

## THE EU AND THE ARCTIC

The Arctic is an area of strategic interest to the EU for three central reasons:

1. The epicentre of a physical state change in the earth's geography and climate.
2. A region in which former, present, and possibly future superpowers may compete for strategic control over an emerging global trade route, (the Northern Sea Route ((NSR), as well as access to energy and vast mineral reserves in national EEZs.
3. An arena in which international relations will be severely tested in terms of deploying philosophically contrary governance frameworks, (sovereignty, versus sovereign rights), to avoid and reduce inter-state tensions, within, between, and without Arctic states, and facilitate responsible globalization.

In combination, these three factors are altering the strategic, geopolitical, and economic **value** of the Arctic. This will impact the EU in the C21.

## PART ONE

### PRESENT ARCTIC GOVERNANCE

- The Arctic Council (AC) is an effective intraregional governance forum where successes have been international, strategic, and consistent. The three biggest casualties of a confrontation between Russia and the West in the Arctic could be (1) this essential governance forum (or Russia's withdrawal from it), as unlike NATO, the AC's guiding framework is based on sovereign rights - and **not** sovereignty *per se* (territory, boundaries, etc), (2) the consequent commercial incursion of China into the European Arctic, alongside Russia and (3), the loss of Russia as the indispensable Arctic scientific partner, for critical environmental/climate research.

### JUSTIFICATION FOR EU DEFENCE POLICY TOWARD EUROPEAN ARCTIC

- President Putin has consistently commented that he considers the (Russian) Arctic of vital economic interest and therefore of strategic importance to the Russian state in the C21. This has obvious military consequences for Europe, in the Arctic region.
- Western sanctions on Russia's Arctic have had three major *unintended consequences*, besides those that were intended:
  1. Closer **economic relations** (energy, infrastructure and maritime) developed between China and Russia in the region, largely at the cost of western operators.

2. Russia's **military capability** within the Arctic remains unaffected - and is if anything now enhanced.
  3. Sanctions have in no way restricted **Russia's geo-political/economic freedom of movement** in the European Arctic. Its "pivot to Asia" (via the NSR) has been accelerated in fact and at the possible cost of EU/Russian Arctic commercial relations.
- Politically, Russia may consider the following short-term responses to sanctions:
    1. Increase in Sino-Russian energy relations in the Russian Arctic.
    2. Increase its aggressive focus on the U.S. as it Chairs the AC until 2017, and put severe pressure on Finland in 2017, (as the next Chair of the AC).
    3. Exploit the US's failure to ratify UNCLOS and thus its legal status in voting on any UNCLOS matter including aspects of the new Polar Code, where legislation may **impinge upon the foreign Navies' right of Freedom of the Seas** and "innocent passage" in the Arctic.
    4. Already vetoed the EU's application to become a Permanent Observer member of the Arctic Council; this is very serious as the EU's R&D budget for scientific/climatic/environmental work in the Arctic is *scientifically imperative*.

## THE ASIAN DIMENSION IN THE EUROPEAN ARCTIC

For China, working with Russia in the Arctic is potentially economically significant and geopolitically advantageous. For Russia however, the opposite is true. This crucial difference will largely determine how successful any Sino-Russian commercially/energy based alliance proceeds. The key for continued economic investment in the Russian Arctic is predictability and stability (which is underscored and guaranteed by a sensible European Arctic defence strategy), and China will be no different to western operators in this regard.

Under western Arctic sanctions, China appears to see economic opportunities trumping geopolitical gains; a Chinese Naval incursion into the Arctic is therefore highly unlikely. China may well argue however, that as the AC's founding mandate of a **ban on strategic discussions by AC members** is now clearly being challenged by an increasing NATO presence, then China's original take on the Arctic as "a zone of peace and a global commons for the benefit of all mankind" should be reviewed.

This means that subsequent views on different governance models (NATO/AC), access to resources, UNCLOS interpretations of Arctic EEZs, etc, and presence in the Arctic would be open to discussion/debate by all-comers, **including non-Arctic, Asian states**. For this reason, China's key tool of influence in the Arctic will remain the UNCLOS, instrument, and not military/naval means.

## PART TWO

### THE MILITARY /NAVAL DIMENSION

#### PRESENT AND EVOLVING EU ARCTIC INTERESTS

EU interests in the Arctic include commercial, scientific, and environmental activities, as well as traditional political/strategic factors. However, the *weighting of all these factors is changing, reflecting the inevitable globalization of the Arctic in the C21*. Established **military plans will have to factor in** these new activities.

