arctic agenda more actively after the millennium, shifting their

attitudes from involvement to engagement. Furthermore, these activities were not coordinated with each other before the millennium.

The first pillar. The first pillar of the Arctic policy was formed in the sphere of diplomacy when the government signed the Spitzbergen Treaty in 1920 as one of the 14 high contracting parties. The treaty entitled Japan to certain legal rights and obligations, including rights of fishing and hunting in the territories and waters of the archipelago (article 2), liberty of access and entry (article 3), the establishment of an international meteorological station (article 5), and the same treatment (of nationals of the signatory countries) as the nationals of Norway, “with regard to methods of acquisition, enjoyment and exercise of the right of ownership of property, including mineral rights, in the territories” (article 7).

During the Cold War period, the Japanese Ministry of Foreign Affairs (MoFA) had not formulated a position regarding the treaty, and thus these rights were not exercised by Japan at all. However, this practice changed when the Ministry of Education, Culture, Sports, Science and Technology (MEXT) began to engage in research in Svalbard.

Since the end of the Cold War, the MoFA has gradually started to engage in international/multilateral coordination in the Arctic. In January 1993, Japan was granted observer status with the Barents Euro-Arctic Council. When the Arctic Council was established in Ottawa in 1996, Japan sent a delegation to attend the meeting as an ad-hoc observer.

The second pillar. The second pillar of Japan’s Arctic policy involves the field of science. Although Japan had engaged in polar science in the Antarctic for more than half a century, its scientific engagement with the Arctic needed to wait until the establishment of the International Arctic Science Committee (IASC), an active nongovernmental organization promoting Arctic research, in which the National Institute of Polar Research (NIPR) joined as a member from 1991. Slightly preceding this event, the NIPR established the Arctic Environment Research Center (AERC) in 1990.

The AERC opened a research station at Ny-Ålesund in Svalbard in 1991. Joining the IASC from 1991, the NIPR began to engage in a variety of national and international research activities in the Arctic. While the NIPR focused on terrestrial fields of research, the Agency for Marine-Earth Science and Technology (JAMSTEC) began marine research in collaboration with the United States. JAMSTEC conducted its first research cruise with the oceanographic research vessel *Mirai* or *future*, in 1998.

Since then, invaluable observational studies have resulted from more than 10 Arctic expeditions organized by JAMSTEC.

The third pillar. The third pillar encompasses the sphere of business. Japan participated in the Kalaallit Nunaat Marine Seismic (KANUMAS) Project from 1990 to 1996. The KANUMAS Project was a seismic reconnaissance survey off the eastern and western coasts of northern Greenland. The Japan National Oil Corporation (now called Japan Oil, Gas and Metal National Corporation, or JOGMEC) joined the project as a member of the major oil companies (BP, ExxonMobil, Shell, Statoil and Texaco) in addition to Nunaoil as a partner and operator. These oil companies hold a preferential exploration position in the areas covered by the seismic surveys (GUES 2005).

A common feature in the formation of all three pillars is that each formed sporadically and involved self-sustained activities. The first pillar dated back to the 1920s, but there was almost no continuation of this pillar by the MoFA until the 1990s. When the Cold War ended, although MoFA sent delegations to the meetings of Arctic regional arrangements such as the BEAC and Arctic Council, these moves were temporary because delegating personnel to the issues was occasional rather than durable. Therefore, the pillar of diplomacy could be seen as traditional and less active.

By contrast, the other two pillars (science and business) have roots in the period of collapse of the Cold War system when international cooperation began to spread in the Arctic region. In this sense, these two pillars were less traditional and more active than the first pillar since observational activities and a seismic reconnaissance survey continued for a certain duration.

## **THE BASIC PLAN ON OCEAN POLICY AND THE THREE PILLARS**

The Basic Plan on Ocean Policy is an action plan under the Basic Act on Ocean Policy, which was enacted in April 2007 and entered into force in July 2007. This act is an outgrowth of the ratification of the United Nations Convention on the Law of the Sea (UNCLOS) in June 1996. The ratification of UNCLOS tasked Japan to adapt itself to the needs of a new type of ocean governance, which is a general tendency in the “post-UNCLOS phase.” In this phase there is a considerable decline in the importance of

national regulations governing ocean affairs. Instead, there is an increasing need for a more flexible and complex governance system, under which a variety of norms and policies are produced one after another and where multiple actors play important roles (Vivero, 169).

To meet the needs of the post-UNCLOS phase, the government was urged to enact a new law bringing in a new type of ocean governance. Under this circumstance, the Ocean Policy Research Foundation, a private think tank promoting the shipbuilding industry and related manufacturing industries, took a leading role, prompting the Diet to adopt new legislation on ocean governance by hosting an informal, nonpartisan meeting of parliamentarians called “Kaiyo kihonho kenkyu kai,” or a meeting for the study of the Basic Ocean Act, in April 2006.

Under these circumstances, it was no coincidence that the foremost role envisaged in the act was to “clarify the responsibilities of the state, the local governments, business operators and the citizens” (Art. 1). In realizing this role, the act also stipulated the need to “formulate the basic plan with regard to the oceans and other basic matters with regard to the measures on the oceans” (Art. 1). The basic plan is an action plan to realize six general principles through implementation of the 12 basic measures stipulated in the act. The six general principles are: 1) “harmonization of the development and use of the oceans with the conservation of the marine environment” (Art.2), 2) “securing safety and security on the oceans” (Art.3), 3) “improvement of scientific knowledge of the oceans” (Art.4), 4) “sound development of ‘Ocean Industries’”<sup>1</sup>(Art.5), 5) “comprehensive governance of the oceans” (Art.6), and 6) “international partnership with regard to the oceans” (Art. 7). The 12 basic measures are: 1) “promotion of the development and use of ocean resources” (Art.17), 2) “conservation of the marine environment, etc.” (Art.18), 3) “promotion of the development of the exclusive economic zone, etc.” (Art.19), 4) “securing maritime transport” (Art.20), 5) “securing the safety and security of the oceans” (Art.21), 6) “promotion of ocean surveys” (Art.22), 7) “promotion of research and development of ocean science and technology, etc.” (Art.23), 8) “promotion of ocean industries and strengthening international competitiveness” (Art.24), 9) “integrated management of the coastal zone” (Art.25), 10) “conservation of the remote islands, etc.” (Art.26), 11) “securing international coordination and promotion of international cooperation” (Art.27), and 12) “enhancement of citizen’s understanding of the oceans, etc.” (Art.28).

In addition, “(I)n order to promote measures with regard to the oceans intensively and comprehensively,” the Headquarters for Ocean Policy (hereafter the Headquarters) was established in the cabinet (Art. 29). The items that the Headquarters will take charge of are: 1) “matters with regard to drafting and to the promotion of execution of the Basic Plan on Ocean Policy,” 2) “matters with regard to synthesis coordination of measures of implementation by relevant administrative bodies based on the Basic Plan on Ocean Policy,” and 3) “matters with regard to planning and drafting of important measures with regard to the oceans as well as synthesis coordination” (Art. 30). The Headquarters consists of “the Director-General of the Headquarters for Ocean Policy, the Vice Director-Generals of the Headquarters for Ocean Policy, and Members of the Headquarters for Ocean Policy” (Art. 31). The post of director-general of the Headquarters for Ocean Policy is served by the prime minister (Art. 32), and the vice director-generals by the chief cabinet secretary and the minister for ocean policy (Art. 33). The other members of the Headquarters for Ocean Policy are all ministers (Art. 34).

