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Maritime Security Challenges: Focus High North

Papers from the Kiel Conference 2016



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INTRODUCTION

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Throughout the centuries, the High North, broadly defined as the Arctic region, the Norwegian Sea, the Barents Sea, the southern areas of the Polar Sea, and the area north of the Arctic Circle, has triggered the imagination of many people. Even today, it represents one of the last frontiers of our planet. Moreover, the High North and the Arctic Region have lost little of their strategic importance, despite the tectonic shifts in the global security environment and the multitude of crises and wars in other areas of the globe. In fact, ecological, economic, as well as security matters in the Arctic remain as pressing as ever. However, it is not only the neighboring countries that have special interests in this particular region of the world. They are now also being joined by other stakeholders. These include the global shipping and resource excavation industries, non-governmental organizations, interest groups, and, – thanks to the growing awareness for the prospects of climate change – even many individuals around the globe. Additionally, civilian and military maritime strategists alike have begun to wonder about the regional and global implications of a changing maritime security environment in, and stemming from, the High North.

Until recently, only a relatively small community of naval historians and maritime strategists had given the High North much thought. For most people this arena's role as a frontier for exploration, as a trading route for the Arctic convoys in World War II, or as a pivotal would-be theater in the US' "Maritime Strategy" of the 1980s was not deemed important enough to be discussed in depth. This is not to say that the Arctic should be seen solely through a lens of conflict and competition, but, on the contrary, as an opportunity to emphasize the potential for cooperation and collaboration. This understanding was central to the spirit that guided the conduct of the Kiel Conference 2016, the second such event after the inaugural symposium in 2015. Once again, the Institute for Security Policy Kiel University (ISPK) and the Centre of Excellence for Operations in Confined and Shallow Waters (COE CSW), also headquartered in Kiel, collaborated in hosting and orchestrating a conference unlike many others before. Over a hundred participants, each carefully selected based on his/her position, expertise, rank, and background, brought a width and depth to the debate that had, thus far, been absent in most other maritime security conferences in Germany and abroad.¹

To be clear, the Kiel Conference 2016 was neither an Arctic seminar nor a High North symposium. It is, and shall always be, a maritime security challenges conference. We acknowledge the universality of certain sea-borne problems. The very nature of the maritime domain indeed mandates a transregional, comprehensive perspective and requires analysts, practitioners, and policy-makers alike to taking the long view. However, it does help focus on the maritime security challenges inherent to a specific geographical region.

Naval forces, with their much-lauded flexibility and scalability, can provide civilian decision-makers with a variety of options. They provide policy-makers with the tools for diplomatic presence, collaboration, cooperation, conflict solution, crisis prevention, and – if need be – options for favorable outcomes in an armed conflict. In my opinion, that is what sound strategists need to study, digest, and disseminate day in and day out. To this end, the Kiel Conference offers a forum where, guarded by the Chatham House rule, one can exchange views, debate, and pitch new ideas. For this reason, the Kiel Conference is also neither a political nor a diplomatic conference. What is the difference, you may ask? Sir Humphrey Appleby, one of the lead characters in the hilarious 1980s television series "Yes, Minister!" / "Yes, Prime Minister!" once remarked: "Diplomacy is about surviving until the next century – politics is about surviving until Friday afternoon."² Thus, a maritime security challenges conference like the Kiel Conference falls somewhere in between next weekend and the year 2100. To that end, we need to think strategically and look beyond what is driving the day. Incidentally, two

¹ To download the 2016 Conference Report, please visit www.kielconference.com.

² "Yes, Prime Minister: A Victory for Democracy" (1986), see <http://www.imdb.com/title/tt0751831/quotes> (03 December 2016).

days after the Kiel Conference 2016, Britain voted for leaving the European Union, with broad implications for the coming decades.

Conscious of the limitations of a one-day conference, we have asked the speakers of this conference to submit academically-styled papers to be included in this collection of essays, dubbed “Proceedings”, so that their thoughts may be expanded and deepened. Andreas Østhagen from Norway, a senior fellow at The Arctic Institute, had initially been tasked to speak at the conference but had to relinquish his panel presentation due to a scheduling conflict. He kicks off this compilation by looking at the Arctic Coast Guard Forum, a remarkable new format, designed to foster cooperation and collaboration among these quasi-navies when it comes to the High North.³ Philipp Hermes, a managing partner at the Hamburg-based law firm BHM Penlaw, provides a crucial overview of commercial considerations of shipping in Arctic waters. East-West relations in the High North from a crucial Norwegian perspective are the focus of Kristian Åtland’s paper. He is a Senior Research Fellow at the Norwegian Defense Establishment. Prof. Rasmus Gjedssø Bertelsen and Kjersti Irina Rosnoff Aronsen, from the University of Tromsø/The Arctic University of Norway, make a stimulating comparison as they look at the Barents Sea and the Pacific Arctic as two cases of Arctic marine governance in the international system. Bruce Stubbs, Director N50 at the Office of the Chief of Naval Operations, US Department of Defense in Washington, D.C., provides a pivotal US Navy perspective on the Arctic and thus a view from the world’s dominant sea power – which has surprisingly little assets available in this particular environment. This is followed by an analysis for yet another great power. Dr. Sarah Kirchberger, Senior Research Associate, International Political Economy of East Asia at the Ruhr-University Bochum (Germany) and author of “Assessing China’s Naval Power: Technological Change, Economic Constraints, and Strategic Implications” (Berlin & Heidelberg: Springer 2015), lays out China’s maritime interests in the High North. She also discusses Beijing’s military capabilities as well as the possible political intentions for the use of Chinese sea power in the Arctic (from 1 January 2017, Dr. Kirchberger joins the Institute for Security Policy University of Kiel (ISPK) as Head of the Asia-Pacific Research Center). Her findings are complemented by an essay titled “China’s Arrival at the Arctic” by Jörg-Dietrich Nackmayr, who, as an analyst based in Iceland, showcases his intimate knowledge of the Arctic region (Mr. Nackmayr also serves as a reserve officer in the German Navy and one of two project managers on part of our collaborator COE CSW for the Kiel Conference 2017).

To reiterate a segment from the 2015 Proceedings editorial: We are, once again, very grateful for the impulses of the scholars and practitioners who have joined the conference as speakers and discussants. Each of them is an expert on specific aspects of maritime security. While the conference was held under the Chatham House rule to allow for an open exchange, we are very pleased to offer you a selection of academic contributions that reflect both the width and depth of the debate at the conference. We encourage you to freely use following content to broaden your understanding of the Arctic Region and as a basis of your work on related strategic maritime security issues.

The authors as well as the editors welcome any feedback and encourage you to get in touch with us if you would like to contribute to the debate on strategic maritime security challenges, at the Kiel Conference and elsewhere, in the future. It goes without saying that the contributors’ opinions remain their own, first and foremost, and do not necessarily reflect those of the Institute for Security Policy Kiel University (ISPK), the Center of Excellence for Operations in Confined and Shallow Waters (COE CSW), the North Atlantic Treaty Organization (NATO), or any other affiliated individual or entity. The editors would also like to thank the editorial assistants, Ms. Alena Kalks (Kiel/Tallinn) and Mr. Jeremy Stöhs (Kiel/Graz), who have shepherded this collection from start to finish.

Dr. Sebastian Bruns heads the Center for Maritime Strategy & Security at the University of Kiel’s Institute for Security Policy (ISPK) and is one of the fathers of Kiel Conference, serving as Project Director in 2015 and 2016. He is also the editor of “The Routledge Handbook of Naval Strategy and Security” (London, 2016).

³ His essay is reprinted here with kind permission from The Arctic Institute (2015), <http://www.thearcticinstitute.org/the-arctic-coast-guard-forum-big-tasks> (03 December 2016).

THE ARCTIC COAST GUARD FORUM: BIG TASKS, SMALL SOLUTIONS

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The Arctic Coast Guard Forum was officially established in October of 2015, after years of deliberation on what the role of the Forum should be. Some have argued that the Forum could serve as an arena for security dialogue with Russia, at a time when other channels are unavailable. Yet, there are certain constraints with regard to coast guards and their specific roles and mandates in the Arctic. What does the establishment of this Forum entail? And what can an Arctic Coast Guard Forum (ACGF) aspire to accomplish?

MANAGING A NEW SITUATION

Although it is difficult to make overly generalized statements regarding the vast Arctic region, research points to a trend of increased maritime activity in the various parts of the High North. A majority of this traffic derives from intra-Arctic shipping and destination shipping within the region. The trans-Arctic sea routes themselves are less relevant in terms of traffic numbers and are far from becoming fully operational (Brigham 2013; Office of the Auditor General of Canada 2014; Humpert 2014). This does not necessarily mean that all Arctic states are expecting to see a further increase of traffic in their maritime waters. With a steady growth since the turn of the millennium, these numbers seem to have stabilized in the waters around Greenland and northern Canada, while they have slightly increased around Alaska, Russia and Northern Norway. The Danish Ministry of Defence, for example, highlights that it does not expect any further dramatic influx of maritime traffic before 2027 (Danish Ministry of Defence 2016, pp.31–32).

Yet, a higher number of vessels present in the North during the summer months, in addition to an increased complexity of the maritime activities undertaken, have led to a new situation for the various Arctic coastal states. To a greater extent than before, these states are compelled to provide public capacities and improve their maritime capabilities in the Arctic in advance of potential incidents. Search and rescue (SAR), environmental protection (such as oil spill response) and aid to navigation are among the most immediate tasks that require a maritime presence. Similarly, border control, fisheries inspections, and general constabulary tasks follow, as the coastal states aim at safeguarding their sovereign rights and uphold national regulations in their maritime zones. Maritime domain awareness is thus essential to ensure that the states' borders are not breached and unwanted activity is prevented.

ESTABLISHING THE FORUM

International cooperation has been promoted as a means of dealing with some of the challenges listed above. In 2011, the eight Arctic countries signed a joint agreement on aeronautical and maritime search and rescue, under the auspices of the Arctic Council. A similar agreement on oil spill preparedness was signed two years later, in 2013 (Arctic Council 2013; Arctic Council 2011). Despite being a sign of collaboration, these agreements have been criticized for having limited impact in the Arctic, mainly outlining already existing responsibilities and boundaries (Rottem 2013). The coast guards themselves have also pointed out that an increased number of exercises and more regular contact between practitioners are needed to operationalize these agreements (Neffenger 2014; Joint Arctic Command 2013).

In 2011, the Center for Strategic & International Studies (CSIS) proposed establishing a dedicated forum for Arctic coast guards (Conley et al. 2012, p.37). Modeled on already existing forums for the North Pacific and the North Atlantic, American and Russian officials subsequently took the first steps towards the establishment of an Arctic Coast Guard Forum. However, Russia's actions in Ukraine, in 2014, put a temporary halt on the process, as representatives from the Russia were not included in two subsequent expert's meetings,

hosted by Canada in Sydney, Nova Scotia. The next experts' meeting, in March 2015, was therefore held in Washington DC, with the Russian Coast Guard again taking part. The eight countries decided to push ahead and the Arctic Coast Guard Forum (ACGF) was formally established on 30 October 2015, at the US Coast Guard Academy in New London, Connecticut (Melia 2015).

The structure of the Forum is quite simple. It will have a rotating Chair, currently held by the US, which follows the Chair of the Arctic Council. Thus, the Finnish Coast Guard is set to take over the reins in 2017. The Heads of the coast guards will convene annually, whereas working groups will meet more frequently when needed. Aiming to avoid a heavy bureaucracy, there are currently only two working groups, namely a secretariat and the 'combined operations' group. The latter will be concerned with tasks such as joint operations, asset sharing and increased focus on exercises. Starting with search and rescue, the Forum will expand in scope as work gets underway. It aims at developing common situational awareness between the eight members, while also tapping into the Emergency Prevention, Preparedness & Response (EPPR) working group of the Arctic Council.

INHERENT CHALLENGES TO MULTINATIONAL COOPERATION

Although there has been great interest in forming a coast guard forum for the Arctic, there are some fundamental challenges that limit what tasks the Forum can embark on. An overarching function of most coast guards is the protection of the coastal state's sovereign rights. Coast guards uphold sovereignty through naval presence and the enforcement of national jurisdiction (Till 2005, pp.330–347). Fisheries inspections, for example, are an integral part of protecting a state's sovereign rights, through the management of its own marine resources. This authority cannot be shared without the coastal state ceding some of its sovereignty. Therefore, there are some limitations to the extent of collaboration within the framework of the Arctic Coast Guard Forum.

Additionally, there are significant differences between the individual coast guards operating in the Arctic region. As each coast guard is tailored to national interests, geography and institutional cultures, there is no single unified Arctic coast guard structure. The variety of mandates and structures – roughly outlined in the table below – consequently challenge potential dialogue of sensitive and/or of military character. As a result, the Arctic Coast Guard Forum has to resort to a 'lowest common denominator' approach (Østhagen 2015, p.10). If collaboration is to expand beyond immediate response, the relatively wide variations in mandates and competence act as a barrier. Effective defence collaboration is often dependent on a similar set of structures, with similar size and priorities (Diesen 2013, pp.61–65; Valasek 2011, pp.20–27). Lack of commonality in organizational structures and mandates as well as the lack of harmonization between coast guards in the Arctic provide significant hurdles for future collaboration.

Country	Name	Organization	Civilian / Military
Denmark (Greenland)	Søværnet (Navy) (1. eskadre)	Danish Defence	Military
Norway	Kystvakten (Coast guard)	Royal Norwegian Navy	Military
USA	United States Coast Guard (USCG)	Department of Homeland Security	Military* ¹
Iceland	Landhelgisgæsla (Coast guard)	Ministry of Justice	Semi-military
Finland	Rajavartiolaitos (Border guard)	Ministry of the Interior	Semi-military
Russia	Coast Guard of the Border Service* ²	Federal Security Service (FSB)	Semi-military
Canada	Canadian Coast Guard (CCG)	Department of Fisheries and Oceans	Civilian
Sweden	Kustbevakningen (Coast guard)	Ministry of Defence	Civilian

Table 1: Organizations with responsibility for coast guard tasks and associated institutional structures (simplified).

*¹ The USCG is part of the US Armed Forces. Yet, it is dissimilar from the Navy and the Danish/Norwegian counterparts operating under Navy structures. As such, it can be categorized as ‘military’, a category broad in scope, which entail military attributes/affiliation, yet operating separately from the military in peacetime.

*² In Russian: Береговая охрана ПС ФСБ России

Finally, the geographic vastness of the Arctic is in itself a challenge to effective cooperation. Although this point should be self-explanatory, it tends to be overlooked in the broader public discourse, especially when politicians are making a point to praise international cooperation. Arctic geography involves large maritime domains, where few emergency incidents occur, and limited or no capabilities present. Sharing responsibility or handing over tasks to other countries is often not even an option, as states are struggling to provide sufficient capabilities in their own areas of interest. The option of *practical* or *on-site* cooperation between, for example, Norway and Canada is almost non-existent, given the great distance between these two parts of the Arctic region. In contrast, when looking at maritime border areas with heavy seaborne traffic, like the Mediterranean Sea or the Great Lakes region, interoperability and shared tasks are more purposeful, and consequently more common. Canadian federal police (RCMP) frequently make use of the United States’ Coast Guard vessels along the Great Lakes to combat drug trafficking (Canadian Coast Guard 2013). Yet, even in such border areas where cooperation is plentiful, in-depth collaboration has its limitations.

DEALING WITH RUSSIA

In addition to the challenges outlined above, the integration of Russia in an Arctic Coast Guard Forum is crucial, albeit challenging. In the Bering Sea, the Chukchi Sea, and through the Bering Strait, Russia and the United States share an extensive maritime border, settled in 1990. Similarly, in the Barents Sea, Russia and Norway share an extensive and predominantly ice-free maritime border, settled in 2010. Finland shares a maritime border with Russia in the Gulf of Finland, though smaller in size and not in the Arctic. In all these border areas, cooperation with Russia on both a practical as well as on a governmental level is essential, to effectively manage straddling fish stocks and provide environmental protection and search and rescue response.

In the initial pre-meetings for an Arctic Coast Guard Forum it became clear that Russian participation would be vital for the Forum’s relevance. Partly because of Russia’s extensive coastline and responsibilities along the Northeast Passage, and partly because of Russia’s shared maritime borders, as outlined above. A possible expansion of coast guard collaboration in all these areas would be dependent on both diplomacy *and* cooperation with Russia. At the same time, having Russia around the table led to a bumpy start for the Forum, initially postponing its launch.

Collaboration amongst all the members will also have its inherent limitations due to Russia. Sensitive information cannot be shared on the same level as between the five NATO-members, or even the two NATO-partners Finland and Sweden. It is also possible that some of the Arctic states will place strict guidelines on the role and mandate of their coast guard representatives when they meet and work with their Russian counterparts. Yet, how much the Forum will be hampered by the current political situation, ultimately, is dependent on the overall relationship between Russia and the other Arctic states and their willingness to keep this venue sheltered from the larger political environment in the Arctic and beyond. In most cases, coast guard affairs constitute so-called ‘low politics’, which states tend to separate from larger diplomatic affairs (Østhagen 2016).