For the EU defence community, the cost of deepening militarization in the Arctic is formidable:

- Key coordination will be required with: **the AC** and NATO
- Defence burden sharing ability with existing allies will need re-addressing
- Lack of military/naval infrastructure (including ITC aspects & intelligence) will need review and investment. Without it, connecting and collaborating with people in the Arctic is both limited and limiting.
- A possible move to Arctic governance based on territoriality - and its link to sovereignty, (ie NATO model) will add complexity and increase regional tensions, and may risk the demise of the AC and thus the **associated globalization of the European Arctic**. (ie first “casualty” will be development of NSR, linking EU and Asian markets in C21)
- Sweden and Finland may become members of NATO. This may seem logical but it could be manipulated by Russia, citing proof of increasing NATO capability and movement towards Russia’s Arctic border, and escalating militarization of the **European Arctic**. The influence of such sophisticated Russian propaganda regarding the Arctic on the EU public *must not be underestimated in this scenario*.

#### MILITARY / NAVAL ISSUES AND POTENTIAL THREATS TO EU INTERESTS

Emerging additional issues that may directly affect EU/NATO military planning include:

- Potential opening up of the Northern Sea route & Resource competition; governance framework implications
- Issues of new boundaries, their definition (use of a straight base line for establishing EEZs and continental shelf extensions)

- Impact on what is being defended in the case of sovereignty - and sovereign rights in the Arctic nations' EEZs and beyond
- Degree of actual involvement in the Arctic by NATO & Insufficient Arctic knowledge; worsening international relations
- Associated danger of confusing securitisation of the Arctic, for commercial reasons, with militarisation for geostrategic reasons
- Steady and inevitable incursion of Asian AC Observers, re-emergence of the Cold War “capability-v-intent” dilemma with regard to Russian, NATO, and potential Chinese activity

### **ADDITIONAL DANGERS & ASPECTS TO ANTICIPATE/AVOID IN EU DEFENCE PLANNING**

Defence Planners need to carefully differentiate between, and consider the significance of:

- Russian capability and intent in the Arctic from a military/naval point of view.
- Militarization and commercial securitization (“double hat” military personnel, with civilian HSE/security training and responsibilities in activities such as Search & Rescue (SAR), Oil Spill Response, and Evacuation) as private commercial security (Russian/western) does not have these capabilities or capacity in Arctic.
- Environmental protection (EP) and sustainable development (SD) are the two founding principles of the AC. Can Russia's Arctic oil exploration industry (on its own) adhere to these principles under a sanctions regime? This has huge **environmental security implications** for the entire Arctic, not just in the Russian/European sector.

### **EU MILITARY/NAVAL PLANNING IN THE ARCTIC ALONGSIDE COMMERCE**

For EU defence planning, the implications are complex and critical parameters include:

- Flexibility of plans & Speed of decision making
- A defence regime is necessary for maintaining regional stability, and for both natural resource exploitation and associated shipping security needs.
- The scalability, complexity, and cost of such challenges in the Arctic are such that international commercial/state collaboration, **tactical alliances, technical cooperation, and scientific / knowledge sharing** will be essential.
- *This will extend to defence planning, commercial security, coordination with Coastguards, HSE, and SAR matters as well.*

The legal corollary of this is militarily, very challenging: globalization and associated international law / UNCLOS is more concerned with sovereign rights than territorial sovereignty per se; globalization in other words requires rights of access to a state's territory, and use of (but not sovereignty/"ownership" over) transiting routes, for instance. Business alliances in the Arctic will typically include Chinese, Norwegian, Russian, and EU/US consortia, adding to the complexity of defence planning.

Because of the centrality of significant geophysical changes in the Arctic itself, all policy planning must therefore be flexible and designed to withstand considerable and regular adaptation, and therefore conceived within an overall risk mitigation/management framework, *which is also in line with the AC's governance* mandate of promoting and prioritising above all other factors, EP and SD measures.

### **THE FUTURE SHAPE AND ROLE OF THE ARMED FORCES IN THE ARCTIC**

Alliances in the High North are essential to EU security. Norway is paramount but others (including from Observer AC states) may in the future be equally as important. Through alliances the EU can gain access to necessary infrastructure, establish regional hubs, plan logistical requirements/Forward Mounting Bases (FMBs), and thus facilitate the deployment of such critical assets as maritime and airborne surveillance.

### **SUMMARY**

An EU Arctic defence review would be an ideal, and necessary time to consider all of the above, and begin the process, planning, and budgeting for intensified EU commercial securitisation (or partial/full militarization if relations with Russia deteriorate further) of the European Arctic in the 21<sup>st</sup> Century, in line with established (and new) allies' needs and the AC's clear directive on a shared political vision, burden sharing, and economic commitment to the stable globalisation of the Arctic in the 21<sup>st</sup> century. Recent global events now make this imperative.

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Expert Witness to House of Lords Select Committee on the Arctic 2015