## THE ADOPTION OF THE NEW BASIC PLAN ON OCEAN POLICY

In March 2008, the first Basic Plan for five years was adopted. The first plan stipulated the 12 basic measures in accordance with the Basic Act on Ocean Policy. What is important to note here is that there was no reference to Arctic issues in the first plan. However, the profile of the first plan was changed when it was replaced by the second one. After the five-year tenure of the first plan ended, a meeting of the Headquarters decided on the second Basic Plan on Ocean Policy in April 2013. The reason that the Arctic was included in this plan was a change in the perception of social circumstances surrounding the sea, which also became a main foundation for the adoption of the second plan. While this plan evaluated that ocean measures had been “implemented at a nearly steady rate in accordance with the Basic Plan on Ocean Policy,” it also stipulated that “the measures to be promoted intensively under the plan will (would) be clarified in consideration of the changes in social circumstances surrounding the sea” (The government of Japan, 5). The new governmental perception of the changes in social circumstances includes a “review of energy strategy and disaster-prevention

countermeasures after the Great East Japan Earthquake, mounting expectations for development and use of the sea, changes in international circumstances surrounding conservation of marine interests and other changes in social circumstances, etc.” (ibid., 5-6). Under these social circumstances, the plan showed a new vision of Japan as an oceanic state. This vision of an oceanic state consisted of four elements: 1) international cooperation and contributions to the international community, 2) wealth and prosperity through ocean development and utilization of the sea, 3) from a country protected by the sea to a country that protects the sea, and 4) venturing into the unexplored frontier (ibid., 1-2). Toward the realization of these visions, the second plan demonstrated both 1) the six measures to be intensively promoted in the coming roughly five years, and 2) the seven basic policies of the measures to be implemented in the coming years, with medium- and long-term perspectives occasionally taken (ibid., Chap.1). Then, specific ocean measures that need to be comprehensively and systematically promoted in the coming five years, including measures to be taken in a focused manner and to be taken with close cooperation among related agencies, were stipulated for each of the 12 basic measures set forth in the Basic Act on Ocean Policy (ibid., Chap.2). Finally, matters necessary for comprehensively and systematically promoting ocean measures, such as a review of the Headquarters for Ocean Policy, were also stipulated (ibid., Chap.3).

## PERCEPTIONS REGARDING ARCTIC AFFAIRS IN THE BASIC PLAN

With regard to the Arctic, what was decisive was the inclusion of Arctic affairs in the perception of the changes in social circumstances surrounding the oceans. The second plan mentioned the Arctic region under “other changes in social circumstances.” Specifically, the plan stated that:

*“Given changes in the Arctic Ocean caused by climate change, including the decline of sea ice extent, global concern has been mounting over the impact of such changes on the global climate system and potential for use of Arctic Sea Route. In Japan, there have been expectations for promotion of research and survey activities with regard to the Arctic and reform in maritime transport by a reduction of transportation costs. Other trends are*

*observed as well, such as changes in the ocean environment attributed in part to global warming and ocean acidification, a rapid shift of Japanese consumers from fish amid growing demand for fishery products in the rest of the world, and increase and changes in the distribution of goods via the oceans associated with the remarkable economic development of East Asian countries” (ibid., 6).*

As is apparent in the quote above, the mode of recognition of the Arctic Ocean was categorized as “other” changes, implying something that was a remnant, and less important than those changes relating to the “Great East Japan Earthquake,” “development and use of the sea,” and “changes in international circumstances surrounding the conservation of marine interests.” This weak tone in the perception of Arctic affairs was consistent through the entire plan. However, it is important to note that this was the first time that Arctic affairs were, even noted explicitly in an official document at the cabinet level.

Based on this perception, the Arctic Ocean is considered among others to deserve measures to be “intensively” promoted under the plan. However, there were also differences in terms of priorities among the measures. The measures related to the Arctic Ocean again were categorized as “other important measures to be promoted intensively,” following the other five measures.<sup>2</sup> The category of “other important measures to be promoted intensively” consists of two parts: disaster control and environmental measures after the Great East Japan Earthquake, and measures responding to changes in the Arctic Ocean caused by climate change. The latter part in the plan reads as follows:

*“Given the changes in the Arctic Ocean caused by climate change, Japan has been facing diverse issues to study and address, such as securing maritime transport, securing navigation safety, promotion of research and survey activities, conservation of the environment, and promotion of international coordination and cooperation. Comprehensive and strategic measures should therefore be promoted to tackle these issues” (ibid., 8).*

Although the emphasis on the Arctic was not as strong as on other measures, this quote was significant because it showed that the plan

recognized the need to tackle issues comprehensively and strategically, such as securing maritime transport, securing safety of navigation, promotion of research and survey activities, conservation of the environment, and promotion of international coordination and cooperation in the Arctic Ocean. In this sense, this part constituted a sure footing for the Arctic policy of Japan at the cabinet level.

When it comes to the basic policies or directions of the measures to be implemented with medium- and long-term perspectives, the measures related to the Arctic were referred to in the categories of both “improvement of scientific knowledge of the oceans” and “sound development of marine industries.” In the former part, the plan says that “observations, surveys and research on the Arctic, Antarctic and other areas are important for assessing the impact of climate change and future projections on the global scale and in Japan and areas around it” and that “(A)bove all, observations, surveys and research on the Arctic will lead to an assessment of the potential for future use of the Arctic Sea Route, so the government should continue such activities” (*ibid.*, 11). In the part about sound development of marine industries, the plan stipulated that “measures aimed at future use of the Arctic Sea Route should also be accelerated” (*ibid.*, 11).

## THE PILLAR OF SCIENCE

In chapter 2 of the act, a careful reading reveals that there are a number of measures intended to improve scientific knowledge of the Arctic region. As a measure for research and development related to forecasts and adaptation to global warming and climate change, the plan suggested to “promote observations, surveys, research and other activities in regions considered to have a great impact on Japan’s climate, such as the Arctic region, Kuroshio region, and the Antarctic region, including the Southern Ocean” (*ibid.*, 35). In conjunction with forecasts and adaptation to global warming and climate change, the plan especially recommended to “implement observations, surveys, research and other activities in the Arctic region by taking into account the fact that global interest in use of the Arctic Sea Route has recently been growing due to melting of Arctic sea ice as a result of warming” (*ibid.*). The plan more obviously proposed to “conduct experimental tests to create sea ice flash charts for safe navigation along the Arctic Sea Route by using sea ice observation data collected by satellites

such as the Water Circulation Change Observations Satellite (GCOM-W) and Advanced Land Observing Satellite-2 (ALOS-2)”(ibid., 34, 39). Along with the creation of sea ice flash charts, the plan also emphasized coordination among related ministries to “implement demonstration experiments to understand the situation of ship navigation in marine zones, including outer sea marine zones, by using a satellite equipped with automatic identification system (AIS) receivers”(ibid., 39).

Regardless of the areas of its applications, in order to secure marine safety, comprehensive marine management and other activities, the plan stressed to “take into account the progress of the development of satellite infrastructure both in Japan and overseas” (ibid.). These suggestions made by the plan were in line with what the Ministry of Education, Culture, Sports, Science and Technology (MEXT) had been conducting since 2005. In February 2005, MEXT established the Earth Observation Facilitation Committee, under which, in order to make its arrangements more organizational and effective for Arctic research and observation, the Working Group of Arctic Research Examination was established. The working group submitted an interim report in August 2010. The report suggested the establishment of a consortium for Arctic environmental research and the facilitation of research and observation on impacts of climate change in the Arctic. As to the first suggestion, the Japan Consortium for Arctic Environmental Research was founded as a platform for coordinating the Arctic research activities of Japan in May 2011. In the next month, responding to the second suggestion, MEXT also initiated the Green Network of Excellence (GRENE), under which the five-year Arctic Climate Change Research Project was funded. The GRENE Arctic Climate Change Research has been directed by a subcommittee on Arctic Strategic Research, which was set up in February 2011 as the succeeding body of the Working Group of Arctic Research Examination. The GRENE Arctic Climate Change Research has seven projects: 1) improvement of coupled general circulation models based on validation of Arctic climate reproducibility and on mechanism analyses of Arctic climate change and variability, 2) change in the terrestrial ecosystems of the pan-Arctic and effects on climate, 3) atmospheric studies on Arctic change and its global impacts, 4) the role of the Arctic cryosphere in global change, 5) studies on greenhouse gas cycles in the Arctic and their responses to climate change, 6) ecosystem studies on the Arctic Ocean’s declining sea ice, and 7) projection of sea ice distribution and Arctic sea routes. These projects are ongoing

now and are expected to produce meaningful results. In this regard, the measures stipulated in the plan were a sort of governmental confirmation of the measures currently directed by MEXT rather than a sort of proposal to initiate new measures, although its emphasis on further utilization of the progress of development of satellite technology seemed to be a suggestive message to be put into practice.

Judging from the weight accorded to the field of science in the plan, it is fair to conclude that the driving force behind the plan to include Arctic-related measures was first of all to foster Arctic-related science. The reason emphasis was placed on science was the fact that scientific knowledge would serve the interests of Japan, ranging from its concerns about the impact of climate change and global warming to those of potential business opportunities. Therefore, science itself could be seen as a main driving force letting the plan expand its considerations to include the Arctic region, and thus constituted a pillar in the Arctic measures under the plan. Science as a pillar fit with the plan's emphasis on the improvement of scientific knowledge.