WHAT THEN COULD THE FORUM DO?

Given the limitations listed above, what can and will the Arctic Coast Guard Forum focus on? The stated purpose of the Forum is to further improve the relationship between the Arctic states on a practical level, in order to form a community focused on operational activities. In a crisis situation, familiarity with your neighbor is crucial. For example, when a South Korean fishing vessel sank in the Bering Sea, off the Russian coast, in November 2014, the Russian Kamchatka Border Guard District requested US assistance. Several US Coast Guard assets participated in the search for survivors (Coast Guard Alaska 2014; Klint 2014). This example highlights the operational collaboration already taking place between the US and Russian coast guards across the Bering Strait.

The ACGF can help enhance this collaboration as activity increases. Particularly, the sharing of information and the identification of so-called ‘best practices’ are areas of focus for the Forum. Improving maritime situational/domain awareness and sharing information is also particularly relevant. Arctic operations are defined by limited access to communication technologies, due to the high latitude and the lack of investments in Polar-specific satellites and communication systems. Looking at defence collaboration taking place in other parts of the world, like NATO’s Active Endeavour in the Mediterranean Sea, there are many ways to expand situational awareness and sharing of information. This would naturally require further agreement and harmonization between the Arctic coastal states, particularly in regard to the difficulties concerning the inclusion of Russia.

The Arctic Coast Guard Forum can also act as a platform to initiate cross-border exercises, implementing the circumpolar agreements from 2011 and 2013 (Østhagen & Gestaldo 2015). This work must, subsequently, also be done in coordination with the Arctic Council EPPR working group. The frequency of joint contingency exercises in the Arctic has slightly increased, but a leading organization is necessary for long-term strategic planning. The forum will also be able to provide strategic direction to emerging issues within coast guard area, in combination with the overall work that takes place under auspices of the Arctic Council or the International Maritime Organization (IMO).

Looking forward, there are some concepts that might be of interest to the Forum. Pooling of resources can be utilized by coast guards, if the capacity created has relevance to more than one Arctic state. An example of pooling would be the establishment of search and rescue centers at geographically relevant locations in the Arctic. One such center could be a Search and Rescue-unit in Keflavik, Iceland, able to rapidly conduct operations along the East coast of Greenland, north of the Faroe Islands, and in Norwegian waters around Jan Mayen, in addition to Iceland’s home waters. Another example would be an oil spill response unit on Svalbard, responding to a potential spill off the coast of East Greenland (should drilling commence) or in the Barents Sea. For tasks that require immediate response, such as oil spill response or search and rescue, pooling of coast guard resources could hold value and be orchestrated by the Arctic Coast Guard Forum (Østhagen 2015, p.11).

In addition, practical cooperation on procurement of equipment seems to be an area with great potential. Here, the defence sector itself still has a long way to go, as the plethora of literature, calling for more streamlined and effective procurement policies across NATO and EU member states, indicates (Biscop & Coelmont 2012; von Voss et al. 2013). In the Arctic, potential is great amongst the Nordic countries, as they have relatively similar force structures, operating conditions, and they are already collaborating under the umbrella of NORDEFCO¹ (Saxi 2011; Stoltenberg 2009). The same goes for the US and Canada, which already have a closely integrated bilateral defence cooperation under the NORAD-framework (Jockel & Sokolsky 2012). Cooperation on this level with Russia will have its limitations, although there could arguably be room for expansion when dealing with civilian capabilities and ice-related technology.

It is interesting to note that, whereas the more in-depth forms of collaboration prove difficult for coast guards, due to national jurisdiction and sovereignty concerns, the opposite is the case with the lighter forms of collaboration. The soft security nature of coast guard tasks works to their advantage. As a matter of fact, light collaboration between coast guards dealing with tasks of a non-sensitive nature, such as sharing of information, joint exercises, training and procurement, could easily be facilitated. However, even amongst fellow NATO member states, seemingly insurmountable hurdles arise, as soon as the nature of the tasks change – more specifically, when we talk about heavier forms of military to military collaboration.

CONCLUSION

The Arctic states and their respective coast guards are under mounting pressure. Cooperating with neighboring coast guards – formalized through the creation of an Arctic Coast Guard Forum– can help provide some solutions to these challenges. Quite frankly, establishing the ACGF is an accomplishment in itself, given the current political environment. Yet, there are limitations to what international collaboration can achieve. The distances in the Arctic, variations in mandates and priorities amongst the coast guards as well as the volatile political relationship with Russia, puts restrictions on what an Arctic Coast Guard Forum can achieve. In an

¹ Nordic Defence Cooperation

abundance of Arctic institutions, this Forum is nonetheless an arena from which to explore further cooperation in order to pre-empt major incidents. It adds another layer to the governance of the region, ideally taking a step beyond the conference rooms and into real-life operations and practical action.

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COMMERCIAL CONSIDERATIONS OF SHIPPING IN ARCTIC WATERS

PHILIPP HERMES
Managing Partner
BHM Penlaw

The melting ice in Arctic regions is a given fact which no one seriously denies. Therefore, an open sea route along the northern Russian coastline could conceivably reduce shipping distance and thus shipping cost. Against this obvious conclusion, the public opinion visualizes the Northern Sea Route as a future “Suez Canal” with increased shipping traffic throughout the year. On the level of commercial considerations made by shipping companies and shipping operators, this public opinion is rather general and merely based on flawed assumptions regarding the navigability of the Arctic Region. The following consideration solely refers to Arctic passages, (Northeast and Northwest Passages). The short sea traffic in northern waters is of less relevance to the analysis of future seaborne traffic in the Arctic region.

SHIP AND SHIPMENT

Depending on the respective cargo, an astute shipping operator will order the appropriate type of shipping services. To put it more simply, one could differentiate between “taxi service” and “bus services”. On the one hand, bus services, officially referred to as a “liner services”, operate on one specific route with definite ports and a fixed time schedule. A taxi service, the so called “spot market”, on the other hand, bids on the tender call of the shipping operator to transport goods from one port to a defined destination. The most favorable tender is awarded with the transport contract. One has to consider that shipping trade is more than transporting consumer goods from Asian manufacturers to relevant markets in the United States or Europe.

Container boxes, for example, are mainly shipped by liner services due to the predictable time schedule, whereby oil and gas or bulk cargo are shipped on the spot market. Other services, such as the transport of supply and maintenance goods, research and exploitation services, and fishing operated rely on special demand and are similar to spot market, i.e. they do not have a definite time schedule. A further significant trend in shipping is the cruise and leisure business in Arctic regions.¹



In addition to this general overview of commercial shipping, the adjacent map depicts the most important shipping routes. What becomes apparent in this illustration is that the major routes pass through the access points to regions of manufacturers and producers, e.g. in Asia, as well as to consumer markets such as the European Union. All these routes provide port capacity and infrastructure for land access, ports for trading purposes, but also for ship repair and maintenance services. The less frequently used routes are relevant for transport of resources or short sea traffic.

In terms of safety and security, the shipping companies can largely rely on the experience of the ships’ captains and their crews. The traditional routes are also the training ground for young seafarers and future masters who need to learn all the specifics of the nautical environment along the SLOC route.

¹ These examples are for convenience only and should be understood as general idea of shipping industries. A detailed description would be beyond the scope of this paper.

The risk assessment is rather reasonable due to known nautical conditions and proven guidance for shipping in so-called “High Risk Areas”, where the threat of piracy has loomed large in recent years. By now, the area is well monitored by the international community and thus, the security status is being constantly updated. The international community developed countermeasures to reduce the threats of piracy for commercial shipping and to minimize the chance of dangerous situation. Therefore, naval situational awareness in these areas is well established.

These shipping routes provide profound capacities in terms of maritime security for ships and their crews. Along these traditional routes, the shipping companies and shipping operator could refer to a solid network of shipping agents and supply service providers. This does not necessarily mean that such network could not be established in the Arctic region, but, for the time being, an agency network does not exist in the High North (although, in the future, this could be established for short sea traffic). In essence, the positive cost-benefit ratio makes these routes attractive to the shipping industry.

As stated above, efficiency is a deciding consideration regarding the convenience of shipping routes. The important efficiency parameters in maritime transport are mainly costs and profit. The shipping operators always prefer the most cost-efficient route to move goods across the oceans. While the shipping operator has no significant influence on charter rates (i.e. profit), he does have a little control over operational expenses. A shipping operator takes into account the general costs for bunkers and general maintenance, for pilot dues and port charges, insurance premiums and crew wages.

Although the oil price has decreased significantly in recent years, the bunker costs are just one pricing factor of a transit calculation. The costs for crewing and manning are controlled by crewing agencies, which are in a strong competitive market environment. The pilot dues and port charges are based on transparent calculation and would be taken into account accordingly. With regard to the insurance coverages, the shipping operator has to disclose the planned route to the insurance broker if he/she intends to leave the shipping routes considered to be safe. The insurance market itself undertakes a risk assessment of shipping: Special agencies monitor the general security and safety conditions of trading areas and give recommendations to insurance companies for their default calculations. For example, the fact that accurate charts for the Northern Sea Route are not yet available, the safety risk assessment would highlight potential dangers and thus, the insurance premiums would be higher – not to mention the dangers emanating from ice floes and the generally harsh weather conditions in the High North. All the parameters mentioned above are part of the expenses the shipping operators has to consider. In practical terms, they would set these in relation to the potential profits in order to assess the commercial value of a shipping route.

As outlined, the expenses are rather fixed and transparent and the shipping operator does not have much room for cost reduction. To balance this, the shipping operator would aim to have as much turnover of cargo as possible. The higher the total quantity of goods, the more profitable the venture becomes. Turnover of cargo is

generated by manufacturing or assembling industries and by the number of consumer goods waiting to be shipped abroad. In either case, the condition for turnover is the presence of industry sites and housing communities for these purposes. What is obvious from the map with showing the currently used shipping routes is that many industries and communities are located along the African, South American and South Asian coastlines. The more ports a ship can approach along these shores to load and off-load cargo, the higher the turnover and, thus,



the better the cost-profit balance.

Less important efficiency parameters are the duration of a transit or the distance between the ports. Even the speed of travel is not a critical factor any more. This change in the priority setting of the shipping industry can be traced back to the Bankruptcy of the Lehman Brothers in 2008 and the subsequent global economic crisis. In effect, these events drastically altered the global demand for consumer goods and the massive decrease in charter rates and unaltered operational expenses were the consequence. Only the recent drop of the oil prices provided some relief to the struggling industry.

Changing the perspective from the traditional shipping routes towards the Arctic region, the different circumstances for commercial considerations are only too obvious: All driving elements favoring the traditional routes are missing in this region. The shipping routes alongside the Russian and Canadian coastlines do not provide access to either manufacturers or producers. Furthermore, the accessible ports along the route do not open the door to a broader market or consumers with purchasing power. And finally, the little existing port infrastructure in the Arctic region does not connect to inland industries or infrastructure.

One could debate whether the changing natural environment would result in more favorable circumstances to construct industrial sites in the northern regions of the Arctic. Possibly, the vast natural resource in this region of the world would invite people to settle and to establish communities there. The industrial workers would consequently also represent a consumer market. However, this debate about industry allocation and “colonialization” is somewhat premature.

With respect to security, the nautical experiences of masters are - to a certain extend - not sufficiently qualified to crew a larger number of ships transiting the Arctic waters. Firstly, there are no accurate charts available that would allow ships to safely navigate through this area. Secondly, the coastal states provide only small maritime search and rescue capacities which is an additional risk factor for crew and ship in remote area with harsh climatic conditions. And finally, with regard to security, some shipping companies do not trust Russia and its general policy trend.

SHORTER DISTANCE

In recent years, the public media and other sources have raised the argument that the much shorter distance between Asia and Europe will lead to an increase usage of the Northern Sea Routes. While it is correct that a shorter distance would result in less bunker consumption and fewer days at sea – meaning less costs for crewing, the shipping operator, on the other hand, has to pay higher insurance premiums for this transit because of the potential risks involved. An ice-free passage does not mean that there is not ice at all. It means that the ice coverage is porous. Ice floes could still damage the hull or rudder of a ship with possibly fatal consequences in this environment. A precondition for the passage (and also the insurance coverage) is to have a qualified and experienced master on board. As of today, the number of masters available for this route is rather small and they could therefore demand prohibitively high wages.

SHORTER DURATION

The argument that the shorter duration of a Europe-Asia transit would lead to an increase in traffic is only relevant for special cargo and heavy load transportation. The ordinary transport, beyond shipping on demand for special cargo and heavy loads operating on liner services, would still need the turnover of cargo to maintain a certain level of profitability.

SHIPPING FORECAST

Due to the increased exploration and exploitation throughout the High North, the related shipping service and supply would increase. Only a few shipping companies participate in this competitive market and the majority of international trading companies would not be interested in offering their services in this specific market, particularly because of the strict rules that govern the technical shipping requirements (charts, ice classification of hull, crewing etc.).

Taking a closer look at the different sorts of cargo and the respective shipment criteria, one could conclude that the quantity of passages in the container, oil and gas segment would probably not increase significantly – due to the absence of cargo turnover possibilities. Yet, the opportunity of shipments of special bulk and heavy load cargo between both China and Europe might result in an increase in transit.

Together with the increasing activities of exploration and exploitation, also more ships would supply and maintain the growing facility infrastructure in the High North. Also, the quantity of research vessels is likely to increase, in particular since the scientific community is still lacking detailed knowledge of the complexity of Arctic environment. A further realistic assessment is that the fishing industry would send more ships into Arctic waters to protect their stakes in this rather untouched source of food. As a consequence of the public's awareness in regard to the thawing of the polar ice, the tourism industry is offering more cruises to the High North, promising new and beautiful views of this unique region. All of these shipping activities, however, do not support the image of a "Suez Canal" in the High North.

For the time being, the main commercial consideration behind Arctic shipping is the transport of resources from the particular area of exploitation to refinery sites elsewhere and, in return, bringing maintenance and supply goods to the exploration and exploitation facilities. This is to be understood as shortsea traffic and not as being "transitting".

A shift of trading routes from the traditional voyages from the "Southern" routes through Suez Canal or Panama Canal to the High North is unlikely – unless the environment would allow the creation of broader industry sites and housing communities in the Northern territories. And even then, it would require many years of continuous growth until this area becomes an attractive destination for regular shipping liner service.

One has to bear in mind that prestige is rarely a commercial consideration in shipping. It is true, that some shipping companies did transit the Northern Sea Route with container ships, namely COSCO from China, but these transits were merely based on the message, "we can do it", rather than being a commercially reasonable approach.

EAST-WEST RELATIONS IN THE HIGH NORTH: CHALLENGES AND OPPORTUNITIES

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The general deterioration of Russia's relationship with the West, particularly after the country's 2014 intervention in Ukraine, has had, and will likely continue to have, a negative impact on the security situation in the eastern border regions of northern, central, and southern Europe. Russia's naval and air force presence is on the increase in all of the country's northern and western maritime frontier regions. This is also reflected in the number and severity of "close military encounters" between Russian and Western forces since 2014. Still, the security situation in the Barents Sea region appears to be less tense and more predictable than the security situation in the Baltic and Black Sea regions. Norway has been able to preserve a significant degree of practical cooperation with Russia in the High North, despite the freeze in military-to-military contacts. Further steps may be taken to reduce the likelihood of a Russian-Western military confrontation in Europe.

The main purpose of this paper is to shed some light on the security situation on NATO's northern flank, with a particular focus on the maritime dimension. The European Arctic is, for better or worse, an important arena for East-West interaction. The security environment in the Barents Sea and other parts of the Arctic is undergoing significant and most likely irreversible changes. Higher air and water temperatures are changing the physical geography of the northern part of the globe. The retreat of the polar ice cap is opening up previously inaccessible parts of the region to resource exploration, fisheries, ship traffic, and ship-based adventure tourism. This is creating a variety of new "soft" security challenges for the surrounding coastal states, related to issues such as resource management, marine safety, search and rescue capacity, and oil spill response preparedness.

Also, the "hard" security challenges in the Arctic seem to be on the rise. Since 2008, Russia has invested heavily in new military capabilities and has started to modernize its nuclear and conventional naval forces on the Kola Peninsula. The country has also strengthened its military presence and activity in the northern coastal regions, waters, and airspace. At the same time, Russia's relationship with the Western world has taken a sharp turn for the worse, particularly since the Ukraine conflict in 2014. Russia's illegal annexation of the Crimean Peninsula in March 2014 and the country's military involvement in the conflict in Eastern Ukraine have created a new security situation in Europe. Russia's attempts to challenge the post-Cold War European security order and change internationally recognized borders by force have given rise to an uncertainty that goes well beyond the post-Soviet space. Since the Ukraine intervention, NATO has had to reassess many aspects of its relationship with Russia. The alliance has also initiated a number of measures to strengthen the military security of its eastern member states, particularly the Baltic states, Poland, and Romania. Further to the north, NATO's northernmost member – Norway – is following developments in Russia more closely than ever. The same goes for non-aligned Sweden and Finland, which are trying to adapt to the emerging, and increasingly complex, security environment in High North.