## THE PILLAR OF BUSINESS

In the second plan there was a tendency to place a lesser emphasis on other issues than science. The fourth section, "Securing Maritime Transport" in chapter 2 of the plan encouraged efforts to "promote talks with relevant countries on the possibility of use of the Arctic Sea Route, which has recently been attracting interest, and under coordination with shipping operators, shippers and other parties, examine the possibility of the opening of shipping routes, technological issues, economic issues and other challenges" (*ibid.*, 26).

This statement matched the practice recently initiated by the Ministry of Land, Infrastructure and Transport (MLIT). MLIT set up a board in August 2012 with the purpose of examining the feasibility of the Northern Sea Route (NSR) and logistics for Japanese shipping companies, including ports in the northern part of Japan. MLIT conducted an on-site inspection in Russia in 2013 in order to gather basic information on the NSR.<sup>3</sup> This move was a kick-off activity, which was followed by the establishment of a Public-Private Partnership Council for the Northern Sea Route in May 2014, consisting of both the public sector, such as governmental ministries,

and the private sector, including shipping companies, trading companies, electric power companies, etc. The purpose of the Council was to inform Japanese ship operators and shippers of information on the NSR, and thus to facilitate the entry of Japanese companies into Arctic businesses.<sup>4</sup>

Although efforts made by MLIT were a rather new phenomenon compared to those by MEXT, which entail a decade-long effort, promotion of use of the Arctic Sea Route was also a distinct idea that clearly differed from ideas in the pillar of science. The driving force behind the promotion of use of the Arctic Sea Route could be seen as a governmental initiative in pursuit of economic opportunity, which had been newly brought about as a result of the seasonal retreat of the sea ice in the Arctic Ocean. Therefore, although the plan's idea of seeking economic advantages is limited only to maritime industries or the shipping industry, this element could be seen as part of the pursuit of economic opportunity, namely a pillar of business.

What was surprising in the plan regarding the pillar of business was its exclusion of references to exploration for oil and gas in the Arctic Ocean. After completing the KANUMAS Project in 1996, the Greenland Petroleum Exploitation Co. Ltd. (GreenPeX), co-established by several Japanese leading companies in May 2011 under the initiative of JOGMEC, won exploration licenses at the Unimmak and Nerleq oil fields from the government of Greenland in December 2013. The main reason for this exclusion was that the plan intentionally limited the range of development of marine energy resources to the surrounding marine zones of Japan, where the government saw a higher possibility of abundance of petroleum and natural gas (*ibid.*, 23–16).

## THE PILLAR OF DIPLOMACY

When it comes to the pillar of diplomacy, the plan included two stipulations. The first one was about the Arctic Council. The plan simply states that “the government should make concerted efforts to gain observer status at the Arctic Council” (*ibid.*, 53). The second stipulation demanded that “Japan should actively promote international cooperation for marine observations conducted in coordination with related agencies of Japan and other countries, including bilateral cooperation based on agreements on cooperation in science and technology, etc. in order to promote marine observational research with a view to assessing the impacts of atmospheric

fluctuations in the Arctic, Pacific and Indian oceans on the environment, which have been drawing increasing attention globally” (ibid.).

In terms of the first stipulation, this had been the main agenda for MoFA since Seiko Hashimoto, the senior vice minister of MoFA, formally mentioned Japan’s application for observer status with the Arctic Council at the ministerial meeting of the Antarctic Treaty-Arctic Council Joint Meeting in Washington, D.C. This statement was followed by MoFA with an official application for observer status with the Arctic Council in July 2009. Before and after this application, MoFA started to arrange inter-sectional responses within the ministry.<sup>5</sup> After some consideration, MoFA established an Arctic Task Force, which is an inter-sectional gathering within the ministry, in September 2010. As a part of its efforts to gain observer status at the Arctic Council, the senior vice minister of MoFA attended a meeting between the Arctic Council’s Swedish chair and the Council’s observers and ad hoc observers in Stockholm, Sweden in November 2012. To facilitate Arctic diplomacy, MoFA in March 2013 appointed an ambassador of cultural exchange to be concurrently appointed in charge of Arctic affairs. As a result of these efforts, Japan was admitted to observer status with the Arctic Council at the eighth Ministerial Meeting of the Arctic Council in Kiruna, Sweden in May 2013, which was a month after the adoption of the second Basic Plan. Therefore, the first stipulation became a reality.

## LINKAGES AMONG THE THREE PILLARS

As observed above, most of the measures related to the Arctic stipulated in the plan had their foundation in the existing measures taken by ministries before the adoption of the second plan. Rather than stipulating new measures, the plan gave the existing measures a more authoritative status. Meanwhile, the significant contribution of the plan was to give order to Japan’s previously sporadic and fragmented Arctic policy in order to regulate the relationship among the three pillars. In other words, the plan for the first time introduced linkages among the three pillars.

There were two obvious linkages in the plan. The first was a linkage between the pillars of science and business. In the sphere of science, observations, surveys, and research were first of all considered for the sake of forecasts and adaptation to global warming and climate change (ibid. 39). But at the same time, the plan recommended that these scientific

activities be connected to future use of the NSR, including experimental tests to create sea ice flash charts for safe navigation, and demonstration experiments for the AIS system (*ibid.*, 39). In short, the pillar of science encompasses both the improvement of scientific knowledge itself and increasing business opportunities.

The second linkage comes between the pillar of diplomacy and science. In the pillar of diplomacy, there were two stipulations. The first was to gain observer status, and the second was to promote international cooperation. As the first mission has already been achieved, only the second remains. In terms of the second stipulation, the plan clearly noted that “Japan should actively promote international cooperation for marine observations... including bilateral cooperation based on agreements on cooperation in science and technology...in order to promote marine observational research with a view to assessing the impacts of atmospheric fluctuations in the Arctic, Pacific, and Indian Oceans on the environment, which have been drawing increasing attention globally” (*ibid.*, 53). The remaining mission in the field of diplomacy was supportive in nature for the sake of the pillar of science.

Summing up these linkages, there was an emerging strategy or long-term emphasis in the plan. The first element in this strategy was to poise each pillar as self-sustained. The second element was to use the pillar of science for the pillar of business. The third element was to make efficient use of the pillar of diplomacy for the pillar of science. The considerations on the strategy will be summarized in the conclusion.

## PROSPECTS FOR THE PILLAR OF BUSINESS

With regard to the pillar of business, features in the plan were both its emphasis on the use of the NSR and the exclusion of Arctic-related exploration of petroleum and natural gas. However, when it comes to business opportunities more generally, there is a vast potential in the Arctic. The past practices conducted in the pillar of business had been limited to exploration for petroleum and natural gas, as in the case of the KANUMAS Project, and maritime transport as in the plan.

There is a prospect to expand the pillar of business into the terrestrial dimension. In October 2013, the Ministry of Economy, Trade and Industry (METI) set up the Public-Private Coordination Meeting for Promoting the

Japan-Russia Relationship in order to facilitate bilateral cooperation, which a focus on the Far East and East Siberia. This was one of the results from a joint statement on the Development of the Japanese-Russian Partnership, which was reached at the Japan-Russia summit meeting on April 29, 2013.

In addition, following the Japan-Russia summit, the minister of METI visited the Russian Federation. During his visit, the minister had meetings with his Russian counterparts, the Minister of Economic Development, Minister for the Development of the Russian Far East, and the Minister of Energy, respectively. The main object of his visit was to further advance the projects and other initiatives that were discussed at the summit meeting in April 2013 (METI). Furthermore, METI and the Public-Private Coordination Meeting for Promoting the Japan-Russia Relationship organized the Japan-Russia Investment Forum in Tokyo in March 2014, with 450 Russian business leaders and the same number of Japanese leaders. Topics included cooperation in the field of 1) the urban environment, 2) the automotive industry, including its supporting industries, 3) local municipal economic exchanges, 4) agricultural business, 5) medical services, 6) small and medium enterprises and 7) economic zones and industry (the Russian-Japanese Organization for Trade and Investment Promotion). These developments give plausibility to the strengthening of the current measures taken by METI in the Arctic region. When this happens, the pillar of business will be more comprehensive and advantageous.

## **PROSPECTS FOR THE PILLAR OF DIPLOMACY**

In the pillar of diplomacy, there are also new trends. MoFA now seems to be developing an Arctic channel by a bilateral approach rather than through multilateral ones with the Nordic and Baltic eight countries (NB8). When Japan and the NB8 had a meeting at the foreign minister level on the occasion of the ASEM conference in New Delhi, India in November 2013, Arctic affairs were discussed among other topics (MoFA). In addition, the Embassy of Japan in Finland organized an on-site inspection of Arctic areas in June 2014, with members from governmental agencies, international corporations, and researchers.<sup>6</sup> The significance of this move should not be exaggerated because these are merely signals which may or may not continue in the future. What is plausible is that there is a possibility of MoFA taking a supportive role in developing the pillar of business,

especially the dimension of terrestrial business in the Arctic region.

## CONCLUSION

This article has provided a holistic view of Japan's past and current Arctic policy, which has developed through the formation of three pillars. The features of these pillars can be summarized based on the following points: 1) main actors, 2) traditional or not, 3) driving forces, 4) the degree of emphasis in the second Basic Plan, 5) linkages, and 6) prospects. (See Table II-3)

*Table II-3. Evaluation of the three pillars*

	The pillar of diplomacy	The pillar of science	The pillar of business
Main actors	MoFA	MEXT, NIPR, JAMSTEC	MLIT, JOGMEC
Traditional	More	Less	Less
Driving forces	Acquisition of AC's observer status	Improvement of scientific knowledge	Pursuit of business opportunity
Emphasis in the second basic plan	Weak	Strong	Medium
Linkages	Supportive to the pillar of science	Both Self-sustained and supportive to the pillar of business	Self-sustained
Prospects	Possibility to expand	Status quo	Possibility to expand

The pillar of diplomacy has been developed by MoFA. It is traditional in the sense that the 1920 Spitzbergen Treaty was the oldest root in the involvement of the government of Japan in the Arctic. However, it had lacked a policy following the treaty until the 1990s. Since then, the driving force in this pillar had mainly been the acquisition of observer status with the Arctic Council, which was achieved in May 2013, just one month later after the decision of the second Basic Plan was made. In the second plan, the main role of this pillar was emphasized mainly in support of the other pillars. The pillar was considered actively to promote international cooperation for marine observations in the pillar of science. However, there are prospects for expanding to build bilateral approaches through the multilateral dialogue with the NB8. This may reinforce the pillar of

business.

The pillar of science is less traditional compared to the pillar of diplomacy since most of its activities began in the 1990s. Its main actors have been MEXT, NIPR and JAMSTEC. These three take a leading role in the current GRENE Arctic Climate Change Research. The driving force within the pillar has been the improvement of scientific knowledge, which was centered on Arctic-related measures in the Basic Plan. In this sense, the pillar of science has been the core of the Japan's Arctic policy. In terms of linkages, the second plan clearly stipulated, rather than promoting itself, to promote the pillar of business, namely future use of the Arctic Sea Route, by conducting experimental tests for sea ice flash charts and the AIS system. The prospects of this pillar are in maintaining the current status quo rather than initiating new activities.

The pillar of business, beginning with the KANUMAS Project in the 1990s, is less traditional than the pillar of diplomacy. The main actors are the Japan Oil Corporation or JOGMEC and MLIT. This pillar is becoming thick after MLIT constituted its own Arctic agenda in 2012. The increasing importance of this pillar can be observed in the fact that the pillar of science was called on to promote this pillar in the plan. As to its prospects, there is an increasing possibility that METI will become an important actor within the government in terms of the pillar of business.

So far, how do we perceive the strategy of Japan's Arctic policy as a whole? Based on the fact that there has been no independent formulation of an Arctic strategy or Arctic policy, hints are in the relationship of the three pillars. As this article shows the formation of three pillars resulted from sporadic and self-sustained projects taken by several ministries and semi-governmental entities. Therefore, in the period before the second plan was adopted, it was hard to see a common and consistent strategy throughout the three pillars. However, these three have been important driving forces developing Japan's Arctic policy.

The decisive step in terms of a strategy was taken with the inception of the second Basic Plan on Ocean Policy, although the impact of the Basic Plan should not be exaggerated, since the portions on Arctic-related measures were categorized as "remnants" compared to the agenda for other than Arctic affairs. Taking note of this weak foundation in the plan, this article examined the three pillars in the plan and revealed the linkages among the three pillars. With these linkages, it is possible to contend that the plan produced a strategy for Japan's Arctic policy. The main features of

the strategy are:

- to maintain each pillar as self-sustained,
- to utilize the pillar of science for the pillar of business, and
- to make efficient use of the pillar of diplomacy for the pillar of science.

These three elements are in essence the way in which Arctic policy has been conducted until now and also constitute the main vision for the future. However, since this strategy was defined mainly in the context of ocean policy, it has limited its focus to ocean-related activities. This tendency may change to take into consideration terrestrial dimensions. The promising categories are in the pillar of business and diplomacy. Therefore, it is fair to conclude that with the development of the terrestrial dimension the strategy will be complete, and then the Arctic policy of Japan will have a more sound foundation. The coming years will for nourish the current Arctic Policy toward becoming more balanced and comprehensive.

## Notes

1. "Ocean Industries" means those industries bearing on the development, use and conservation of the oceans (Art. 6 of the Basic Act on Ocean Policy).
2. Other measures are: promotion and creation of marine industries; securing safety and security on the oceans; promotion of marine surveys and integration and disclosure of marine-related information; developing human resources and improving technological ability; and comprehensive management of sea areas and formulation of plans.
3. Personal interview with MLIT official, March 28, 2014.
4. Ibid.
5. Personal interview with MoFA official, February 7, 2014.
6. The author participated.

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## 9. Korea's Arctic Policy

Jong Deog Kim

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### INTRODUCTION<sup>1</sup>

After Korea implemented the “National Development Plans” for modernization in the 1960s, the Korean economy flourished from foreign trade that mainly relied on shipping logistics. Some of the main factors were a lack of natural resources, insufficient domestic demand, and limitation of land transportation with other countries. This economic structure can be found even to this day.

In the 1970s and 1980s, development policies were focused on the heavy chemical industry, leading to growing shipbuilding, steel, construction, and oil refining businesses, and allowing the Korean manufacturing industry to gain the upper hand in international competition. As trade proliferated in the 1990s, social overhead capital such as harbors, airports and telecommunications networks evolved. Busan Port and Incheon Airport grew to become the key bases for goods and transportation in Northeast Asia, and the nation's communication technology (ICT) including the Internet became one of the best in the world. Steady growth continued from the year 2000 in high value-added industries such as semiconductors, telecommunication devices, automobiles, special shipbuilding, etc. Market share in these sectors grew even in new regions such as China, Southeast Asia and South America.

Unfortunately, several key issues remain unresolved, such as the lack of natural resources, an unbalanced energy supply system, and a weakened logistics competitiveness system. Overcoming these problems will strengthen Korean industrial competitiveness and enable a long-term sustainable economy. Therefore, considering Korea's current economic structure, opportunities in the Arctic are significant. It is predictable that Arctic affairs will become a more important national interest for Korea in the future.

Since 2005, some scientific studies have shown that unstable climate conditions and ecosystem changes in Korea and its neighboring seas are closely connected to changes in the Arctic region, which has led to increased

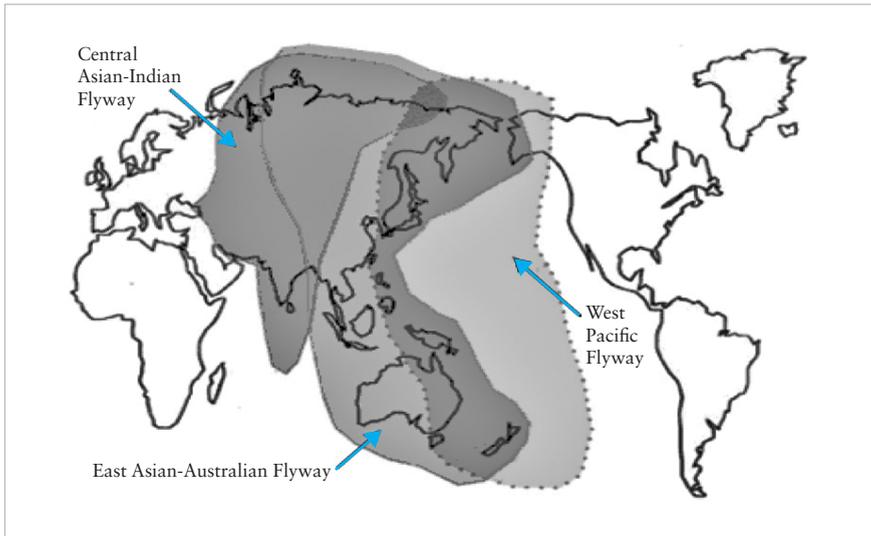


Figure II-3. Asia migratory bird flyways<sup>2</sup>

concerns about the effects of being geographically located near the Arctic. In particular, abnormal weather during the winter and spring season is affecting agriculture, fisheries, and large ecosystems, posing a long-term threat to natural security.