In order to get a better understanding of the dynamics currently at play in the High North, it is necessary to put the recent changes in a historical and comparative perspective. Thus, this paper will explore not only how, and to what extent, the security situation in the Barents Sea region has changed in recent years, but also how interstate relationships and patterns of military activity in this part of Europe have evolved in the two and a half decades that have passed since the end of the Cold War. Comparisons will also be made between the present-day situation in the Barents Sea region and the situation in the Baltic and Black Sea regions. Hopefully, this will provide us with a basis for some reflections on both the scope and nature of current and possible future

security challenges in these regions, on Russia's relationship with the West, and on possible ways of dealing with the challenges.

The paper is divided into four parts. The first part features a brief overview of major political and military developments in the post-Cold War period and a review of the current state of East-West relations in the High North. The second part will discuss the security ramifications of Russia's intervention in Ukraine. This also includes an analysis of similarities and differences between the security dynamics in the Barents Sea region and those in other maritime regions bordering the Western part of the Russian Federation, most notably, the Baltic and Black Sea regions. The third part of the paper deals with the topic of risk reduction and confidence-building. It includes a discussion of possible steps that may be taken in order to prevent the continued occurrence – and potential escalation – of incidents and episodes involving Russian and Western naval and air forces operating in and above said maritime areas. The suggested measures center on the need to enhance the transparency, predictability, and non-provocative nature of military activity and other possible ways to inspire greater trust and confidence in Russia's relations with its Western neighbors. The fourth and final part contains a brief summary of findings and some concluding remarks.

THE HIGH NORTH: DEVELOPMENTS IN THE POST-COLD WAR PERIOD

Since the end of the Cold War, the High North has generally been perceived – in Russia as well as in the West – as a peaceful and stable region, characterized by a low level of political and military tension. Russia's southern and southeastern neighborhood, including the Caucasus and Central Asia, has historically been far more fragile and conflict prone than the country's northwestern border regions. Unlike most of Russia's other neighbors, Norway has never been at war with, or invaded by Russia, and the two countries' 196-kilometer land border has essentially been unchanged since 1826.¹ In that sense, Norway's historical experience with Russia and the former Soviet Union has been somewhat different from that of, say, Finland or the Baltic countries.

After the Cold War, it was possible for Norway and Russia to “normalize” their bilateral relations and establish bilateral and regional cooperation within a number of areas. Efforts were made to overcome the old East-West divide and replace the logic of Cold War antagonism with a new logic, based on common values and shared interests. Cross-border interaction on personal, institutional, and organizational levels grew rapidly throughout the 1990s and early 2000s. Security-related restrictions on commercial and industrial activities in the Barents Sea region were also lifted and new patterns of civil-military relations started to emerge. By the early 2000s, the Barents Sea and other parts of the Arctic, which in previous times had been seen primarily as a theater of military operations, were increasingly understood as an arena for interstate cooperation and economic activities such as fisheries, marine transportation, and offshore petroleum exploration.

In the 1990s and 2000s, Norway's bilateral cooperation with Russia in the High North was not merely limited to joint endeavors in non-military fields, such as fisheries management, environmental protection, and nuclear safety. Starting in the first half of the 1990s, cooperative relations were also established between the two countries' armed forces. In 1994, Norwegian and Russian naval forces conducted their first joint exercise in the Barents Sea, called “Pomor”. Similar exercises were held intermittently until the spring of 2013, and with an increasingly prominent “hard security” profile (Pettersen 2013). Some of the joint military activities, such as the “Northern Eagle” exercises, also involved American naval forces. The purpose of the latter exercises, which were held for the first time in 2004, was to promote military cooperation between the US, Russia, and Norway in the High North (for details, see for instance O'Dwyer 2012; US Department of State 2012).

Since the early 1970s, the single most difficult issue in the Soviet Union's (and later the Russian Federation's) bilateral relationship with Norway has been the two countries' inability to reach agreement on a maritime boundary line in the Barents Sea. However, in 2010, after more than four decades of bilateral negotiations, an agreement was finally reached. The Norwegian-Russian treaty on “Maritime Delimitation and Cooperation in the Barents Sea and the Arctic Ocean” established a 1700-kilometer boundary line between the

¹ The only major exception was that Norway did not have a direct land border with the Soviet Union in the period between 1920 and 1944, when the Petsamo corridor was controlled by Finland.

two countries' northern economic zones and continental shelves (see Figure 1).² The formerly disputed area of some 175,000 square kilometers was divided in two parts of approximately the same size, and the “grey zone” arrangement in the Barents Sea, established in 1977, came to an end. The 2010 agreement, which entered into force in July 2011, has now been in force for more than five years and seems to be functioning well.

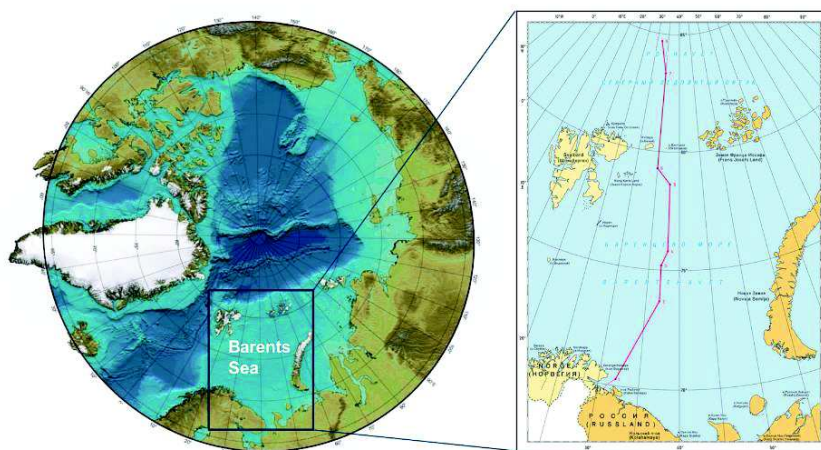


Figure 1: The Arctic, the Barents Sea, and the Norwegian-Russian maritime delimitation line.³

The Barents Sea, that is, the maritime area between the northern coast of the European mainland and the archipelagos of Svalbard, Franz Josef Land, and Novaya Zemlya, is a treasure chest of living marine resources. The continental shelf underneath it is believed to contain significant resources of oil, gas, and minerals. The offshore petroleum activity in this area is still limited, mostly due to low oil and gas prices and Western sanctions, but the Barents Sea fisheries is a billion-dollar industry which provides revenues and jobs to Northern Norway and Northwest Russia. Many of the commercially important fish stocks in these waters, such as cod, haddock, and capelin, are managed jointly by Norway and Russia.

The two countries' fisheries agencies and coast guards cooperate closely and effectively in the management of these resources, and in the enforcement of fishery-related agreements and regulations. Partly as a result of these efforts, illegal, unreported, and unregulated (IUU) fishing seems to be much less of a problem in the northern waters than in many other regions, and the IUU fishing in this region is significantly less extensive today than it used to be in the 1990s and early 2000s (Hønneland 2012: 75). However, climate change and rising water temperatures have led to a northward movement of many of the above-mentioned and other fish stocks (and fishing vessels), causing additional management and enforcement challenges for the coastal states. Anticipating the possibility that some fish stocks might migrate into maritime areas located outside the coastal states' 200-nautical-mile Exclusive Economic Zones, the Arctic coastal states have recently signed a declaration temporarily banning commercial fisheries in the central Arctic Ocean until a proper regulatory regime is in place.⁴

With regard to Russia's growing military presence in the Arctic, it can be noted that this is a development which started well before the Ukraine conflict, but which has been intensified since 2014. Most likely, we will continue to see an increase in the level and scope of Russia's military activity in the High North, particularly at sea and in the air. In 2007, Russia resumed the practice of conducting strategic bomber patrols in the international airspace over the Barents, Norwegian, and Greenland Seas. This is now a routine occurrence. Three years ago, we saw the entering into service of Russia's first new ballistic missile submarine of the Borei class, the “Yuri Dolgorukiy”, as well as the commissioning of the “Severodvinsk”, which is the first attack

² The treaty was signed in Murmansk on 15 September 2010 and entered into force on 7 July 2011. The text of the treaty is available at https://www.regjeringen.no/globalassets/upload/SMK/Vedlegg/2010/avtale_engelsk.pdf.

³ Sources: NOAA and Norwegian Ministry of Foreign Affairs.

⁴ The declaration is available at <https://www.regjeringen.no/globalassets/departementene/ud/vedlegg/folkerett/declaration-on-arctic-fisheries-16-july-2015.pdf>.

submarine of the Yasen class. More new SSBNs and SSNs, as well as new SSKs and surface vessels, will enter service in the coming years.

The Barents Sea is still a crucially important basing and operation area for Russia's strategic submarines and the naval and air forces that defend them. Currently, some 60 percent of Russia's 704 sea-based strategic nuclear warheads are based in the country's northwestern corner, whereas the remaining 40 percent are deployed at Kamchatka. This distribution may change as more Borei-class SSBNs enter service with the Russian Pacific Fleet, replacing the old Delta IIIs, but there is little doubt that the European Arctic is still seen as crucially important to Russia's security. The recent deterioration of Russian-Western relations after the intervention in Ukraine may even serve as an impediment to a Russian strategic shift towards the Asia-Pacific region.

THE UKRAINE CONFLICT AND ITS CONSEQUENCES

The security situation in Northern Europe and the nature of Norway's bilateral relationship with Russia are to a significant degree shaped, or at least influenced, by developments in other parts of the world and the dynamics of the NATO-Russia relationship. This is also largely the case in other maritime frontier regions such as the Baltic and Black Sea regions. On the southern flank of the Alliance, Russia's bilateral relationship with Turkey deteriorated badly in 2015, mainly as a result of both countries' military involvement in the Syrian civil war, Russia's repeated violations of Turkey's southern airspace, and the downing of a Russian Su-24 fighter jet on the Turkish-Syrian border 24 November 2015 (for details, see BBC 2015). Despite Turkey's recent (August 2016) efforts to mend fences with Russia, the latter incident has undoubtedly complicated Russia's already strained relationship with NATO.

Russia's 2014 intervention in Ukraine has changed the security dynamics in Europe in profound ways. Shortly after Russia's intervention in Crimea, the Norwegian Government decided in March 2014 to put its military cooperation with Russia on hold, including all planned visits, exchanges, and joint exercises (Ministry of Defence of Norway 2015). The Norwegian-Russian-American "Northern Eagle" exercise, planned for the spring of 2014, was also called off. In April of the same year, NATO's foreign ministers agreed to suspend all of NATO's practical cooperation with Russia; military and as well as civilian (NATO 2014). The EU and Norway have also imposed individual travel restrictions, in the form of a Schengen visa ban, on a number of high-ranking military officers who are believed to have played a role in the planning or execution of the Russian intervention in Ukraine. The list of sanctioned individuals includes, among others, the Chief of Russia's General Staff, General Valeriy Gerasimov, and the former and current commanders of the Western Military District, Generals Anatoliy Sidorov and Andrei Kartapolov.⁵

Norway's temporary suspension of its military cooperation with Russia has since 2014 been prolonged several times, as has NATO's. Further prolongations of the ban on military cooperation with Russia, as well as other restrictive measures in this and other fields, are likely to follow. The current situation, characterized by a comprehensive freeze in military-to-military interaction, could become "the new normal" in NATO's and the EU's eastern frontier regions. If the current lack of dialogue, interaction, and cooperation between military commanders and military forces in Northern Norway and Northwest Russia becomes a semi-permanent situation, this may contribute to a climate of reduced military transparency and increased suspicion. Incidents and episodes in the northern waters, including incidents involving Russian actors, may escalate more easily than they have done in the past. Given the growing economic and strategic significance of the Arctic region, and Russia's new assertiveness in international affairs, Russia may be more inclined to "brinkmanship" in the defense of its rights and interest in this and other border regions (Frear, Kulesa & Kearns 2014).

It should be mentioned in this regard that the Barents Sea fisheries take place not only in Norway's and Russia's exclusive economic zones but also in the Svalbard Fisheries Protection Zone, which was established by Norway in 1977. Russia has on a number of occasions questioned the legal basis for the establishment of this zone and the Norwegian Coast Guard's enforcement measures vis-à-vis Russian trawlers operating in the Svalbard zone have, on occasions, lead to fierce reactions from Russian state and non-state actors. In the current

⁵ For details, see Council Decisions 2014/145/CFSP, 2014/308/CFSP, and 215/241/CFSP, available at <http://eur-lex.europa.eu/homepage.html>.

geopolitical climate, fishery disputes in this and other parts of the Barents Sea may be more prone to escalation than they have been in the past. The same goes for disagreements regarding the legal status of the continental shelf around the archipelago (Åtland 2014b).

As in the Cold War period, routine military activities on the Norwegian side – on land, at sea and in the air – are likely to be interpreted in Russia as an expression of NATO’s allegedly aggressive intentions in the High North. Despite being of a small scale, exercises which take place in the far northeast, that is, in the county of Finnmark, are likely to be seen as a threat to Russia’s strategic interests in the region. For that reason, the “Joint Viking” exercise in Finnmark in March 2014, which was a national joint exercise involving some 5,000 personnel, was portrayed by RIA Novosti as a “NATO provocation”. The short-term presence of a Norwegian frigate in Kirkenes, eight kilometers from the Norwegian-Russian land border and 150 kilometers from the Russian Northern Fleet’s headquarters in Severomorsk, was seen as particularly problematic, according to the Russian media reports (Khrolenko 2015).

The participation of troops, vessels, and aircraft from other NATO countries in military training activities in Northern Norway, such as the “Cold Response” exercises, has also been a source of Russian complaints. The “Cold Response” exercises, which have been held on a more or less regular basis since 2006, are usually held further south than in Finnmark, mainly in the County of Troms. These exercises are increasingly interpreted in the context of the NATO’s deteriorated relationship with Russia. For instance, the 2016 edition of the “Cold Response” exercise, which involved some 15,000 troops from 14 NATO member and partner countries, including Sweden and Finland, was not well received by the Russian political and military establishment (RIA Novosti 2016). Similarly, Russia’s military activity in the region, which has grown considerably in the past seven-eight years, may cause new security concerns in the West. This is particularly the case with the so-called “snap exercises”, which are unannounced and often large in scale. Despite generally good intelligence, Russia’s western neighbors have no way of knowing whether such exercises are for military training purposes only, or a cover for the preparation of armed aggression. The lessons from Ukraine, particularly with regard to Russia’s behavior prior to the intervention in February 2014, will obviously have to be taken into account in this regard.

This brings us to the related question of how vulnerable the Nordic and Baltic states are to the kind of military pressure and “hybrid warfare” tactics that Ukraine was exposed to in 2014. Are there similarities or parallels between the security situation in the Black Sea region and the security situation in the Barents and Baltic Sea regions? And what are the main differences? The short answer to these questions seems to be that the security situation in the High North has been negatively affected by Russia’s use of military force against Ukraine, but perhaps not to the extent that it has in the Baltic and Black Sea regions. In the Baltic Sea, there has been a significant increase in Russian naval activity as well as incidents where Russian aircraft have violated the air borders of Estonia, Finland, and Sweden (for details, see Frear, Kulesa & Kearns 2014). In the Black Sea, American and Canadian naval surface vessels, such as the USS “Donald Cook” and the HMCS “Toronto”, have been exposed to repeated low-altitude “buzzing” by Russian fighter aircraft (Frear, Kulesa & Kearns 2014). Similar incidents have occurred in the Baltic Sea, including as recently as in April 2016 (Borger 2016). In the Barents and Norwegian Seas, such incidents are extremely rare.⁶ Despite a generally high level of Russian air and naval activity, the situation in the northernmost part of Europe appears to be more stable, and the Russian forces’ behavior seems to be less provocative and more predictable than in the Baltic and Black Seas.

Norway’s security situation in the High North may have certain features in common with the security situation of Norway’s neighbors to the east and south, that is, Sweden, Finland, Estonia, Latvia, and Lithuania, but there are also a number of significant differences. The ethnic composition of the population along the eastern border of the Schengen region varies greatly. In the Norwegian border town of Kirkenes, the Russian population constitutes less than 10 percent of the town’s total population. Most of the ethnic Russians living in this and other parts of Norway are well integrated and few, if any of them, claim to be discriminated against. Thus, it is difficult to envision a “Crimean” scenario materializing on Norwegian soil, or in Finland’s eastern border regions. In these regions, there is little room for the use of local political, ethnic, or linguistic tensions as a pretext for military intervention. Such scenarios are probably more likely to occur in Estonia or Latvia, which

⁶ There was one with the “USS Taylor” back in 2010, see Barbara Starr (2010) for details.

both have large Russian minorities within their borders – in many cases located in areas close to the Russian Federation.