The climatic, environmental, economic and social changes surrounding the Arctic since the 1990s became a new global challenge in the 21st century. The Arctic Council was founded in 1996 by eight Arctic states and various indigenous groups, and aims to promote environmental protection and sustainable development in the Arctic. Specific action plans have been established since then by the six Working Groups and Task Forces to meet the goals of the Arctic Council.

The drastic shrinking of Arctic sea ice in 2007 and a report from the US Geological Survey in 2008 on resources in the Arctic region initially triggered an immense amount of attention from the world. Ironically, such changes and resources caught the attention not only of the eight Arctic nations, but also Asian countries such as China, Japan, and Korea, which are directly (and indirectly) involved in Arctic issues—climate change, environmental pollution, scientific research, shipping, and economic development—and are also the key global players in meeting technological challenges such as shipbuilding and offshore plant facilities in the Arctic.

In addition, the aforementioned nations play a significant role as

both suppliers and consumers in the areas of resources, construction, telecommunications and the tourism market that are strongly related to sustainable development in the Arctic. The High Seas of the Central Arctic Ocean constitute a zone of free navigation under the UN Convention on the Law of the Sea (UNCLOS), meaning that non-Arctic nations can claim rights as interested parties in some parts of the Arctic Ocean.

Korea pursued a globalization policy due to political democratization during the 1990s. With an underlying policy of national development through an increase in economic activities and sustainable development through green growth, Korea tries to perform its duties as a member of the G20 and of the global community in the 2000s. With the establishment of the Ministry of Oceans and Fisheries (MOF) in 1996, efforts are underway to achieve an integrated ocean policy, including enhancing R&D to create stronger marine science and technology competitiveness and to develop Korea as a hub area of the shipping service industry in Northeast Asia.

The Arctic region poses new challenges—bringing collective benefits through cooperation, sharing responsibility in Arctic environmental protection and sustainable development, and reducing threats using state-of-art technology.

## **KOREA'S ARCTIC POLICY IN THE PAST**

Korea's involvement with the Arctic affairs began with fisheries in the 1960s. According to the records, trawl fishing in the Bering Sea in 1966 was officially the first Arctic-related activity. But under 1994 by the Convention on the Conservation and Management of Pollock Resources in the Central Bering Sea (CBSPC), whose signatories are Korea, the United States, Russia, Poland, China, and Japan signed the treaty, the pollock fishery is suspended unless and until the stocks recover.

In the 1990s, Korea took up the challenge of exploring the North Pole. The AURORA exploration team sought to reach the North Pole, but failed in their first trial in 1990. In the following year, however, the AURORA team reached the North Pole after departing from the Ward Hunt Island in Canada. This was the 11th nation and 18th team to reach the North Pole, and the expedition was aired live on TV through satellite. Reaching the North Pole by the AURORA team created a deep impression on the Korean people regarding the future potential of the Arctic.

Scientific efforts began in the late 1980s. In 1987, the Polar Research Laboratory (PRL) was founded within the Korea Ocean Research and Development Institute (KORDI), and in 1993, Korea participated in an Arctic research project with the Polar Research Institute of China (PRIC). In 1999, Korea joined the Okhotsk marine research effort with the Geological Survey of Japan's National Institute of Advanced Industrial Science and Technology (AIST). In the same year, Korea also joined the Chinese research icebreaker, *Xue Long*, for an Arctic expedition. Solo research by Korea officially took off with the establishment in 2002 of the DASAN Arctic Research Station in Ny-Ålesund on Svalbard where scientists conduct research on climate change and biodiversity and observe the changes in the Arctic. In 2000, as part of the Korean MOF's research program, a joint marine investigation was conducted in the Barents Sea and Kara Sea with Russia's Arctic and Antarctic Research Institute (AARI). In 2002, Korea joined the International Arctic Science Committee (IASC).

The most significant change in Arctic research was brought about by the establishment of the Korea Polar Research Institute (KOPRI) in 2004 and construction of a research icebreaker, the *Araon*, in 2009. KOPRI operates three polar research stations and the *Araon*. Sized at 7,487GRT, the *Araon* can sail at 3 knots in 1 meter of ice and is used in global maritime research in the Arctic and Antarctica. Capable of carrying a 6.1 meter container and 7 meter working boat, the vessel exemplifies Korean polar research.

Responses in the policy field took reached a new level in 2008 when Korea applied for observer status with the Arctic Council. The drastic change in the Arctic sea ice in 2007 raised socioeconomic concerns in Korea. Since then, several research studies have been conducted relating to the Northern Sea Route (NSR) and resource development cooperation. In 2012, Korea acceded to the Treaty of Spitsbergen, and the president of Korea visited Greenland and Norway for the first time to officially announce to the international community Korea's interest in cooperation in the Arctic. In 2013, the new administration also designated Arctic cooperation as one of the key national agenda items. When Korea became an observer in the Arctic Council at the Ministerial Meeting held at Kiruna, Sweden in 2013, it triggered the country to take on a pan-governmental approach to Arctic policy. Previously, only sectoral projects were pursued by each government agency and research institute. The Master Plan (discussed later in this article) is the first integrated policy coordinated

*Table II-4. Transits NSR to/vialfrom Korea 2011-2013*

No	Vessel	Flag	Cargo	Port Loading	Port Destination
1	Stena Poseidon	Finland	Gas Con.	Vitino, RUS	Incheon
2	Perseverance	Singapore	Naphtha	<i>Yeosu</i>	Le Havre, FRA
3	Mariann	Norway	Gas Con.	Vitino, RUS	Incheon
4	Marilee	Norway	Gas Con.	Murmansk, RUS	Incheon
5	Stena Poseidon	Finland	Jet fuel	<i>Yeosu</i>	Porvoo, FIN
6	Palva	Finland	Gas Con.	Murmansk, RUS	Daesan
7	Marika	Norway	Jet fuel	<i>Yeosu</i>	Porvoo, FIN
8	Marinor	Norway	Gas Con.	Murmansk, RUS	Daesan
9	Stena Poseidon	Finland	Gas Con.	Murmansk, RUS	Daesan
10	Palva	Finland	Jet fuel	<i>Yeosu</i>	Porvoo, FIN
11	Two Million Ways	Cyprus	Gas Con.	Murmansk, RUS	Incheon
12	Marika	Norway	Gas Con.	Murmansk, RUS	Yeosu(?)
13	Ob River	Marshall Is.	Ballast	<i>Yeosu</i>	Montoir, FRA
14	Maribel	Norway	Gas Con.	Murmansk, RUS	Daesan
15	Marinor	Norway	Gas Con.	Murmansk, RUS	Daesan
16	Yong Sheng	Hong Kong	General cargo	<i>Busan</i>	Rotterdam, NDL
17	Vengery	Russia	Reposition	<i>Busan</i>	Murmansk, RUS
18	Propontis	Greece	Gas oil	<i>Ulsan</i>	Skagen, DEN
19	Stena Polaris	Bermuda	Naphtha	Ust-Luga, RUS	Yeosu
20	Zaliv Amurskiy	Cyprus	Gas oil	<i>Onsan(Ulsan)</i>	Rotterdam, NDL
21	Viktor Bakaev	Liberia	Jet fuel	<i>Yeosu</i>	Rotterdam, NDL
22	Zaliv Baikal	Liberia	Naphtha	Ust-Luga	Yeosu

by various governmental agencies rather than a single unified national strategy. The Ministry of Oceans and Fisheries became a leading agency in implementing this Master Plan.