NATO's role as a security provider for the countries in Northern Europe has undoubtedly grown, especially after the Baltic states' accession to NATO in 2004. Sweden and Finland, which are important partner nations for NATO, have strengthened their ties and interaction with the Atlantic alliance as well as their mutual defense cooperation. At the Wales summit in September 2014, NATO signed "host nation support" agreements with both countries. Sweden and Finland are also important contributors to the Nordic Defense Cooperation (NORDEFCO), which was established in 2009. But as non-members of NATO, they are not covered by the collective security clause of the North Atlantic Treaty. In that sense, they are in a somewhat different, and perhaps more disadvantaged, position than Norway and the Baltic states. On the other hand, Sweden and Finland are presumably viewed by Russia as less of a threat than the northern NATO members.

In addition to Sweden, Finland, and Russia, the Baltic Sea is surrounded by six NATO countries – Estonia, Latvia, Lithuania, Poland, Germany, and Denmark. Further north, by the Barents Sea, Norway is the only coastal state in addition to Russia, and NATO's only regional representative. Should crises arise in this region, or should Norway be exposed to Russian military provocations, either on land, at sea, or in the air, Norway will have to handle these by itself and with the forces that are already available in the region, at least until allied reinforcements can be brought in by air or sea. Thus, crisis management and the transfer of reinforcements from the south are important elements in the military contingency planning and training activity that takes place on NATO's northern flank.

Thus, if we compare the post-2014 security situation of Norway with the post-2014 security situation of other European nations which happen to share a land border or a body of water with Russia, there are similarities as well as differences. The Nordic, Baltic, and Black Sea countries' historical experience with Russia varies greatly, and there are also significant differences when it comes to the countries' ethnic composition, alignment status, and geopolitical position. Norway's most likely scenario for a conflict with Russia may not necessarily be the most likely conflict scenario of Estonia or Latvia and vice versa. In Norway's case, incidents and episodes involving Russian actors are more likely to happen at sea than on land. One of the things Norway and the Baltic states have in common, though, is that they are relatively small countries located on the periphery of Europe, and that their armed forces are relatively small in size, at least compared to those of Russia. Therefore, they depend heavily on NATO for their national security. For this reason, Norway has in recent years tried to increase NATO's attention towards the re-emerging security challenges on the northern flank of the Alliance.

RISK REDUCTION AND CONFIDENCE-BUILDING: WHAT CAN BE DONE?

The emerging "hard" and "soft" security challenges in the High North and in other maritime areas bordering the Russian Federation, including the Baltic and Black Seas, are anything but trivial. The challenges will require the development of functional military, constabulary, and emergency response capabilities, a consistent and sustainable maritime presence, enhanced maritime domain awareness, and an improved ability to respond rapidly and effectively to crises and emergencies. Due to their geographical location, the eight Arctic Council member states, including the five Arctic coastal states (Russia, the US, Canada, Denmark, and Norway), have a special role to play in the joint efforts to preserve ecological, political, and military stability in the northern part of the globe.

Judging from the way in which the Arctic rim states formulate their visions and priorities for the region, they do have significant goals and interests in common. Since 2008, all of the five Arctic coastal states, as well as Sweden, Finland, Iceland, and the European Union, have adopted strategy or policy documents for the Arctic region.⁷ These documents overlap and coincide in a number of areas. All of the Arctic nations, as well as the European Union, emphasize the great importance of international law and, in particular, the Law of the Sea Convention (UNCLOS) in settling unresolved maritime disputes in the region. Moreover, they stress the need to protect the region's vulnerable coastal and marine environment, the need to ensure that living marine

⁷ Links to Arctic strategy documents adopted between 2008 and 2011 can be found on the website of the "Geopolitics in the High North" research program, <http://www.geopoliticsnorth.org/>.

resources are managed in a responsible and sustainable manner, and the need to strengthen existing regional cooperation arrangements such as the Arctic Council.

In recent years, the Arctic Council's eight member states have been able to expand and deepen their cooperation within a number of fields. The "Agreement on Cooperation on Aeronautical and Maritime Search and Rescue in the Arctic",⁸ which was signed in 2011 and entered into force in 2013, was the first legally binding agreement negotiated under the auspices of the Arctic Council. And in 2013, the Arctic Council member states also signed an agreement enhancing marine oil pollution preparedness and response capabilities in the Arctic.⁹ Since 2014, the Arctic Council has largely been able to refer concerns and disagreements relating to the Russia-Ukraine conflict to other and more appropriate forums, thus preventing much of the negative political "spillover" effect that many anticipated at the outset of the conflict.¹⁰

In the fall of 2014, the Arctic Coast Guard Forum (ACGF) was established during a ceremony at the US Coast Guard Academy in New London, Connecticut (Braynard 2015). The ceremony, as well as a follow-up meeting held in Boston in June 2016, was attended by all eight Arctic Coast Guard Chiefs, including Russia's (Vice Admiral Yuri Alekseyev). The leadership of the forum, which is currently chaired by US Coast Guard Commandant Paul Zukunft, is set to rotate every two years, in concert with the chairmanship of the Arctic Council. Based on agreed-upon procedural guidelines, the Arctic Coast Guards will use this forum to enhance their operational capabilities through extensive information sharing, the development of "best practices", the identification of future training needs, and the organization and conduct of combined exercises and operations in the Arctic (Sevunts 2016). In the current and, presumably, long-lasting absence of military-to-military cooperation between Russia and its Arctic neighbors, the Arctic Coast Guard Forum may turn out to be an important arena for East-West dialogue on and cooperation in the Arctic. Hopefully, this and other regional and bilateral cooperation arrangements within the sphere of "soft" security (air and maritime search and rescue, oil spill preparedness, resource management, "constabulary" presence, etc.) may contribute to an increased level of trust in Arctic interstate relations.

This is not to say that there is no potential for interstate conflicts in the region. Unlike Antarctica, the Arctic is not a demilitarized zone. The region still plays an important role in the nuclear deterrence strategies of Russia and the United States, and all of the Arctic coastal states attach great importance to their economic and national security interests in the region. If challenged by their neighbors or outside actors, they may be willing to go to great lengths to defend their rights and interests, either by threatening to use – or in the worst case – resorting to military force. Thus, the Arctic coastal states seem to find themselves in a classic security dilemma: They fear that if they do not strengthen their military and constabulary capabilities in the region, other and more powerful actors may try to exploit their weakness and threaten their interests in the region. On the other hand, if they do strengthen their military capabilities in the Arctic, there is a risk that their neighbors may feel compelled to do the same. This may, in turn, heighten the level of military tension in the region (Åtland 2014a: 146).

The fact that four of the five Arctic coastal states (the US, Canada, Denmark and Norway) happen to be members of the same military alliance (NATO), seems to be a source of particular concern for the fifth one (Russia). Russian media and policymakers have in recent years had a tendency to portray any foreign military presence and activity in the Arctic – and particularly that of NATO – as hostile and provocative, even when such activity does not infringe on recognized Russian rights. According to the Secretary of the Russian Security Council, Nikolay Patrushev, "the United States, Norway, Denmark, and Canada are pursuing a common and coordinated policy aimed at denying Russia access to the riches of the Arctic continental shelf" (Gazeta 2009, translation by the author). Obviously, such statements are often intended for domestic audiences and should not

⁸ The agreement is available at <https://oaarchive.arctic-council.org/handle/11374/531>.

⁹ The agreement is available at <https://oaarchive.arctic-council.org/handle/11374/529>.

¹⁰ Russia's Arctic Council representatives have been confronted with the issue also in this setting, most notably during the Canadian chairmanship, which ended in April 2015. In reference to Russia's actions in Ukraine, Canada's Environment Minister, Leona Aglukkaq, boycotted an Arctic Council meeting in Moscow in the spring of 2014, see Kim Mackrael (2015). However, other than that, the Council's work at political and expert levels has largely been unaffected by the issue.

necessarily be taken at face value. At the same time, there are many indications that Russia's security concerns in the region are genuine.

The Kola Peninsula's role as the primary basing area for Russia's sea-based strategic deterrent is clearly an important factor in this regard. In February 2012, General Nikolai Makarov, at the time Chief of the Russian General Staff, stated that "we will not accept that US vessels equipped with the Aegis Ballistic Missile Defense System operate in our part of the Arctic". He added that Russia had "matching measures ready" to counter such a turn of events (Staalesen 2012). The United States, on its part, maintains that its ABM measures, including the efforts to equip a growing number of US Navy cruisers and destroyers with ABM-capable Aegis missile defense systems, are not directed against Russia but rather the missile threat from rogue states such as Iran and North Korea. In December 2011, then-US Secretary of State Hillary Clinton pointed out that "we have explained through multiple channels that our planned system will not and cannot threaten Russia's strategic deterrent. It does not affect our strategic balance with Russia and is certainly not a cause for military countermeasures" (Northam 2011).

The examples above illustrate well how the security dilemma plays out in the field of nuclear deterrence and how "action-reaction" dynamics may contribute to an unintended and often unforeseen increase in military presence and tension in the High North, as well as in other maritime border regions. Part of the problem seems to be that Russia and the four other Arctic coastal states do not have a proper forum in which to discuss security issues such as the ones mentioned above. Russia is neither a member of NATO nor part of the Western security community. The Arctic Council, which Russia is a prominent member of, is not seen as a forum in which (hard) security issues can or should be discussed. In the Arctic, as in other regions, military relations between Russia and the West are increasingly marked by fear, lack of communication, and mutual distrust.

The number and severity of "close military encounters" between Russia and its Western neighbors has also grown considerably, particularly since 2014. In March 2015, researchers affiliated with the European Leadership Network (ELN) presented a report listing 66 Russian-Western military encounters in various regions since the Russian intervention in Crimea. Three of the incidents were categorized as "high risk incidents", 13 as "serious incidents with escalation risk", and the remaining 50 as "near-routine incidents". A large majority of the listed incidents (40 of 66), and all of the incidents classified as "high risk", took place in the Baltic Sea region. Four incidents, all of them "serious", were reported to have taken place in the Black Sea region. Eight of the incidents listed in the ELN report took place in the Arctic, but only four of them, none of them "serious" in nature, took place in or above the Barents Sea (Frear 2015: 7–24). The number and classification of such incidents may, of course, be debatable, but the 2015 ELN study seems to confirm the impression that the situation in the High North is, at least for the time being, more predictable than the situation in many other maritime areas bordering the Russian Federation.

There may be several reasons for this. Since the suspension of Norway's (and NATO's) military-to-military cooperation with Russia, which came as a direct result of Moscow's intervention in Ukraine in February–March 2014, Norway and Russia have continued to interact and cooperate in a wide range of other settings. Despite certain limitations caused by the Western economic sanctions, and by Russia's counter-sanctions against its Western neighbors, the "people-to-people" cooperation in the Barents Region has largely been preserved. There seems to be an implicit understanding that some cooperation areas are "too important" to be damaged by the fluctuations in Russia's overall relationship with the West. The list of largely unaffected areas of cooperation includes, among other things, the Norwegian and Russian Coast Guards' long-standing, comprehensive, and highly successful joint efforts to combat illegal fishing in the northern waters. The list also includes the extensive cooperation between the two countries' maritime search and rescue services as well as cooperation between Norwegian and Russian police, border, and customs authorities on the local level.

The long-standing Incident at Sea Agreement (INCSEA) between Norway and Russia,¹¹ which regulates how the two countries' naval forces signal, navigate, and communicate when they meet on the high seas, is also still in force. The agreement contains important rules of conduct not only for naval vessels but also for military aircraft, particularly with respect to how they should behave in the vicinity of the other party's air and naval

¹¹ The agreement was signed between Norway and the Soviet Union in 1990, and has later been updated and expanded.

vessels. The need to maintain a safe distance, refrain from provocative or dangerous maneuvers, simulated attacks, etc. are key to avoid mishaps. General or episode-specific concerns relating to the other side's compliance with the provisions of the agreement may be raised and discussed in high-level meetings between the two countries' military authorities. Such meetings are still held on a regular basis, most recently in Oslo in November–December 2016. The duty officer at the Norwegian Joint Headquarters, located at Reitan outside Bodø in Northern Norway, also has a Skype-based communication channel to his counterpart at the Russian Northern Fleet's staff in Severomorsk on the Kola Peninsula (High North News 2016). This working-level "hot line" offers an around-the-clock channel to communicate concerns, formulate questions and answers, and thereby prevent misunderstandings and unintended escalation of incidents and episodes in the region.

Drawing on empirical and analytical work conducted by researchers affiliated with the European Leadership Network and other think tanks, a Russian-Western "task force" of former politicians, diplomats, and academics has recently published a position paper in which they call attention to the growing risk of a military conflict between Russia and the West. Referring to the potential for "dangerous miscalculation[s]" and "accidents that could trigger [...] a direct military confrontation between Russia and the West", the group proposes the initiation of talks, for instance in the NATO-Russia Council, on the possibility of a "Memorandum of Understanding between NATO and the Russian Federation on the Rules of Behaviour for the Safety of Air and Maritime Encounters" (Task Force on Cooperation in Greater Europe 2015: 3). Such a document might, for instance, be modeled on an a similar agreement signed in 2014 between the United States and China,¹² and drawing on elements from the 1972 US – Soviet "Agreement on the Prevention of Incidents On and Over the High Seas"¹³ and the 1989 US – Soviet "Agreement on the Prevention of Dangerous Military Activities".¹⁴ A NATO-Russia MoU developed along these lines might, in the group's view, be helpful in reducing the risk and escalation potential of such encounters.

This and other ideas aimed at increasing transparency and predictability in Russian-Western and Russia-NATO relations should be given careful consideration. At the same time, it may be pointed out that there are already a number of other agreements in place, bilateral as well as multilateral, and that these may serve much of the same purpose. In addition to Norway and the United States, ten other NATO members have bilateral INCSEA agreements with Russia,¹⁵ and four NATO members have bilateral agreements with Russia on the prevention of dangerous military activities (DMAs).¹⁶ There are also other agreements, such as the Vienna Document (OSCE 2011), which regulates important military aspects of confidence and security, particularly on land. In the current international climate, it is important that all parties abide by already existing agreements on incident management and actively work towards the common goal of greater military transparency, in the High North as well as in other Russian-Western frontier regions (Kulesa, Frear & Raynova 2016).

CONCLUDING REMARKS

The security environment in the High North has undergone significant changes in recent years, as have the dynamics of Russia's relationship with its Western neighbors. Since 2008, Russia has invested heavily in the modernization of its military forces – both nuclear and conventional. As a result, the country's military presence and activity in the Arctic has grown in scope, scale, and geographic reach. Russia's actions in Ukraine since 2014 have had a distinctly negative impact on Russia's relations with the West and created new security concerns for the country's northern neighbors. Within NATO, renewed attention is being paid to "the Russia

¹² "MoU Between the Department of Defence of the United States of America and the Ministry of National Defence of the People's Republic of China Regarding the Rules of Behaviour for Safety of Air and Maritime Encounters", available at http://www.defense.gov/Portals/1/Documents/pubs/141112_MemorandumOfUnderstandingRegardingRules.pdf.

¹³ "Agreement Between the Government of The United States of America and the Government of The Union of Soviet Socialist Republics on the Prevention of Incidents On and Over the High Seas", available at <http://www.state.gov/t/isn/4791.htm>.

¹⁴ "Union of Soviet Socialist Republics – United States: Agreement on the Prevention of Dangerous Military Activities", available at http://www.jstor.org/stable/20693340?seq=1#page_scan_tab_contents.

¹⁵ The list of Western nations that do *not* have bilateral INCSEA agreements with Russia includes, among others, Sweden, Finland, Estonia, Latvia, Lithuania, Poland, Romania, and Bulgaria. For details, see Kulesa, Frear & Raynova (2016).

¹⁶ The United States, Canada, Greece and the Czech Republic have bilateral DMA agreements with Russia.

factor” and to the emerging “hard” security challenges on the northern flank of the Alliance. NATO’s article 5 commitments do apply to all of the member states and all parts of their land, sea, and air territory, including such remote areas as the archipelago of Svalbard, located halfway between the northern tip of the European mainland and the North Pole. NATO’s contingency plans for the North Atlantic and the European Arctic need to be revised and updated, and interoperability needs to be boosted through high-end exercises and training.

In the current geopolitical environment, it is important to have a realistic level of ambition for NATO’s future relationship with Russia. A “strategic partnership” between the two, as outlined in NATO’s 2010 Strategic Concept (NATO 2010), is currently not feasible, mostly because Russia sees NATO as its main military adversary (President of Russia 2014). Instead of trying to turn the NATO-Russian relationship into a “strategic partnership”, Russia and NATO should try to agree on some basic steps to rebuild mutual trust and confidence, particularly in the border regions of northeastern, central-eastern, and southeastern Europe. Such steps may include measures to increase the transparency and predictability of military activity as well as other measures aimed at reducing the likelihood and/or escalation risk of incidents at sea or in the air.