Meanwhile, Korea's observer status with the Arctic Council received much attention by the domestic media. Many of the articles noted, with enthusiasm, that Korea will have the opportunity to participate actively and cooperate with the global society's response to the Arctic and gain economic benefits through access to Arctic resources and the NSR. On the other hand, concerns have also been raised with regard to potential negative effects of Arctic changes on the Korean environment and economy. As risks and challenges in Arctic development were perceived, the role of technological capacity-building in overcoming them became more

prominent.

In the Arctic shipping business, Korea plays a significant role already. Considering the 158 NSR transits from 2011 to 2013, Korea was either the departing or arrival port for 22 of these transits, second only to 25 in the case of China. Korea was already in the fast lane for the first commercial test voyage of the NSR between Ulsan and Rotterdam in 2009 by the Beluga Shipping Company of Germany, which did not stop in Russia. Oil products such as jet fuel, have been transported to the European market through the NSR several times.

In October 2013, Hyundai Glovis, a Korean logistics company, for the first time ever, completed a commercial test voyage in the NSR. The Stena Polaris of Sweden began its voyage from Ust-Luga in Russia and transported 44,000 tons of naphtha to the Yeosu-Gwangyang Port in Korea. It is expected that more Korean companies will use the NSR for commercial purposes under international guidelines and regulations similar

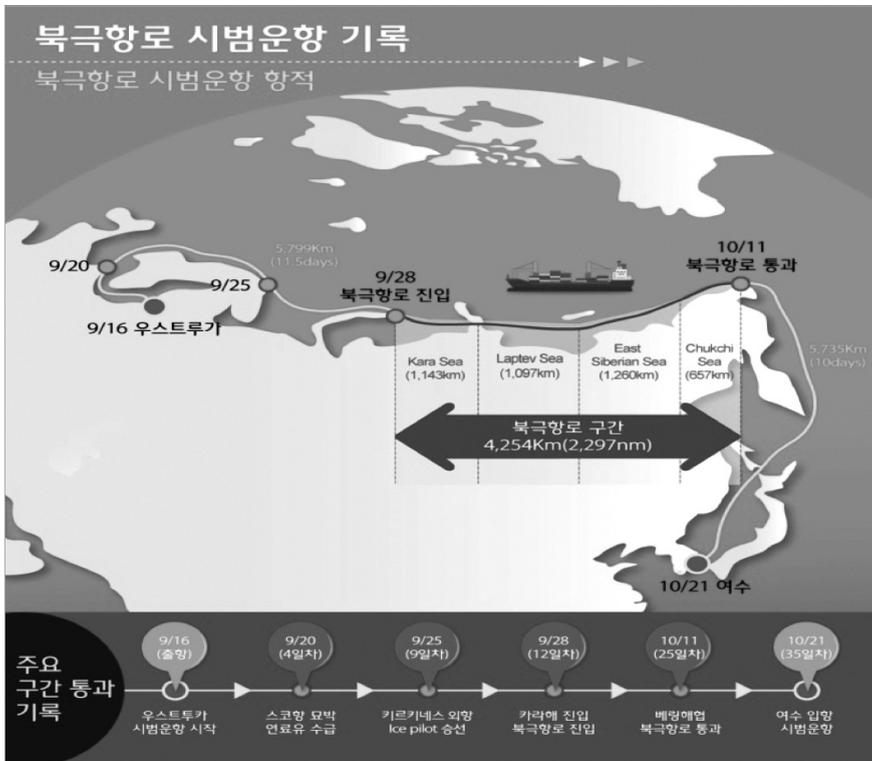


Figure II-4. Hyundai Glovis test voyage on NSR in 2013<sup>3</sup>

to other countries. The experiences of the test voyages will contribute much to the development of feasible shipping via the NSR. Additional test voyages by multiple Korean companies are expected in 2014. And the recent contract between DSME and Yamal LNG to build icebreaking LNG carriers will benefit Korea symbolically in the realm of Arctic development.

Figure II-5 illustrates the results of searching Internet for the word “Arctic.” There were a total of 11 million web hits, with “Korea + Arctic” ranking 16th among the 20 Arctic and non-Arctic states associated with the Arctic Council, whereas news hits ranked 11th, indicating that there is more interest from the media. The increase is especially notable since obtaining observer status with the Arctic Council; there has been a significant increase of interest by local media, along with competition among domestic ports to utilize the NSR by local governments.

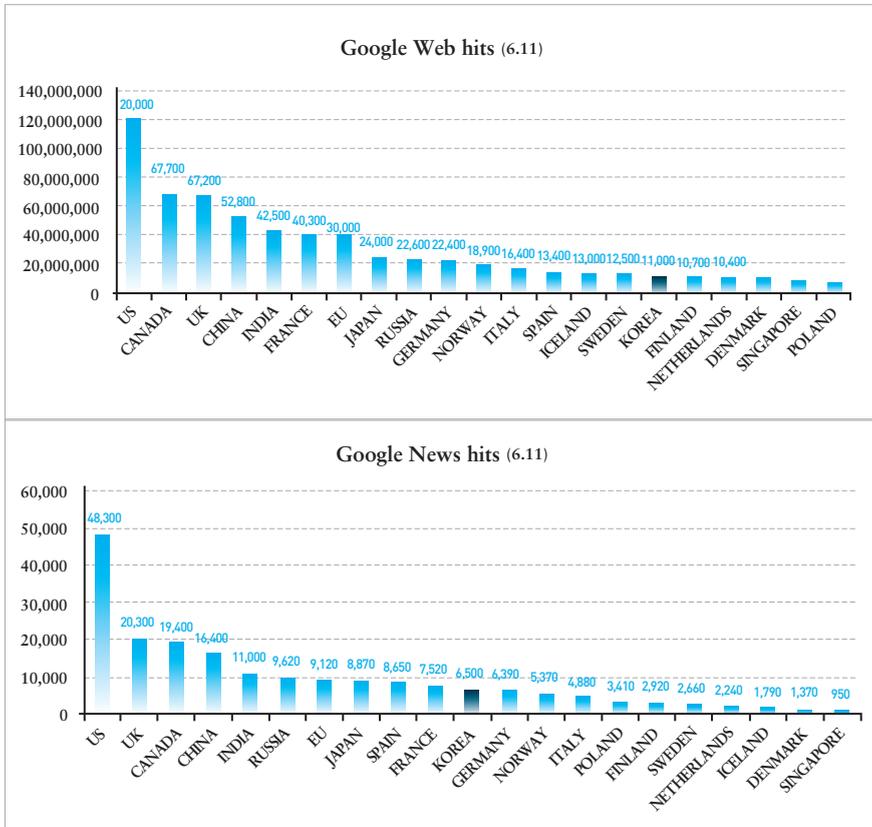


Figure II-5. Google hit number analysis as of June 11, 2014

## PAN-GOVERNMENT ARCTIC POLICY MASTER PLAN<sup>4</sup>

Obtaining observer status with the Arctic Council has provided Korea with opportunities to develop domestic policy-making processes aimed at promoting common interests and cooperation in the Arctic. In addition, this new status opened provided an opportunity to establish diverse relations with the Arctic Council and its subsidiary bodies as well as to promote bilateral and multilateral cooperation with various stakeholders in the Arctic. This makes it natural for Korea to establish a policy framework to promote effective cooperation activities and to enhance capacity related to the research and business in the Arctic region. Through seven months of consultation with seven ministries (i.e., MOF,<sup>5</sup> MOFA,<sup>6</sup> MSIP,<sup>7</sup> MOE,<sup>8</sup> MOTIE,<sup>9</sup> MOLIT,<sup>10</sup> and KMA<sup>11</sup>) and a number of research institutes (i.e., KMI,<sup>12</sup> KOPRI,<sup>13</sup> KRISO,<sup>14</sup> KIGAM,<sup>15</sup> etc.), Korean officials developed an integrated plan for Arctic cooperation. This plan was approved as the 1st Pan-Government Arctic Policy Master Plan by the Cabinet Council in December 2013.

### Vision and Purpose

The vision of the Master Plan is to promote a sustainable future for the Arctic region through global, regional and local cooperation. Some principles, such as “peace and stability by international regime,” “technological innovation for smart development,” “protection of the environment,” and “welfare of and sustainable development for the Arctic people” were considered.