In the High North, Russia and its Arctic neighbors share significant interests, particularly related to the sphere of “soft security” and the challenges caused by climate change and growing human activity. As Norway’s experience has shown, it is possible, even in the current security environment, to maintain cordial relations and a significant degree of practical cooperation with Russia on these issues, despite continued economic sanctions and the suspension of military-to-military contacts. In a political climate marked by growing fear, suspicion, and mistrust between Russia and the West, joint endeavors within the field of “soft security” can serve as important confidence-building measures. Such measures can also contribute to the preservation of regional stability and, hopefully, the easing of East-West tensions within the sphere of “hard security”.

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TWO CASES OF ARCTIC MARINE GOVERNANCE IN THE INTERNATIONAL SYSTEM: THE BARENTS SEA AND THE PACIFIC ARCTIC

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INTRODUCTION OF RESEARCH AND RESEARCHERS

This paper aims to show that both the USSR and Russia have met the West in two Arctic regions: the Barents region and the Pacific Arctic. In a Nordic and European contexts, this circumpolar aspect to Arctic security and Soviet/Russian-West relations is not always sufficiently appreciated. There are important research and policy lessons to be drawn from Arctic security and East-West relations by comparing these two regions. Initially, it is important to remember both the history of the Arctic and its place in the international system. For centuries, the Arctic has been a part of international political system and has been deeply influenced by world affairs. Today, the Arctic is shaped by power transition and globalization, driven by the return (or rise) of China as well as the ongoing struggles over Russia's position in the post-Soviet international order, which are especially acute in the Caucasus (Georgia war of 2008) and in eastern Europe (Ukraine crisis and the annexation of Crimea since 2014). The Barents region and the Pacific Arctic are both characterized by a spectrum of security issues, from national security to comprehensive human and environmental security. Likewise, the actors employ a broad range of measures to protect their interest – from national security instruments, such as alliances and defense policy, to human and environmental collaboration.

These research results are the outcome of Professor Rasmus Gjedssø Bertelsen's Arctic international politics research (Bertelsen, Gallucci 2016) and the Master's thesis work of Kjersti Irina Rosanoff Aronsen supervised by Bertelsen. Bertelsen has a long-standing personal and professional engagement in North Atlantic and Arctic. He is a Danish citizen, but spent his childhood in Iceland, which elicited a deep personal and professional interest in the past, present, and future of Denmark's relationship with the North Atlantic as well as wider the wider Arctic. Aronsen comes from Vardø, a Norwegian community close to the Norwegian-Russian border. Her family reflects the hybrid nature of the region with a Russian great-great grandfather who was a civil servant of the last Czar. Aronsen's grandfather, Charles Aronsen, was a pioneer of Norwegian-Soviet exchanges in sports during the post-WWII period. This personal background has been a source of inspiration and motivation for Aronsen in her academic work. Her Master's thesis compares Norwegian-Soviet/Russian cooperation in the Barents Region with US-Soviet/Russian cooperation in the Pacific Arctic. The research by Bertelsen and Aronsen has been presented on different occasions, i.a. at the Japan-Norway Arctic Science and Innovation Week in Tokyo, 2nd to 3rd of June 2016.

THE CIRCUMPOLAR ARCTIC

To begin with, it is useful to remind the readership of the circumpolar nature of the Arctic region. Different academic, business, civil society, and government actors within individual Arctic regions can be overly focused on their own Arctic region. Although it is common to emphasize the diversity of Arctic regions, it is important that these differences do not overshadow the common governance structures and conditions in the northern most parts of the globe. In our study, we adhere to the definitions of the Arctic Human Development Report of the Arctic, an area which includes vast swaths of the Russian Federation, the Oulu region and Lapland of Finland, Norrbotten and Västerbotten län of Sweden, Finnmark, Troms and Nordland fylke of Norway, all of Iceland, the Faroe Islands, Greenland, vast areas of Canada and the State of Alaska and all the surrounding maritime areas. Keeping the circumpolar nature of the Arctic in mind, reminds of the commonalities of the Barents Sea and the Pacific Arctic, which are usually viewed in isolation from each other. In both the Barents

Region and the Pacific Arctic, there are vibrant academic, business, civil society and government sectors (including a very substantial military element), where the two regions have not been compared sufficiently.

THE ARCTIC IN THE INTERNATIONAL SYSTEM: COLD WAR AND GLOBALIZATION

It is sometimes stated that, because of climate change, the Arctic has transformed from an uninteresting peripheral region to a vital strategic arena which is now subject to outside interests (Bittner 2016). However, it is very important to keep in mind that, for centuries, the Arctic has been an integral part of international politics, security and economics. In the past, the state of the Arctic has reflected the international system and changes in the Arctic continue to reflect global developments (Heininen, Southcott 2010).

Historically, the Arctic has been part of a Western international system for centuries. Fisheries in the North Atlantic, Northern Norway and around Iceland, have been vital to Europe's food supply since the middle ages, when these waters fed Catholic Europe especially during Lent. The Hudson Bay Company, founded in 1670, in London, heavily invested in the fur trade between North American and the European market and is one of the oldest transnational corporations in Western capitalism. Arctic Sweden has been a major mineral supplier to Europe since the end of the 19th century and still plays a crucial role for Sweden's export economy. Meanwhile, the waters around Alaska have been a major source of seafood for the American market and, since the 1960s, Alaska is one of the US' most import oil producing states. The Soviet Union, on its part, has industrialized its vast Arctic regions to extract oil, gas and minerals, which are an important basis of the natural rent-based Soviet and Russian economy (Heininen, Southcott 2010).

Politically and strategically, the Arctic has also been deeply affected by the developments in the international system in terms of great power competition. According to Icelandic historical archival research in France reported in the Icelandic daily *Morgunblaðið* in 2004, the loss of Canada in the Seven Years' War (1754-1763), caused the French navy to be so concerned with the loss of its North Atlantic foothold that it asked the King of France to offer the King of Denmark-Norway Louisiana in exchange for Iceland. If this offer had been made and accepted, it would undoubtedly have led to British-French war over Iceland. A few decades later, the Napoleonic wars deeply affected the North Atlantic seaspace and societies. Denmark-Norway's contact with its North Atlantic possessions of the Faroe Islands, Greenland and Iceland were at the mercy of Britain after the loss of the Danish-Norwegian navy at Copenhagen in 1801. This circumstance led to the bizarre situation that the Danish adventurer Jørgen Jørgensen declared himself ruler of an independent Iceland, only to be arrested by a ship of the Royal Navy intervening in Reykjavik. Denmark-Norway's defeat as part of the French alliance also led to the separation of Denmark and Norway at the Kiel peace accords of 1814. The provisos granted Denmark its possessions in the North Atlantic even though the Faroe Islands, Greenland and Iceland had been parts of the medieval Kingdom of Norway. In effect, the Treaty of Kiel made the Kingdom of Denmark into the Arctic state it is today. The Arctic continued to be a theatre of global geopolitics in the 19th century, as when the White Sea (and the Baltic Sea and Finnish Bay) were important naval theatres during the Crimean War (Bertelsen 2014, Rath 2015).

The Arctic was the scene of the great political, and military struggles of the 20th century (World War One, World War Two and the Cold War). Throughout both World Wars as well as during the Cold War all of the opposing factions tried to gain control over the North Atlantic sea and air space. To the Western Allies, controlling all forms of communications between Europe, Eurasia and North America was central to be victorious. During WW I, Germany's attempted to cut off Britain from vital supplies from the US by conducting unrestricted German submarine warfare; however only drew the Americans into the war. During the same period of time, the Russian Czarist government founded the port city of Murmansk in 1916, to ensure connections to other regions in the Arctic and beyond. This role was naturally very much accentuated during the time of the Murmansk convoys of World War II and the Battle for the Atlantic. WW I and WW II had deep socioeconomic and political ramifications for the Faroe Islands, Greenland and Iceland. Communication between Denmark and all three overseas territories of the Kingdom of Denmark were limited leading to more independently working economies and polities. Iceland gained sovereignty on 1 December 1918, as the Kingdom of Iceland in a personal union with the Kingdom of Denmark with a shared monarch, Christian X. This independence was a direct consequence of Denmark's desire to achieve self-determination for the Danish

majority in North-Schleswig lost to Germany in 1864. As research by Professor Emeritus Lee Huskey, a specialist for economics in Alaska, has shown to what extent the provisions for war in Europe drew upon investments and manpower from the North American continent – bringing the natural resource boom in Alaska to a standstill. During World War II military confrontation, at a hitherto unknown scale, returned to the Arctic. The German invasion and occupation of Denmark and Norway, which commenced on 9 April 1940, was caused by a great power race to control access to the Swedish Arctic iron ore resources, which were particularly important to Germany's war industry. German control of Denmark and Norway forced Britain to occupy the Faroe Islands and Iceland in April and May 1940. The colony of Greenland had to fend for itself under its colonial administration. Eventually US forces took control of Iceland in July 1941, long before the attack on Pearl Harbor and can rightfully be considered one of the most consequential American foreign policy decisions. British and US occupation and presence on the Faroe Islands, Iceland and Greenland had profound political, social and economic consequences. The large inflow of money and technology led to strong economic development and a revolution in terms of infrastructure. Politically, Iceland declared itself a republic on 17 June 1944, (in accordance with the 1918 union agreement with Denmark). The Faroe Islands got home rule in 1948 after having been de facto self-governing during World War II, and Greenland was elevated from colonial status to equal part of Denmark in 1953 (Bertelsen 2014).

The Cold War was a particularly clear example how political and military strategy could shape the Arctic region. Maybe most importantly, a large number of strategic nuclear weapons and early warning systems were – and remain – deployed in the Arctic. For decades, submarines, carrying nuclear ballistic missiles, have been on patrol in the region. Especially for the Soviet Union, the naval bases on the Kola Peninsula ensures around the year access to the open seas. Both East and West installed an extensive array of early warning systems. It is particularly important to keep in mind that all these efforts were not about Arctic space or societies in their own right. The Arctic happens to be the shortest flight path between Eurasia and North America, and therefore particularly useful for nuclear deterrence. The end of the Cold War was therefore also the prerequisite for the current Arctic of circumpolar collaboration in governance, research, environment, people-to-people, indigenous peoples' affairs, etc. This post-Cold War Arctic was introduced by Mikhail Gorbachev in his 1987 Murmansk speech calling for the Arctic as a zone of peace, research collaboration and environmental protection. Finland immediately seized the initiative and, in 1989, launched the Rovaniemi Process of the Arctic Environmental Protection Strategy between the eight Arctic states; adopted by a ministerial meeting in 1991. Canada advanced the Finnish initiative, creating the Arctic Council in 1996. Norway launched the Barents cooperation in 1993, leading to the Barents Euro Arctic Council (Heininen, Southcott 2010).

Over the last decade, the Arctic has again been shaped by changes in the international system: power transition and globalization, driven by the return of China as a major power and the yet unanswered question of Russia's position in post-Soviet domestic and international affairs. The major international research and policy question today is the return – or rise – of China as well that of other, especially Asian, economies. China's spectacular economic growth and other emerging markets are driving factors behind an ongoing power transition from Western to non-Western states. It is also part of globalization, compressing time and space between societies around the world. These effects are clear around the world, also in the Arctic, where Asian great powers have become stakeholder and active participants in recent years – in correspondence to a more general trend towards their increasing global engagement. This global effect on the Arctic is showcased by the Arctic Council awarding China, India, Japan, Singapore, and South Korea an observer status in 2013 (Bertelsen, Li & Gregersen 2016).

The other systemic development affecting the Arctic is the ongoing struggles over Russia's post-Soviet position in the international system. With the dissolution of the Soviet Union and its sphere of influence in Central and Eastern Europe (among other regions), Russia lost strategic depth towards the West as NATO and EU expanded eastwards. Some scholars argue that Russia's military intervention in both Georgia (2008) and Ukraine (2014) with annexation of Crimea are rooted in this loss of strategic depth (Mearsheimer 2014). Concerning the Arctic, there has been much concern with possible Russian continued aggression or horizontal escalation of the Ukraine crisis into the Arctic. It is rather, the West that has brought the Ukraine crisis into the Arctic by political, financial and technological sanctions of Russian Arctic offshore oil and gas developments,

which are targeted sanctions of the Russian oil and gas-based domestic political economy (Rosen 2016). Russia has emphasized its commitment to continued Arctic dialogue and collaboration, for instance, at the annual Arctic international high level meetings of the Russian Federation Security Council to which Bertelsen was invited in 2014 and 2015 representing Danish academia. This behavior on part of Russia is not surprising. Unlike in Eastern Europe and the Black Sea, Russia has no conflicts with the West in the Arctic. Looking at Arctic relations between the Soviet Union – now Russia – and the West from a historic perspective, brings us to the topic of Barents and Pacific Arctic governance. The Barents region and the Pacific Arctic are the two regions where USSR/Russia shares a common Arctic border with the West.

BARENTS REGION GOVERNANCE

The Barents region, consisting of Northern Norway, Sweden, and Finland, as well as Northwest Russia, is a particularly interesting region to study comprehensive security governance at sea and on land. In this area, three small, democratic states border the autocratic great power Russia (historically the autocratic superpower of the USSR). So, these three small, democratic states, traditionally, have acute national security needs. The USSR and now Russia, on the other hand, has a serious national security challenge in terms of very limited strategic depth around the Kola Peninsula, which is home to the country's key strategic naval bases and numerous commercial ports. In addition to these questions of national security, there are a range of comprehensive security challenges in fields of human and environmental security. Not least, the massive strategic nuclear presence on the Kola Peninsula has created a serious range of human and environmental security issues (Gjørsv et al. 2014).

It is therefore interesting to observe how the three small Nordic states and Russia have deployed a range of security policy instruments, ranging from traditional national security policy, alliance policy, and defense policy to comprehensive human and environmental security policy. Generally speaking, Norway bases its national security on its alliance with the USA, both inside and outside the NATO framework. Norway and the USA, for instance, have close signal intelligence collaboration in the Barents region around the Vardø radar and other facilities. Norway pursues its own defense policy, which contains elements of self-imposed restraints in terms of foreign bases and exercises with other NATO forces. These self-imposed restraints were and remain elements of the Nordic balance. Denmark, Iceland and Norway are restrained NATO-members, and Sweden and Finland non-aligned. The USSR on its side showed restraint towards Finland compared to Central and Eastern Europe. Sweden and Finland organize their national security within the framework of their non-aligned status, which is a key element in the Nordic balance and continues to serve as a de-escalating measure in Northern Europe. The Kola Peninsula remains a highly-militarized area and there are Russian garrisons with apparent offensive capabilities close to the Norwegian and Finnish borders. However, these garrisons should be seen in the light of the very shallow strategic depth of Russia between its key naval facilities on the Kola Peninsula and the Norwegian and Finnish borders. Obviously, neither Norway nor Finland pose any real threat to Russia. However, the Soviet World War II memorial at Litsa, on the Kirkenes-Murmansk road, acts as a reminder of the German invasion of Russia from occupied Norway and Finland. Despite its military superiority in the theater, the threat of foreign great powers staging an attack on the Kola Peninsula from Finnmark and Lapland will remain a Russian preoccupation.

Across the gamut of policy measures, the three Scandinavian states and USSR/Russia have, and continue to, employ a range of human and environmental security instruments. This policy has its roots in Cold War. As mentioned, Aronsen's grandfather was engaged in Soviet-Norwegian sports exchanges in the post-war years. From the mid-1970s onwards, Norway and the Soviet Union engaged in extensive fisheries management collaboration of the economically very important fish stocks of the Barents Sea. The collaboration in this area was one of the most successful examples of environmental partnership between East and West during the Cold War and it served a very important function of building mutual trust and epistemic communities in the areas of Barents Sea environmental and fisheries questions. Since the Finnish Arctic Environmental Protection Strategy initiative of 1989-1991 and the Norwegian-initiated Barents Euro Arctic Region, there is extensive regional collaboration between regional government, educational, and research institutions; between cultural institutions and among communities and the people in the region, covering the fields of education, research, environment, business, culture, etc. This collaboration raises interesting discussion points about what traditional "hard"

security actually signifies and what is understood under comprehensive “soft” security. When do states pursue “hard” security through “soft” security instruments? This question is relevant and interesting both for the small Nordic states under discussion as well as for the Soviet superpower and the great power of modern-day Russia. As mentioned, the Soviet Union/Russia meets the West in two places in the Arctic, the Barents region (Denmark, Finland, Norway), and in the Pacific Arctic, (USA, and regional power Japan). We therefore now turn to the Pacific Arctic.