By implementing the Master Plan, Korea aims to fulfill three policy goals: (1) establishing an Arctic partnership, (2) strengthening scientific research capacity, and (3) seeking new business opportunities. The Master Plan will maintain a consistent policy framework by forming an institutional mechanism to support the policy goals and to insure that they are put into action and reviewed.

From 2013 to 2017, 31 key projects will be implemented under four major programs, elaborated in the following sections:

1. Strengthening international cooperation with the Arctic region;
2. Encouraging scientific and technological research capacity;
3. Pursuing Arctic business opportunities; and

#### 4. Securing a domestic institutional foundation.

### **Strengthening International Cooperation**

To strengthen international cooperation, Korea will try to expand its engagement with the Arctic Council and its subsidiary bodies by forming a domestic consultative body and developing cooperative projects with Arctic stakeholders that contribute to the realization of Korea's vision for the Arctic. In particular, the Master Plan presents a rationale for the importance of participating in the Arctic Council Working Groups and establishing a plan for Korean experts to participate in research projects with or related to the Working Group activities. Along with the Arctic Council, Korea will cooperate with Permanent Participants through international forums, scientific research, and support of their efforts to preserve their history, culture, way of life and traditional knowledge with their available capacities. In addition, Korea will focus on scientific research by planning and proposing international joint research projects through the use of Korean equipment, which includes a research icebreaker.

### **Encouraging Scientific and Technological Research**

One of the main emphases in this program is to expand the function of the DASAN Arctic Research Station. The Master Plan will pursue expansion of laboratories at the station for geological research, climate observation, atmospheric science research, etc. There is also consideration the possibility of building a new independent station and the possibility of expanding research areas. Moreover, Korea plans to expand its research at the DASAN Arctic Research Station by broadening participation in the Svalbard Integrated Arctic Earth Observing System (SIOS) and participating in international joint research projects in the Svalbard region. This Master Plan will encourage use of the Korean icebreaker, the Araon, for research activities in the Arctic Sea.

### **Pursuing Sustainable Arctic Businesses**

To pursue sustainable Arctic businesses, the Master Plan aims to promote the NSR as an important future transportation corridor. Korea will accumulate navigation experiences in ice-covered areas through

joint activities with leading Arctic maritime nations, establish both consultation services and market research support for Korean maritime logistics companies, and implement follow-up measures for test voyages via the NSR. In conjunction with the NSR, the Master Plan focuses on the development of Arctic navigation capacity through training courses; the pursuit of joint research to lay the foundation for sustainable Arctic resource cooperation; development of technology for shipbuilding and safe navigation for polar-class vessels, and development of offshore plant technology for deep water resource development.

### **Securing a Domestic Institutional Foundation**

The Master Plan aims to secure an institutional foundation with two key tasks. The first task is to establish an institutional arrangement for a national polar policy. The Master Plan explains that Korea will pursue the enactment of legal grounds for cooperation in the Arctic region in order to gain support for the projects outlined in the Master Plan. The second task is to build a polar information service system that will collect, analyze, and provide comprehensive information on the Arctic to various domestic stakeholders.

## **FUTURE DIRECTIONS<sup>16</sup>**

Although it is difficult to say that all Korean experts have sufficient understanding of the Arctic region and conducting surveys is not enough, this section offers some insights as to how Korea perceives Arctic affairs at this time.

In June 2014, a group of 55 Korean experts were asked to take a survey on the future of Korea's participation in and contribution to matters related to Arctic affairs. The first question asked was to what degree can Korea contribute to cooperation in the Arctic region in the future through observer status with the Arctic Council. The experts had to answer on a scale of one to seven, one being the lowest with no contribution and seven being the highest with an extremely significant contribution.

The results, represented in Figure II-6, show that the contribution level is fairly high. Out of 55 Korean experts, 29.6% believe that the benefit of observer status with the Arctic Council is extremely significant; 22.2% thought it was fairly significant, while 27.8% thought the contribution level

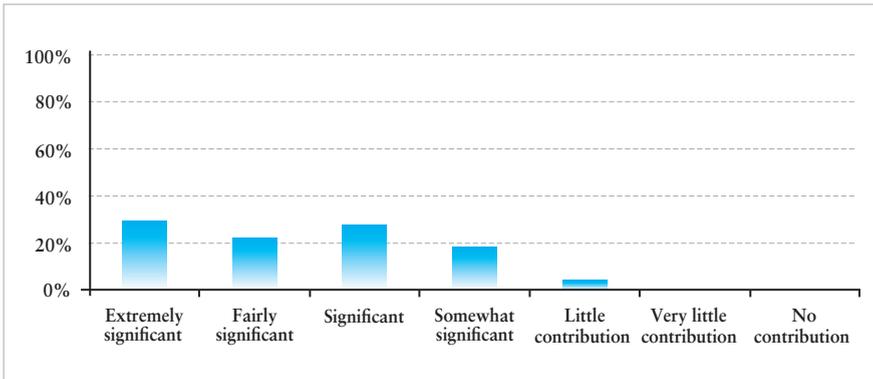


Figure II-6. Contribution level of observer status with the Arctic Council for Korea's cooperation with the Arctic region

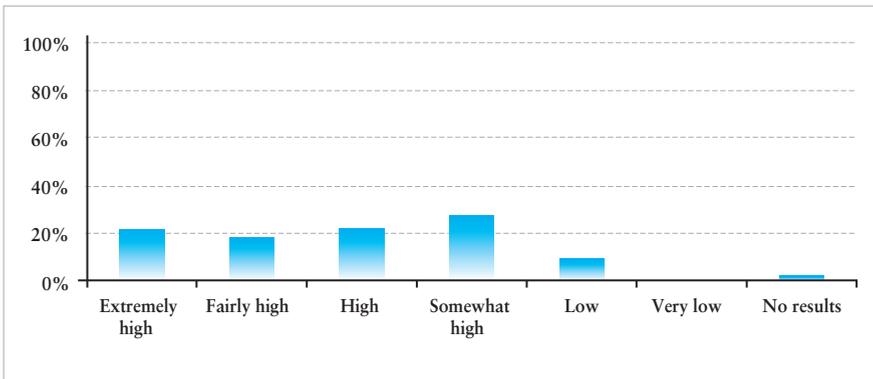


Figure II-7. Korea's performance level after implementing Arctic policies

was significant. Finally, 18.5% of the participants expected the contribution level to be somewhat significant, and only 1.3% expected Korea to make little contribution to Arctic cooperation and participation.

The second question was on Korea's performance level since 2013. Similar to the previous question, experts had to use a scale of one to seven to determine this. As Figure II-7. shows, 27.3% of the experts consider Korea's performance level to be somewhat high. A similar proportion of experts (21.8%) reported high and extremely high performance levels, while the proportion reporting Korea's performance level at fairly high was 18.2%. Finally, no experts thought Korea's performance level was very low, but 1.8% of the participants believed there were no results regarding Korea's performance when the Arctic policies were implemented.

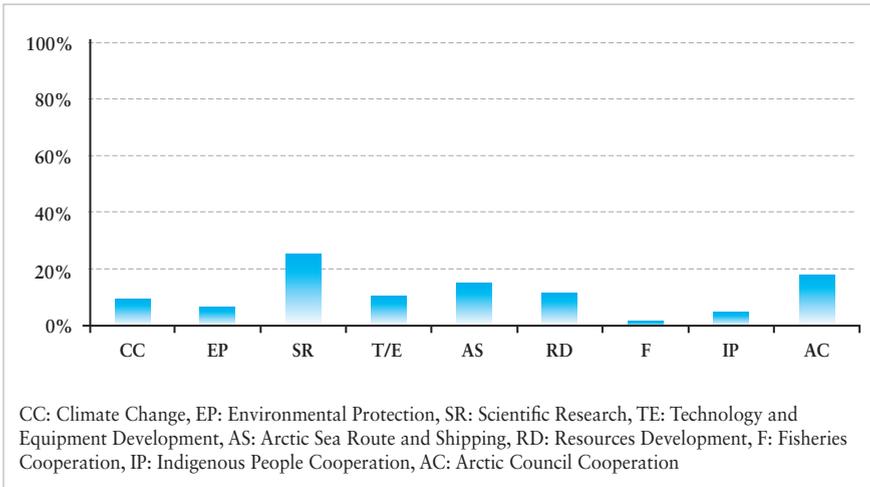


Figure II-8. Main priority for Korea related to the Arctic policies and promoting cooperation

As for question three, experts were asked what the main priority should be for Korea in the area of promoting cooperation with the Arctic policies. As shown in Figure II-8, scientific research should be the main priority for Korea, at 25%. The Arctic Council came in second at 17.6%, whereas Arctic shipping was 14.8%. Resource development, technology and equipment, and climate change were fairly close at 11.1%, 10.2%, and 9.3%, respectively.