PACIFIC ARCTIC GOVERNANCE

From a European perspective, one can easily forget that there is a Pacific Arctic around the Bering Strait, which includes the largest of all US states, Alaska, as well as vast area of the Russian Far East. The region is also home to the middle power, G7 and NATO member, Canada with its own enormous Arctic territory to the north. To the southwest lies China which shares a long and previously contested land-border with Russia. Japan is another major power in the region. Not only does Japan share close economic and security ties with the US, it also is an important player in the international economic and financial system. Unfortunately, tensions in the region are also fueled by several border disputes between Japan and its neighbors (USSR/Russia, China, and South Korea). Moreover, latent potential for conflict and even nuclear war on the Korean Peninsula is one of the key security concerns in this part of the world. Mongolia, despite being a land-locked country, is connected to the waters of the Sea of Okhotsk by the river Amur, which also functions as the border between China and Russia. The polluted water the river carries into the open ocean is a reminder of the interconnectedness of the ecological system. In summary, the Pacific Arctic connects some of the world’s greatest military and economic powers, all of which have significant influence on global politics; and thus on war and peace. It is therefore academically and policy-wise relevant to closely examine comprehensive security governance in the Pacific Arctic, which was the topic of Aronsen’s Master’s thesis.

Already during the Cold War the USSR and the USA collaborated on fisheries management in the Bering Sea. They entered an agreement on combatting pollution in 1989 and a year later, they agreed on the delimitation of their maritime borders in the region. Furthermore, Russia and the USA made coast guard cooperation arrangements in 1995 and 2001. The two countries collaborate in the field of science as part of the Russian-American Long-term Census of the Arctic (RUSALCA) framework since 2004. They have fostered collaboration, combatting illegal fisheries in 2013 and 2015. Finally, and most importantly, the Bering region is a topic of the US-Russia Bilateral Presidential Commission. At the multilateral level, the Agreement on Pollock resource conservation (1994) and the North Pacific Coast Guard Forum between six nations of the region (since 2000) are the most prominent examples of collaboration. As Bertelsen learned during a visit to Hokkaido University in 2016, joint research and monitoring of both terrestrial and marine environments in the region is taking shape between Hokkaido University and its partner institutions in Russia, China, and Mongolia.

The Pacific Arctic therefore shows similarities to the Barents region in terms of the spectrum of security issues. It is also clear that the actors draw on the range of security policy instruments; from alliance and defense policy to human and environmental collaboration.

CONCLUSION

By analyzing bilateral cooperation between Norway and Russia, on the one hand, and the bilateral relationship and collaboration between the United States and Russia, on the other, the project concludes that successful Arctic cooperation relies heavily on the overall international structure and to what extent the states adapt these structures. The end of the Cold War constitutes a watershed moment in Arctic cooperation due to structural changes in the geopolitical landscape. Previously, the cooperation developed within a bipolar system (US – Soviet bloc), creating a high risk of losing material resources. If cooperation was to be carried out successfully, there was a need for stabilization through power balancing. In the light of such substantial risks, relative gains had to be secured through a high degree of transparency. After the demise of the Soviet Union, the unipolar international system under US hegemony created better condition for cooperation and even multilateral agreement and cooperation was established. The role of the international institutions became more significant, with higher degree of autonomy from the individual states themselves: Today, the institutions can work

independently and have the ability to distribute information and serve as a reliable solution to a common issue/problem.

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A US NAVY PERSPECTIVE ON THE ARCTIC

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When looking at the geo-strategic situation in the Arctic and the potential for crisis or conflict over security interests, we need to be objective and balanced. The Arctic is an area of cooperation. The region has been largely free of conflict, with most states committed to the legal architecture under the provisions of the UN Convention on the Law of the Sea (UNCLOS) to resolve differences peacefully.

For some time, the US Navy has been following a measured course, clearly articulated in its 2014 *Arctic Roadmap*. This strategy prioritizes near-term actions to enhance the Navy's ability to operate in the Arctic and includes an implementation plan and timeline for operations and training, facilities, equipment, and maritime domain awareness, among other capabilities. As we execute our strategy, we are especially mindful of our national interest in preserving the freedoms of navigation and overflight and of other lawful uses of the sea in the Arctic, consistent with our global approach to maintaining peace and stability and promoting respect for international law.

We are working in close collaboration with the US Coast Guard to address gaps in Arctic communications, domain awareness, search and rescue, environmental observation, and forecasting capabilities, to support both current and future planning and operations. The Navy and Coast Guard work hand-in-glove, complementing each other's unique capabilities and authorities. The Coast Guard's key responsibilities are safety and security, addressing such missions as Arctic fisheries protection, search and rescue, and environmental protection, while the Navy focuses on defense missions. Because of their deliberate and extensive planning and interoperability, both Services seamlessly support each other when needed.

We are also working closely with our geographic combatant commands. Within their area of responsibility, the US European Command (EUCOM) is fostering collaborative working relationships with regional partners. The US Northern Command (NORTHCOM), which has responsibility for the Arctic and Alaska, is the US Department of Defense advocate for Arctic capabilities. NORTHCOM develops plans for the Arctic and is analyzing future capability needs. For the near term, and given the security calculus outlined here, the Navy's security posture remains appropriate for the Arctic. We have significant undersea capabilities and deep operational experience with our submarine force, which routinely operates in the Arctic Ocean.

Internationally, strategic partnerships are the center of gravity in ensuring a peaceful Arctic. We are engaged in extensive security cooperation activities and other military-to-military forms of engagement to establish, shape, and maintain international relations and the partnerships necessary to meet security challenges and reduce the potential for friction. Indeed, we believe the Arctic has the potential to serve as an important link by which we can maintain frank and open dialogue with an increasingly assertive Russia. We continue to train and operate routinely in the region as we monitor the changing environment, revisiting assessments and taking action as conditions change.

We are encouraged with cooperation in the Arctic, but are mindful that geopolitical tensions elsewhere have the potential to spill into the region. These tensions include concern over Russia's illegal annexation of Crimea as well as its aggressive behavior in the Baltic Sea region, both of which threaten to undermine international cooperation in the Arctic.

Clearly, Russia holds a very large stake in Arctic security matters with its 4,000 miles-long Arctic border and more than twenty percent of its land mass above the Arctic Circle. By any measure, Russia has legitimate strategic interests in the Arctic: for example, the exploitation of its natural resources, especially hydrocarbons, which are expected to be a critical source for Russian economic development. Another factor is Russia's economic development and preservation of its Arctic territorial seas and exclusive economic zone.

Based on these interests, a major Russian strategic objective is to secure its Exclusive Economic Zone and its Arctic border. To that end, Russia is refurbishing old bases from the Cold War era to monitor and protect its interests and also is constructing new icebreakers to enable passage through ice covered areas. While Russia has a right to preserve its interests in the region, it must do so cooperatively and in keeping with the principles of international law.

Increased Russian military activity in the Arctic does not compare with Soviet military levels during the Cold War. So, in some ways, one could argue that Russia is merely returning to its historical levels of military activity.

The Arctic represents Russia's economic future. It is also the home of the bulk of its strategic deterrent and represents a sea route linking the West and the East; a route which Russia will likely be able to control in the future. This region represents a great opportunity, but a massive investment will be required in order to transform it from a security liability into a national asset. The significant shortcomings of government resources in the Arctic are laid out in the Russian Federation Strategy for Arctic Development, including:

- Insufficient hydrographic mapping and navigational aids
- A poor transport infrastructure base
- An aging icebreaker fleet and limited aviation resources
- Lack of modern communications
- The inability to observe the Arctic from space.

The doctrine postulates two phases of modernization and development of government infrastructure in the Arctic, grouped around 2015 and 2020. Firstly, the ability to observe, identify, and track developments in the Arctic, including maritime traffic, is a major shortcoming today. Desired systems are clearly lacking. To this end, Moscow is making substantial investments in a system for search and rescue (SAR) and a single multipurpose system for monitoring the Arctic. As part of the first phase, much of the work on physical infrastructure, communications, SAR, and icebreaker construction has already begun. The second phase will focus on more complex satellite and airborne systems of surveillance, hydrographic mapping, and navigation. The introduction and development of an observation and communication satellite system called Arktika, along with improved coverage by the GLONASS positioning satellite network, will be part of this effort. Russia's declared interest in several spheres of multilateral cooperation, includes a common regional SAR system, research, and participation in international forums.

Today, the Northern Sea Route sees little traffic: merely 71 ships traversed the route in 2013 and only 54 in 2014. However, Russia's strategy in the Arctic is driven by immediate security and long-term economic considerations. To this end, Moscow is building a new fleet of nuclear-powered icebreakers, which will be ready to accompany ships through the route by 2020. Russian leaders note that the Arctic offers unhindered access to both the Atlantic and Pacific Oceans for the Russian Navy, while the continental shelf represents vast potential energy resources. Maritime transport could increase exponentially over time, linking Europe to China via a shorter route, avoiding canal fees and pirate-infested waters.

Since 2013, Russia's Ministry of Defense has been showing much greater interest in the Arctic and has reorganized its military command structure by establishing the Arctic Joint Strategic Command in December 2014. This command is based around the Northern Fleet and will include various units from the former Western and Central Military Districts. It features two specialized Arctic warfare brigades, as well as air force, air defense, and coastal defense units. Russia has announced plans to establish new airfields and port facilities on the New Siberian Islands and the Franz Josef archipelago, in Tiksi and in Yakutia and work has already begun. Other bases will be located on Wrangel Island and Mys Shmidta in the Chukchi Sea. More unique capabilities, such as floating nuclear power plants to provide electricity, are also planned for this region. The ship *Akademik Lomonosov*, expected to be completed in 2016, will be a sea-based nuclear power plant that can provide electricity to offshore gas rigs or coastal cities.

The Russian military has accelerated its exercise program in the Arctic in recent years. In October 2012, Russia conducted a major command post exercise that included a significant Arctic component. As part of this exercise, coastal defense forces engaged in a sea-borne landing on Kotelný Island in the Novosibirsk

Archipelago in order to conduct reconnaissance and to field test military equipment in Arctic conditions. This was the first Russian military exercise focused on protecting civilian facilities in the Arctic.

In 2013, the Russian Navy announced that it was resuming regular patrols along the central part of Russia's Arctic Ocean coast for the first time since the early 1990s. The first patrol, conducted in September 2013, included the cruiser *Peter the Great* and several other combat ships. Regular patrols have been conducted since then. Naval aviation missions have also been resumed, with flights in the northern Arctic Ocean and along the Northern Sea Route by Tu-142 and Il-38 patrol aircraft beginning in March 2013. The Russian Air Force has also conducted exercises in the Arctic in recent years. One example was an event in June 2012, which involved 30 aircraft, including Tu-160 and Tu-95MC strategic bombers, Su-27 and MIG-31 fighters, Il-78 refueling aircraft, and A-50 airborne warning and control planes.

Russia's specialized Arctic ground force units will be based in Murmansk, near Finland, and the Yamalo-Nenets autonomous region. Meanwhile air defenses have already been placed on Kotelnny Island, and Russia is continuing to modernize and procure high-speed Mig-31 interceptors, a legacy Cold War platform. These aircraft carry powerful radar and long-range air-to-air missiles, intended to serve as mobile radar and air defense systems over the Arctic. Meanwhile, its sea denial strategy involves chokepoints along the route, armed with Bastion-P coastal defense batteries that Russia has started to install in the region, together with medium-range air defenses.

The current forces of the Northern Fleet are simply inadequate given the importance now attached to the region. Today Russia cannot credibly claim to have a defensible bastion for its ballistic missile submarine fleet in the high north today, hence, the more traditional Cold War mission of defending Russia's sea-based strategic deterrent remains unfulfilled. The necessary submarine escort, surface combatants, as well as underwater and air-based detection systems simply do not exist to a sufficient degree. However, marked improvements in air defenses will be visible with the introduction of S-400 surface-to-air missiles to protect the fleet.

Russia is also investing in improved monitoring capabilities in the region, to include both satellite and aerial surveillance. The goal is to build a unified surveillance system that could monitor the situation in the Arctic from under water, on the surface, in the air, and in space. It would partially be based on existing radar and satellite systems, as well as new components that are scheduled for introduction in the coming years.

Overall, the Northern Fleet has the largest collection of Russia's seaworthy surface ships, SSNs, SSBNs, and diesel-attack submarines. Moreover, the fleet is in the process of receiving the first batch of four Admiral Gorshkov frigates. Therefore, it likely represents the most combat capable of all the Russian fleets today, and also has the greatest potential for blue-water operations, although still limited. The Kuznetsov aircraft carrier and now overhauled Kirov-class nuclear-powered cruiser are of low utility, but a squadron of destroyers and attack submarines remains, along with a flotilla of minesweepers and smaller vessels. With enough lead time and adequate icebreaker support, the Pacific Fleet could reinforce the Northern Fleet for a potential blue-water operation, although such an outcome is unlikely since the purpose of such a mission is unclear. Alternatively, the Northern Fleet can effectively reinforce the Black Sea Fleet in the Mediterranean or the Pacific Fleet in the Indian Ocean if needed.

Russia has limited access to the world's oceans. Its Black Sea Fleet, stationed in Crimea, could in case of conflict be denied passage through the Bosphorus, whose gatekeeper, Turkey, is a NATO member. Russia's Baltic fleet would meet the same obstacle in the Skagerrak, the strait between Denmark and Norway. The Northern Fleet, based on the Kola Peninsula, on the other hand, has essentially unimpeded access to the Atlantic and the Arctic.

The Arctic is not a lawless region. At least 85 percent of presumed Arctic resources are located in uncontested areas of the Arctic, those territories that are well within pre-established boundaries. The area around the North Pole is not yet divided between its adjacent states. Its waters — and potentially rich natural resources — are claimed by Russia, as well as by three NATO members: the US, Denmark (via Greenland), and Canada. The Arctic littoral states have agreed to submit extended continental shelf claims to the UN Commission on the Limits of the Continental Shelf and to abide by its rulings. Russia has so far upheld its commitment to the legal architecture of the region and has followed the principles of international law enshrined by UNCLOS.

So overall, we believe a near-term conflict over Arctic resources is unlikely, given the fairly high level of cooperation and adherence to international legal norms by all eight Arctic nations. However, we need to consider Russian actions comprehensively, taking into account their capabilities, capacities, and intentions. With its Northern Fleet, naval infantry, air force, coast guard, and patrol vessels spread across numerous bases, Russia is by far the most capable continuous naval power in the Arctic. Russian intentions are opaque and difficult to read. Their growing military capabilities seem to be aimed at countering an imagined threat and stands in stark contrast to the conduct of the seven other Arctic nations.

In conclusion, as the sea ice in the Arctic melts, the region is beginning to see increased human activity, the US Navy will be called upon more frequently to support other federal agencies and work with its international partners to ensure a secure, stable and peaceful region. The Navy recognizes the strategic importance of the Arctic region, the national security implications of the opening of the Arctic Ocean, in particular Russia's access to the Atlantic Ocean, and the importance of free and unfettered navigation. The Navy will continue to remain vigilant in the face of Russia's actions, while pursuing a strong and balanced approach as the region continues to become ever more accessible.

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CHINA'S MARITIME INTERESTS IN THE ARCTIC REGION: MILITARY CAPABILITIES AND POSSIBLE INTENTIONS

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China's strategic interest in the Arctic region has attracted a lot of attention ever since the People's Republic of China (PRC) applied for permanent observer status in the Arctic Council in 2007. However, China's actual maritime (let alone naval) presence in the Arctic has been fairly limited so far. Given other areas of interest in Eurasia, in the Asia Pacific as well as in Africa, it is worth considering what the status of China's Arctic engagement from the government's strategic point of view might be. Are there any tangible indicators pointing to a possibly heightened level of Chinese Arctic maritime exploration in the future, e.g. in terms of related hardware procurement? The aim of this article is to explore the question to which extent Chinese naval activities, military capabilities, transnational investments, and security co-operations within the Arctic region have the potential to affect military-strategic considerations in the Arctic. Furthermore, it intends to put China's strategic interest in the Arctic, and its actual level of maritime engagement there, in perspective given China's extensive security concerns in other world regions.

DIVERGENT PUBLIC PERCEPTIONS OF CHINA'S ARCTIC AMBITIONS

There seem to be striking differences between the perception of China's Arctic maritime presence within the Arctic countries and in non-Arctic countries on the one hand, and by observers outside and within China on the other. While Russian observers typically assume a relatively strong Chinese interest in developing its maritime, economic, and security presence in the Arctic, non-Arctic Western and Asian observers have tended to downplay the importance of the Arctic when discussing China's emerging global role. It is, for instance, telling that in one of the most insightful recent treatments of China's rise – David Shambaugh's 2014 monograph *China Goes Global* – the Arctic is not discussed even cursorily. Related keywords such as "arctic," "polar," "Greenland," "Iceland," "Norway" or "Svalbard" are entirely absent in the book's index. Another very recent discussion of China's emerging global maritime security strategy by two Chinese experts – Xu and Cao (2016) – likewise makes no mention of the Arctic, but instead concentrates on the PRC's major maritime security concerns elsewhere, such as its so-called 'core interests' of sovereignty, above all the Taiwan question, and the South China and East China Sea issues. Other topics highlighted by them include China's vulnerability towards SLOC disruptions, often referred to as the 'Malacca dilemma'; China's ongoing anti-piracy operations off the Gulf of Aden; and the naval rivalry with the United States in the Asia Pacific region. This choice of topics clearly indicates the relatively greater importance of these issues when compared with China's emerging Arctic interests. In a thorough study of domestic Chinese discussions of the Arctic potential, David C. Wright likewise notes that it is "important not to *overestimate* the importance of the Arctic in most publicly available Chinese naval strategic thinking. Two important books by major Chinese naval strategists published in 2010 discuss little if anything substantive regarding Chinese interests in the Arctic, but they cover the Indian Ocean quite extensively" (Wright 2011: 36).

It is therefore by no means unusual, neither in the Western nor the Chinese literature on China's worldwide maritime security concerns, to find the Arctic entirely neglected. This probably reflects the comparably low

level of importance attributed to Arctic maritime security questions by many observers when compared to seemingly more pressing maritime security challenges China is currently facing elsewhere.¹

However, when one analyzes the existing literature on Arctic security issues specifically, a number of surprising insights can be gained. It seems that China's Arctic role is given a far more prominent coverage in some of these sources (e.g. Hough 2013), although this is not always the case.² Especially in studies that were published by scholars from the Arctic countries themselves, many authors tend to focus more strongly on China's developing interest in the Arctic.³ But even among those observers who do assume that China ultimately aims at expanding its strategic role in the Arctic, there seems to be no clear consensus whether China's ambitions are positive or troubling in nature. Russian observers typically express greater concern regarding Chinese security ambitions than e.g. Scandinavian or Canadian commentators (cf. Willis and Depledge 2014), although a tendency to portray China's Arctic interests very negatively can also be noted in some Western publications (Huang et al. 2015: 60). Therefore, an interesting question to consider is: What material evidence currently indicates a growth of China's Arctic maritime interest and activities?

CHINA'S ARCTIC INFRASTRUCTURES AND ACTUAL MARITIME PRESENCE IN THE HIGH NORTH

The first point to consider is the availability of vessels that are capable of operating in the harsh Arctic climate. As of mid-2016, China operated only a single polar capable icebreaker, the *Xuelong*. Displacing 21,000t at full load (fl.), this vessel is a Ukrainian-built, conventionally powered ship and the world's largest non-nuclear icebreaker (Wright 2011: 32). A second Chinese polar capable icebreaker, dubbed the 'New China Polar Icebreaking Research Vessel' at the time of contract award, is currently being built in China by the Shanghai-based Jiangnan Shipyard to a Finnish design purchased from Aker Arctic (cf. 'First Chinese Polar Research Icebreaker' 2014). Although smaller than the *Xuelong* with a length of ca. 122m and ca. 8,000t displacement fl., this ship is going to have an enhanced capability that allows it to break 1.5m of ice at 2 to 3 knots; that means it can cope with ice 40cm thicker than the *Xuelong*. With a complement of 90 sailors, the ship is going to be equipped with various facilities for conducting scientific research. News reports cited Qu Tanzhou, the Chinese Arctic and Antarctic Administration's director, stating that this new ship is "designed mainly for field research, instead of transporting supplies, and it will have a better power system plus larger decks and laboratories, making it a 'mobile research station'" (cf. Wang 2014; 'China starts building its first polar icebreaker' 2016).

Interestingly, China shares its relative dearth of polar capable icebreaker capability with the United States and Canada, who both are in short supply of such vessels despite being Arctic stakeholders. The Russian Navy, meanwhile, is far better equipped in this regard and "can rely on many and different types of icebreakers for marking its Arctic presence, [while] the U.S. instead has to draw on its large fleet of nuclear submarines" (Haftendorn 2016: 137). Russia's fleet of large icebreakers, seven of them nuclear-powered, is of domestic design and construction, while China has so far relied on foreign expertise for its own polar capable vessels. The US, on the other hand, according to Haftendorn is "hampered in showing a strong Arctic maritime force." Listing the available hardware, the same author notes: "For constabulary and research purposes the US Coast Guard has only one medium icebreaker, the *Healey*; an older one, the *Polar Star*, is being retrofitted. There are

¹ Much the same lack of interest in Arctic affairs can typically be seen on scholarly conferences on China's maritime interests and emerging global role, which tend to concentrate on the PRC's maritime 'core interests,' on the question of China's expanding naval presence in the Indian Ocean; its raw materials extraction activities in various African and South American countries; or the 'One Belt, One Road' project. Bertelsen and Gallucci (2016: 2) likewise report that the Arctic (and Antarctic) are hardly mentioned by Chinese experts in such venues. They quote Su Ping of Shanghai's Tongji University, who during a conference at Aalborg University stated that "when I am in Arctic conferences, lots of people talk about China, when I am in China, only a few people talk about the Arctic".

² Cf. the recent article on the Arctic by Helga Haftendorn in the *Routledge Handbook of Naval Strategy and Security* (Krause and Bruns 2016) that, while extensively delineating the various Arctic stakeholders' positions and interests, does not mention China's Arctic role at all.

³ Cf. Hara and Coates (2014), Lunde et al. (2016).

plans for constructing – or possibly leasing – a new heavy polar icebreaker, but realization will take time and require substantial funds” (Haftendorn 2016: 136-37).

It is therefore quite remarkable that by mid-2016, China announced plans to design and build a nuclear-powered icebreaker within the next few years, apparently following Russia’s lead as the only nation to operate a fleet of nuclear-powered icebreakers. According to press reports, the China National Nuclear Corporation and the China State Shipbuilding Corporation signed an agreement to start the joint development of a nuclear-powered icebreaker at an estimated cost of €132 million. The reasons for taking this step have been summarized as follows: “Nuclear power has the advantage of long range and massive power, compared with diesel-electric or gas-powered engines that will have to either carry a lot of fuel or make many fuel stops during a voyage. Along the Northern Sea Route, or in the High Arctic, infrastructure and fuel deposits are rare” (Nilsen 2016).

The *Xuelong* has been in service since 1994, and assuming a typical maximum service life of thirty years for steel-hull vessels, especially those operating under extremely challenging climatic conditions, it should remain operational no longer than until ca. 2024, a mere eight years from the time of this writing. The ongoing procurement of a second conventionally powered polar capable icebreaker can therefore be classified as replacement procurement that is going to yield only a short period of overlapping service lives. The possible development of a nuclear-powered icebreaker would, however, definitely expand Chinese naval capabilities in the Arctic.

The plan of adding a second polar-capable vessel to the fleet, given that China is active in both Arctic and Antarctic research, does not seem all too surprising though. Since the *Xuelong* is China’s only polar-capable vessel and is used for both Arctic *and* Antarctic exploration, it regularly has to complete lengthy transits between its deployment areas and the maintenance and repair facilities in China. Interestingly, the deployment pattern of the *Xuelong* thus far reveals that it was the Antarctic, not the Arctic, that has received the most attention from China’s polar research community: Arctic exploration missions clearly lag behind Antarctic exploration. Even though the *Xuelong* has been frequently deployed to the Antarctic since the mid-1990s, its first-ever Arctic expedition was conducted five years later, in 1999; and by the time the *Xuelong* departed Shanghai for its altogether sixth Arctic expedition in July 2014, it had already undertaken thirty expeditions into the Antarctic region (Bennett 2014). By late 2016, the *Xuelong* had completed 32 Antarctic and seven Arctic expeditions. During its fourth Arctic voyage in August 2010, Chinese scientists reached the North Pole for the first time (using a helicopter), and in the summer of 2012, the *Xuelong* finally completed China’s maiden trans-arctic voyage from its port in Shanghai to Europe (Iceland). These milestones notwithstanding, the number of voyages completed by China’s sole icebreaker to both polar regions seem to indicate a comparatively higher emphasis on Antarctic vs. Arctic exploration.

A similar pattern is noticeable when regarding China’s permanent polar research stations. Since establishing its first outpost in 1985, China by now operates five permanent polar research stations in Antarctica. It took nearly 20 years for China to finally establish its first permanent Arctic polar research station in 2004 – the so-called ‘Yellow River Station’, a facility for oceanic and climatological research (Bennett 2015; Wright 2011: 33-34). It is located in Norway’s Ny-Alesund in the Svalbard Islands, which is somewhat curious given China’s strained relations with Norway ever since the award of the Nobel Peace Prize to the Chinese human rights activist Liu Xiaobo in 2010 (cf. Lanteigne 2014: 15).

TABLE: SELECTED MILESTONES OF CHINA'S PRESENCE IN THE HIGH NORTH

Year	Activity
1985	China opens first permanent polar research station in Antarctica
1999	First ever Arctic expedition of the icebreaker <i>Xuelong</i>
2003	Second Arctic expedition of the <i>Xuelong</i>
2004	China opens first permanent polar research station in the Arctic (Svalbard, Norway)
2007	China unsuccessfully applies for observer Status in the Arctic Council
2008	Third Arctic expedition of the <i>Xuelong</i>
2010	Fourth Arctic expedition of the <i>Xuelong</i> ; Chinese scientists first reach the North Pole by Helicopter on 20 August
2012	Fifth Arctic expedition of the <i>Xuelong</i> , which completes a voyage to Iceland
4/2013	China signs Free Trade Agreement with Iceland
5/2013	China is granted observer status in the Arctic Council along six other powers
8/2013	First Chinese container vessel (the 19,000t <i>Yong Sheng</i> owned by COSCO) navigates the Northern Sea Route (NSR)
12/2013	China wins license to explore for oil off Iceland (Dreki)
2013/2014	The <i>Xuelong</i> participates in rescue missions near Antarctica, including a search for the missing Malaysian Airlines flight
7/2014	Sixth Arctic expedition of the icebreaker <i>Xuelong</i>
9/2015	Five Chinese warships conduct joint drill with the Russian Navy off Tanaga Island in the Aleutian archipelago
7/2016	Seventh Arctic expedition of the <i>Xuelong</i>

(Source: Various news reports)

Chinese domestic organizations in charge of Arctic and Antarctic research include the Polar Research Institute of China (*Zhongguo Jidi Yanjiu Zhongxin*) under the State Ocean Administration (*Guojia Haiyang Ju*), headquartered in subtropical Shanghai. It has a staff of ca. 125, is in charge of China's polar research stations in the Antarctic and Arctic, and also manages the icebreaker *Xuelong*. The Arctic and Antarctic Administration (*Guojia Haiyangju Jidi Kaocha Bangongshi*), an administrative body under the State Oceanic Administration, also manages Chinese scientific research activity in the Arctic (Wright 2011: 32). In April of 2007, China applied for permanent observer status in the Arctic Council after having been approached in 2004 by the then chairman of the Senior Arctic Officials (SAO), Gunnar Palsson of Iceland. The PRC was ultimately admitted as a permanent observer alongside the EU, India, Japan, South Korea and Singapore. Although some reports suggested contention among the Arctic countries over China's application, according to Willis and Depledge (2014), this was not really the case. In fact, they state that rather than China's, it was the EU's application for observer's status in the Arctic Council that caused by far the most controversies at the time, with Canada being "vehemently against admitting the EU as a consequence of the EU's 2008 ban on imports of seal products from commercial sealing." By 2013, the "observer question" was finally settled with the admission of China alongside other applicants.

CHINA'S ARCTIC INTERESTS THROUGH A GEOSTRATEGIC LENS

Especially when compared with a growing Russian militarization of its extensive Arctic coastline, China's current naval activities and capabilities in the Arctic seem limited in scope and quality, not least due to a shortage of polar capable naval vessels and other infrastructure. In the long term, however, it is possible and perhaps, even likely that Chinese SSBNs could attempt to operate in the Arctic in the context of a credible nuclear deterrence strategy. According to Wright, "it should not be too surprising in the future to find or detect one or more Chinese submarines lurking in the cold and murky depths of the Arctic, perhaps even in the territorial Arctic waters of the United States or Canada" (Wright 2011: 35). So far, however, the US remains the only power to regularly maintain a submarine presence under the Arctic ice. Adm. John Richardson, U.S.N.,

was quoted in Wasserbly (2016) as saying that “[the US has] a persistent presence in the Arctic, mostly undersea involving submarines and both security and environmental research operations.” Moreover, the US conducts regular (roughly bi-annual) Arctic underwater exercises (“ICEX”), each involving several SSNs at a time over the course of several weeks. However, Wasserbly also notes that while the US Navy “is trying to maintain a presence in the Arctic [...], other global demands are proving more pressing.”

Russian military activities along its Arctic coastline, on the other hand, are significantly larger and its polar-capable naval surface capabilities, including several nuclear-powered icebreaking vessels, are currently unmatched by any power (cf. Albrecht et. al. 2014: 215). These assets are about to be further enhanced. In 2016, Russia ordered two Project 23550 “Arctic corvettes,” a new type of navalized icebreaking vessel armed with a containerized missile launch system, an embarked helicopter, and a medium-caliber gun (Larrinaga 2016). This program is just one among several procurement projects of Arctic capable naval vessels. Russian officials have cited fears of infiltration and subversion from Alaska and China as a reason to augment their forces in the respective border regions. According to local media reports cited by Jones (2016), a new division is planned for the ‘Chukchi Operational Direction’ opposite Alaska and separated from Alaska by only 85km, which “will contain a number of Arctic coastal special forces battalions deployed in Chukotka. Their role is described as patrolling northern coasts to prevent the landing and infiltration of enemy saboteurs and marine infantry and to resist any large-scale enemy amphibious assault” (Jones 2016).

These new deployments add to an ongoing militarization of Russia’s Arctic border, despite the small likelihood of a “large-scale enemy amphibious landing” actually occurring in this region. Interestingly, Russia’s worries over “Arctic infiltration” seem to extend to China, regardless of the strong and recently reinforced arms trade relationship between the two countries in the wake of the Ukraine crisis.⁴ Wright therefore concludes that:

“A Russo-Chinese entente concerning Arctic affairs seems unlikely. China is particularly wary of Russia’s designs and intentions in the Arctic, and the feeling would seem to be mutual. In fact, China seems to be more at odds with Russia over Arctic affairs than with any other Arctic state. There could, however, be cooperation among East Asian states regarding the Arctic issue” (Wright 2011: 34).

Apart from the comparatively strong militarization of the Arctic coast of Russia, and the US’ concerns regarding their Arctic submarine operations, other Arctic states have also taken steps to somewhat enlarge their military footprint:

“Norway has also enhanced the presence of its armed forces in northern Norway and intensified maritime surveillance. It has moved its military headquarters from the Stavanger area to Reitan outside of Bodø [within the Arctic circle]. Oslo is further investing in the construction of new ice-strengthened frigates and offshore patrol vessels” (Haftendorn 2016: 139).

Denmark has meanwhile formed a new joint Arctic command comprising both the Faroes and Greenland, and new capabilities pursued by Denmark include Arctic-capable helicopters and ice-resistant patrol boats (Haftendorn 2016: 139).

Compared with the military activities of the Arctic countries in the polar region, especially those of Russia, China’s level of engagement seems rather low. By contrast, China’s interest in further developing its Arctic presence seems to have so far been driven by research, mainly in the area of climate change; by raw materials extraction projects; and by commercial shipping. The next section will therefore try to put these aspects of China’s Arctic presence into perspective against the backdrop of China’s comprehensive goals in terms of the country’s ‘grand strategy’.

CHINA’S STRATEGIC INTEREST IN DEVELOPING ALTERNATIVE TRADE ROUTES

China has become the world’s leading trading nation in quantitative terms, and its economic health is hugely dependent upon the export of merchandise and the import of raw materials. This results in China becoming

⁴ Cf. the discussion of the emerging military-industrial entente between Russia and China in Kirchberger (2016: 260-266).

increasingly vulnerable towards disruptions of its Sea Lines of Communication. To reduce this vulnerability, China is highly interested in diversifying its global network of trade routes over land. Likewise, any possibility of opening up alternative maritime transport routes that could bypass existing bottlenecks is therefore, from China's point of view, worth exploring. At least in theory, Arctic shipping could help to considerably shorten the passage to major export markets in Europa and the Americas during the few weeks each year where Arctic shipping becomes possible. As Bennett (2014) points out, sailing through Russia's Arctic waters could theoretically reduce the normal sailing distance between Rotterdam and Shanghai via the Suez Canal by up to 24 percent, which could make travel times up to fifteen days shorter during the summer months.

The first Chinese commercial container vessel to actually navigate the 'Northern Sea Route' was the COSCO operated *Yong Sheng*. It completed the voyage in August 2013. During the following year, however, observers noted a dramatic reduction in the overall number of ships from all countries that attempted this transit (only 23 cargo vessels were counted compared with 41 during the preceding year) and as a result, 80 percent less cargo was actually transported via that route in 2014. As Bennett recounts, problems determining the opening date caused delays that were detrimental to business planning. Not least due to the challenging climatic conditions, this route has so far remained relatively unattractive for the shipping business (Bennett 2014). In the summer of 2016, however, a record number of five COSCO ships completed the Northern Sea Route voyage: The *Yongsheng* completed a roundtrip, while two vessels journeyed westward and another two eastward. Most observers, however, expect that this route's primary purpose will be "to transport natural resources produced in the Russian Arctic to the global markets," while it will likely remain unattractive for container ship traffic (Humpert 2016).