Lastly, experts were asked which Arctic state Korea should cooperate with the most as it advances and promotes Arctic cooperation at this time.

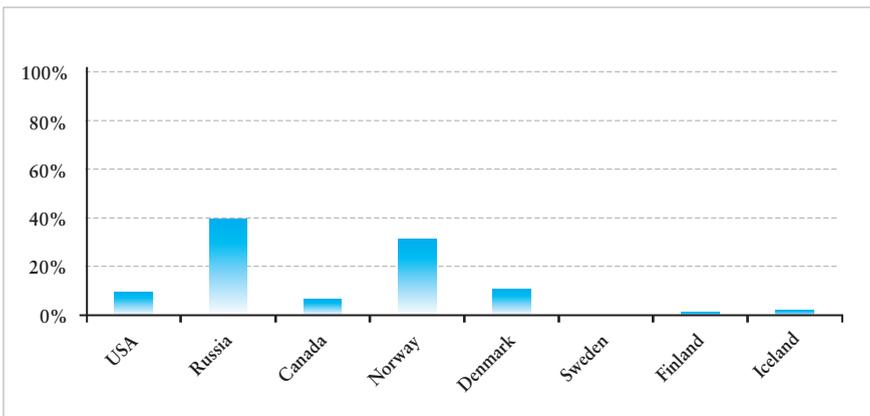


Figure II-9. Which Arctic state should Korea give cooperation priority to?

Unlike question three, the experts, as seen in Figure II-9, had fairly similar answers. Many believed that Russia should be the Arctic state Korea needs to work closely with, at 40%. Norway also ranked high at 31.1%; 9.4% answered the United States, and 6.6% said Canada. Denmark, which includes Greenland and Iceland, stands at only 10.4% and 1.9%, respectively. This result may be due to the current cooperation activities such as NSR transit and scientific cooperation in Svalbard.

## SECTOR RESPONSES

### Overall Arctic Strategy or Policy

Korea currently does not have a unified national strategy on Arctic affairs. The Pan-Government Arctic Policy Master Plan tries to combine the different projects in various government agencies and frame a more effective cooperation policy. The plan was endorsed by the Cabinet Council where it is expected to lead to a five-year rolling plan in the future. The Master Plan will become the basis for various projects in each governmental agency with continuous amendments and follow-ups on individual actions. It will also contribute to running effectively operational measures such as budget and organization.

### Sectoral Policies

The Master Plan embraces the majority of the plans set forth by each agency, and detailed programs are expected to follow within the basic framework. With regard to the NSR, enhanced cooperation is expected with the main stakeholders such as nations utilizing the route and commercial shipping companies that own ice-class vessels. Support systems for vessels using the NSR will take place along with domestic regulations that correspond to transport and shipping regulations set forth by the IMO. Mid- and long-term infrastructure plans such as port redevelopment will be initiated to prepare for the use of the NSR in the future.

### Balance between Development and Environmental Protection

The Master Plan proposes not only a business sector policy but also

involvement in the Arctic Council's environmental protection activities, monitoring environmental changes by using the Araon and the DASAN Arctic Research Station, expanding science research centers in the Arctic, developing technology to overcome sea pollution, and abiding by international environmental regulations. It also emphasizes communication and cooperation with indigenous peoples in the Arctic region in order to enhance understanding and ultimately to achieve sustainable development. Moreover, increased cooperation with Arctic states to develop science research labs and cooperation systems to support search and rescue activities is expected in the coming years.

### Leading Departments

The major ministries addressing the Arctic agenda are the Ministry of Oceans and Fisheries (MOF), the Ministry of Foreign Affairs (MFA), the Ministry of Science, ICT and Future Planning (MSIP), the Ministry of Trade, Industry and Energy (MOTIE), the Ministry of Land, Infrastructure and Transport (MOLIT), the Ministry of Environment (MOE), and the Korea Meteorological Administration (KMA). For Arctic research services, Korea has the Korea Polar Research Institute (KOPRI), the Korea Maritime Institute (KMI), and the Korea Research Institute of Ships and Ocean Engineering (KRISO). The MOF is leading the Master Plan, and a legal basis for Arctic activity support and a separate division in charge of the Arctic is currently under revision. KMI is currently focused on Arctic policy research that includes the NSR, socioeconomic affairs of the Arctic, and cooperation with the Arctic Council. KOPRI deals with the Arctic science station operation, research icebreaker activity, and research on natural resources and the environment. Lastly, KRISO concentrates on engineering research that is related to Arctic shipping and offshore plant facilities.

### Factors Affecting Korea's Arctic Policy

The Arctic policy of Korea is expected to receive support from various sources, as it has been selected as a national agenda by the Blue House. There are movements to create a domestic consortium for Arctic research with an increased research budget including environmental, natural scientific, engineering and socioeconomic research. The organization and functions among research institutes are becoming stronger with an agenda

including extending the Arctic science facility and building a second research icebreaker vessel. Limiting factors are weak policy experience, a shortage of research capacity, and a shortage of investment, and legislative support for Arctic affairs over the long run.

### **Status of Policy Implementation**

With the implementation of the Master Plan, test voyages via the NSR, establishment of an Arctic research consortium, broad bilateral cooperation with other Arctic states, development of an Arctic information system, cooperation with the Arctic Council and its subsidiary bodies, and academic exchanges in economic development fields are under way. In addition, each key player is strengthening its capacity, such as expanding the activities of the Arctic Research Station, capacity building of research vessels, scientific research cooperation with the Arctic states, and exchanging information among academic experts. In addition, research institutes are also enhancing their international cooperation. For example, KMI joined the University of the Arctic as a non-Arctic member and initiated the North Pacific Arctic Research Community with participation from 13 organizations in China, Japan and Korea.

## **CONCLUSION**

Korea's interest in the Arctic is not merely limited to the economic area such as the NSR or resource development, but encompasses science, technology, climate, and the environment as well. A balanced approach to these various sectors will be a key challenge for Korea in the future. In this regard, recent progress, such as obtaining observer status with the Arctic Council, developing the Pan-Government Arctic Policy Master Plan, and appointing Arctic affairs as a national priority will contribute to sustainable Arctic development.

Moreover, although the numbers may not be high, successful transits of the NSR and consistent interest and investment by Arctic states, neighboring nations, and the international community will certainly attract the Korean government and Korean corporations. The economic structure of Korea supports the Arctic as a vital partner, since Korea imports natural resources such as energy and minerals and exports goods and services

through shipping.

Yet, Korea still has a long road ahead in this realm. Korea must accumulate knowledge and experience in the Arctic, better understand Arctic cultures and their traditional way of life, and safeguard complicated security issues through cooperation with relevant stakeholders in the Arctic region. In addition, bilateral and multilateral cooperation must take place to enhance capacity from within, and collaborative efforts should be geared toward climate change and environmental protection of the Arctic nature. Ultimately, Korea should become a reliable partner to seek a future of togetherness by contributing to the sustainable development of the Arctic region.

## Notes

1. The views expressed in this article are the sole responsibility of the author and do not reflect the views of KMI or the Korean government.
2. [http://en.wikipedia.org/wiki/Central\\_Asian\\_Flyway](http://en.wikipedia.org/wiki/Central_Asian_Flyway)
3. Ministry of Oceans and Fisheries of the Republic of Korea
4. This section has been adapted from the draft document of the Master Plan, and does not explicitly reflect the original text.
5. Ministry of Ocean and Fisheries
6. Ministry of Foreign Affairs
7. Ministry of Science, ICT and Future Planning
8. Ministry of Education
9. Ministry of Trade, Industry and Energy
10. Ministry of Land, Infrastructure and Transport
11. Korea meteorological Administration
12. Korea Maritime Institute
13. Korea Polar Research Institute
14. Korea research Institute of Ships and Ocean Engineering
15. Korea Institute of Geoscience and Mineral Resources
16. Please note that this analysis is based on an informal questionnaire survey of Arctic experts in the academic, business and NGO fields of Korea by the author. Officials from government agencies have been excluded.