The effects of global warming could arguably result in a growing commercial attractiveness of that route in the distant future. For the time being, however, practical difficulties faced by shipping companies include the harsh climate, underdeveloped infrastructures, high insurance premiums, the higher cost of operating ice-class vessels, the shallow depth of some parts of the Northern Sea Route (making it unsuitable for large container vessels), and high Russian transit fees. These factors should not be underestimated, and could for a long time continue to deter shipping companies from using this route more intensively. This was noted by Chinese observers as well. According to Wright (2011),

"Some Chinese academics writing on Arctic affairs have sought to remind their countrymen and government of the uncertainties and perils of the region's sea routes. Their sobering observations about the viability of directing extensive shipping through them might explain in part the restraint Beijing has thus far displayed in its policy on Arctic affairs" (Wright 2011: 24).

It is furthermore doubtful whether Arctic shipping can ever be a realistic option to help alleviate China's so-called 'Malacca Dilemma,' a buzzword denoting China's uncomfortable dependence on a few narrow maritime straits through which a large portion of China's raw materials imports and merchandise exports pass – in the case of the Strait of Malacca, this concerns roughly 80 percent of China's total oil imports. According to a study by the US Department of Defense, China's heavy dependence on oil imports has been projected by the International Energy Agency to grow from the current ca. 60 to 80 percent of its total oil consumption by 2035. Accordingly, China is heavily engaged in projects around the world that aim to diversify its energy sources, and is actively constructing or investing into such projects in more than 50 countries as of 2015. Crude-oil pipeline projects with Russia and Burma offer China the chance to bypass the Malacca Strait when importing oil from Russia and the Middle East. China is also pursuing various natural gas pipeline projects with several Central Asian states, with Burma and with Russia (Department of Defense 2016: 47). Other large infrastructure projects designed to alleviate its 'Malacca dilemma' include the so-called 'China-Pakistan Economic Corridor' (CPEC) initiative, a giant Chinese-funded infrastructure development plan with an investment volume of up to US\$46 billion. The project aims to connect Pakistan's Chinese-built deep-sea port of Gwadar with China's Xinjiang province via railway links, transit highways and oil and gas pipelines (Bokhari 2016). China's 'One Belt, One Road' (OBOR) strategy announced by President Xi Jinping in 2014, on the other hand, encompasses many different attempts to link China to other parts of Eurasia via a multitude of high-speed rail networks, pipelines, new maritime links and highways. This project enjoys high-level political backing and receives very

generous subsidiaries provided by a government-run US\$40 bn. ‘Silk Road Fund’, all of which indicates its high strategic priority (Bennett 2014).

From China’s point of view, participating in the further development of the arctic shipping routes will probably continue to be attractive as part of a ‘strategic hedging’ policy to solve the country’s energy security dilemma, as described and analyzed in detail by Tessman and Wolfe (2011). The Arctic engagement must, however, be evaluated against the backdrop of China’s ongoing ‘One Belt, One Road’ project:

“Possible new Arctic sea lanes along the Northern Sea Route north of Russia (historically known in the West as the Northeast Passage), the Northwest Passage north of Alaska and Canada, or a Transpolar route are [...] the marginal alternatives that a great power can afford to entertain as strategic hedging and experimenting” (Bertelsen and Gallucci 2016: 2).

That assessment seems fairly accurate to date.

CHINA’S THREAT PERCEPTION OF BEING “ENCIRCLED” BY POTENTIALLY HOSTILE FORCES

Given the PRC’s overall strategic situation, what are its major naval priorities? As Chinese naval planner’s have long noted, China’s high degree of dependence on foreign trade is currently not matched by a globally operating blue-water navy, a point repeatedly emphasized by Chinese neo-Mahanists such as Zhang Wenmu who considers this a critical weakness (cf. Zhang 2006: 20). There is, therefore, a controversial discussion in the West regarding China’s actual maritime security aims, with some observers concluding that Beijing has set out to challenge US naval supremacy globally, while others argue in favor of a more local or regional aspiration. Elsewhere, I have discussed China’s ongoing fleet development and possible maritime aspirations in extensive detail (Kirchberger 2015: 40-52, 171ff.). As described there, China’s territorial waters are a complicated, narrow, and shallow sea area, and the close proximity of many military installations of the US and its various regional allies has given rise to the perception among Chinese strategists of being “encircled” or “fenced in” by foreign forces (cf. Dai 2010). According to domestic Chinese risk assessments, the US and its allies are able to cover China’s entire sea area with extensive surveillance assets, which, in the event of a conflict, basically would hold all Chinese naval platforms at risk (cf. Liu et al. 2013). This problem seems altogether more pressing from a Chinese strategic viewpoint than the option of establishing a naval presence in far-away regions of limited relevance such as the Arctic. Moreover, the PRC is short of allies, and hardly in a position to alienate Russia, on which China depends for critical technology imports and political support.⁵

Nevertheless, regarding the Arctic and its wealth in natural resources, there seems to be yet another perceived threat to Chinese national interest, namely the notion of possibly being “excluded” or “pushed aside”. Observes Wright:

“A Chinese admiral said in early 2010 that since China has 20 percent of the world’s population, it should have 20 percent of the Arctic’s resources. While this attempt at moral reasoning does not likely amount to officially announced Chinese policy, it does reflect China’s sense of moral entitlement to access to Arctic sea routes and its anxiety that Arctic states might somehow endeavor to block or restrict this access” (Wright 2011:7).

While this reasoning does indeed not likely reflect official policy, it can be assumed that any region rich in valuable raw materials will receive similar interest by Chinese strategists. A putative Chinese naval expansion into the polar regions, however, would clearly detract from the PRC’s ability to display naval strength at home (in the South China Sea and East China Sea areas), which currently seem to be the areas of overriding priority. It doesn’t seem likely that China would be inclined to make Arctic-capable naval shipbuilding a priority, given that China’s ongoing shipbuilding programs rather seem to emphasize the creation of a credible aircraft carrier capability (including the necessary escorts), and especially in the context of heightened tensions in the South

⁵ Cf. Kirchberger (2016: 260-266) for a detailed discussion of this assessment.

China Sea in the wake of a July 2016 ruling by the Permanent Court of Arbitration at The Hague that declared China's "historic" maritime claims to be not in accord with UNCLOS.

CHINA'S COMPLEX RELATIONSHIP WITH RUSSIA

Another key aspect to consider is China's multi-faceted relationship with Russia, the Arctic's militarily most powerful coastal state. Various studies, among them those conducted by me in 2015 and 2016, have highlighted some areas in which the Chinese arms industry remains dependent on Russia's technological expertise. The long-standing US/EU arms embargo against China; the sanctions imposed by Western countries against Russia after the Ukraine crisis; a resulting dire need for economic assistance on part of the Russian, and a matching need for raw materials imports and arms transfers on the Chinese side seem to make a Sino-Russian entente increasingly likely. Indeed, there are currently indications that the considerable strategic distrust that exists e.g. within the Russian military-industrial complex towards the danger of reverse-engineering of military technology seems to have been overridden at the highest political level, resulting in a large arms deal over the sale of *Lada* class submarines and *Su-35* fighter planes that was concluded in 2013 ('Zhong E qianding junshou da dan' 2013). After Russia subsequently announced the early termination of its *Lada* submarine program, Russian officials suggested that China could instead receive the more advanced *Kalina* class that is to be equipped with an air-independent propulsion system.⁶

Furthermore, since the Western sanctions have damaged Russia's offshore oil and gas development plans, Russia, as one of the major stakeholders in the Arctic, has a renewed interest in cooperating with China in the exploitation of Arctic energy and raw material resources: "Russia has been forced to consider strategic alternatives, where the Sino-Russian relationship looms large" (Bertelsen and Gallucci 2016: 3). As a result of these political developments affecting both countries, there is now an intensified Sino-Russian co-operation in the Arctic:

"In 2013, [Russia and China] [...] signed an agreement on a joint gas project to build gas pipelines from the Sakha Republic and Irkutsk Region to China's northeastern provinces. In 2014, Yamal-LNG signed a binding treaty with CNPC (which holds a 20 percent stake in the Russian company) on supplying liquefied natural gas to China for twenty years" (Deng 2016).

China's Silk Road Fund holds another stake of 9.9 percent in the aforementioned Yamal LNG project, putting the total Chinese share at 29.9 percent. A recent deal between China and Russia concerns gas deliveries that would cover 17 percent of China's annual consumption, or about 700 billion US\$ worth of LNG (Bertelsen and Gallucci 2016: 5). These energy projects create incentives to intensify Arctic shipping of hydrocarbons and other natural resources from Russia to China. In this context, Huang et al. describe an agreement between Sovcomflot, a Russian shipping company, and the China National Petroleum Corporation dating from November 2010 that was "signed in presence of the Russian Federation Vice-Prime Minister Igor Setchin and also president of the Board of the oil company Rosneft, the second largest oil producer in Russia, and of Wang Qishan, Vice Premier of the People's Republic of China" (Huang et al. 2015: 65).

These forms of mutual strategic cooperation have been accompanied by an increased military cooperation: "In September 2015, five Chinese warships conducted a joint drill with the Russian Navy off Tanaga Island in the Aleutian archipelago" (Deng 2016). In the view of Deng Beixi, a researcher with the Division of Polar Strategic Studies at the Polar Research Institute of China, this new military "partnership" between China and Russia does, however, not signal any heightened Chinese ambitions regarding Arctic militarization, apart from a rather basic capability that is being framed by him in terms of a Chinese – US rivalry:

"China is not striving towards a revision of the existing Arctic order or projecting its military power to the Arctic. Incidentally, China is least interested in building up its military potential in the Arctic [...]. Cooperation between China and Russia in the Arctic does not envision a military

⁶ Cf. Russian and Chinese news report summarized in Keck (2014), and the discussion in 'Ejun yanzhi xinxing changgui qianting' (2015).

build-up in the region; rather it guarantees mutual benefits from neutralizing U.S. influence and reanimating Arctic economic activity, which slumped after the Ukrainian crisis” (Deng 2016).

By and large, there currently remains a rather strong Russian incentive for closer cooperation with China, notwithstanding latent fears of a possible influx of Chinese settlers into sparsely populated Russian regions along the 4000 km long borderline. Except for a few islands in the Amur river, territorial disputes between China and Russia have largely been settled; nevertheless, there remain worries about illegal immigration of Chinese settlers, land-grabbing, and even fears of military espionage conducted by Chinese nationals among the Russian border population (Bertelsen and Gallucci 2016: 4). As Lanteigne notes, regarding the Northeast Passage, Russia “is emerging as the undisputed gatekeeper of that sub-region of the Arctic” (Lanteigne 2014: 29). Indeed, the overriding strategic interest of Russia in keeping foreign (including Chinese) influences out of its Arctic waters is likely to constrain Chinese naval ambitions – at least as long as the current mutual political, arms trade, and raw materials cooperation between both countries persists.

CHINESE PRONOUNCEMENTS REGARDING CHINA’S ARCTIC INTERESTS

Chinese experts for the most part maintain that the PRC’s interest in developing its Arctic presence is overwhelmingly motivated by economic and scientific concerns. Studying the effects of climate change in particular is often noted to be a major factor in China’s Arctic thinking. During a presentation at the Arctic Frontiers conference in Tromsø in January 2015, Yang Huigen, the head of the Polar Research Institute of China, warned:

“If the ice sheets of Arctic Greenland and the Antarctic all melt, the coastline of China, would retreat as much as 400km inland and the most populated and prosperous areas, such as Guangzhou, Shanghai, and Tianjin etc., would be totally submerged” (cited from Bennett 2015).

These concerns do seem plausible.⁷ China, one of the biggest emitters of CO₂ in the world, has discovered its interest in averting climate change, not least to safeguard its population. Arctic governance and climate change research is therefore a strategic interest, and China’s relatively strong emphasis on *Antarctic* as opposed to Arctic research seems to support this conclusion. Chinese officials have meanwhile described China as a “near-Arctic state” and an “Arctic stakeholder,” indicating their understanding of China as an active participator in Arctic affairs (Lanteigne 2014, 32). In an ironic twist, Chinese observers regularly insist that the Arctic countries uphold UNCLOS regulations to the letter, and regularly condemn attempts by Arctic countries to restrict freedom of navigation in the Arctic sea areas. Indeed, “China seems to apply very different approaches to territoriality in the South China Sea and the Arctic Ocean” (Wright 2011: 37). Inconsistencies in Chinese foreign policy behavior such as in this case unfortunately contribute to the widespread perception that the CCP’s goals and intentions remain intransparent.

There is yet another indication that the Arctic may not enjoy a very high strategic importance in China’s naval development, namely China’s failure as of 2016 to promulgate an official Arctic strategy (Huang et al. 2015: 62). This stands in sharp contrast with the doctrinal approaches of the Arctic countries, all of which have issued their respective official Arctic strategies during 2006 to 2011 – Norway in 2006, Denmark and Russia in 2008, Canada and the US in 2009, Finland in 2010 and Sweden in 2011 (Haftendorn 2016: 134-137). As for China, there are currently few tangible indications that the Arctic could become a focal area of Chinese military planning in the foreseeable future, not least due to other, much more pressing concerns.

CONCLUSION

Starting roughly with the ‘Taiwan Missile Crisis’ of 1996, the past two decades have seen a naval build-up in China both in quantitative and in qualitative terms. China has been aiming to enhance the level of its naval

⁷ Cf. the summary of Chinese scientific interests in the Arctic and Antarctic for studying climate change against the backdrop of possible threats to Chinese agriculture and the Chinese population centers near the coast provided by Bertelsen and Gallucci (2016: 2).

capability by building an expeditionary navy, and plans to transform its military into a modern force capable of joint operations.

Because China's coastal waters within the so-called "First Island Chain" are confined and shallow, and are subject to constant surveillance by the US and its allies, China has to contend with a relatively unfortunate geostrategic position, which places constraints on China's naval expansion. Driving US forces further away from its shores by developing stronger anti-access/area denial (A2/AD) capabilities seems to be the primary interest behind China's naval build-up. At the same time, it seems that attempts to further enlarge China's military presence in the South China Sea may be a strategic necessity from the Chinese vantage point, not least in order to offer China's ballistic missile submarines based at Hainan Island a greater scope of action for training and patrol missions, as well as greater protection against hostile forces.

As it seems, China's naval planners have primarily been concerned with developing the capabilities suitable and necessary to defend what the Chinese Communist Party deems to be its non-negotiable "core interests." These have been defined multiple times as the Taiwan question; sovereignty over Xinjiang, and sovereignty over Tibet. Lately, the sovereignty issues in the South China Sea and East China Sea seem to have been elevated to the status of yet another "core interest."

Based on China's recent actions and its official rhetoric, one may infer that the complicated sovereignty issues in the Asia Pacific will remain much more strategically important from Beijing's point of view than the idea of projecting its military power into the Arctic region, especially given the rather limited Chinese economic interests there, which pale in comparison to its much larger investments and shipping activities in Eurasia, the Middle East, and Africa.

The most strategically relevant aspects of China's Arctic engagement are probably China's natural resources exploration activities in various Arctic countries;⁸ the PRC's evolving economic partnership with Iceland; and above all, China's strong and growing economic and military-technological cooperation with Russia, which includes both joint maneuvers and Arctic raw materials extraction projects, which may result in a greater volume of bulk carrier traffic in the Arctic region. It seems indeed that China engages in what Tessman and Wolfe term "strategic hedging," by treating the Arctic as one among several possible sources of future energy and raw material imports, even though this will remain a particularly challenging region to exploit for climatic reasons alone (Tessman and Wolfe 2011: 236). Nonetheless, as Haftendorn recently observed, new technologies such as fracking may make polar hydrocarbons less attractive in the future (Haftendorn 2016: 136). Given the above factors, it seems unlikely at this point that the Arctic waters could become a focal area of Chinese naval interest anytime soon.

To sum up, China has as of yet not promulgated an official Chinese Arctic strategy. Beijing is likely to concentrate most strongly on developing military capabilities that are designed to secure its so-called "core interests" of sovereignty in the Asia Pacific, above all Taiwan and the South China Sea; it will likely try to constrain US surveillance activities near Chinese shores; and, it is likely to pursue its economic interests in the Arctic mainly in co-operative rather than confrontational fashion, as it has done so far. The strengthened co-operation with Russia, which lately included joint maneuvers in the Arctic, will likely shape as well as constrain China's level of military engagement in the High North.

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⁸Lanteigne (2014: 16-26) gives a detailed overview of China's related activities in various Arctic countries.

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CHINAS ARRIVAL AT THE ARCTIC

JÖRG-DIETRICH NACKMAYR

The melting of the Arctic ice has not only defrosted old rivalries between the Arctic neighbour states (Canada, Denmark, Finland, Iceland, Norway, Sweden, Russia, and the U.S.) but has also attracted the interest of other powerful actors. Besides the aforementioned countries, known as the Arctic Council member states, a new global player has recently arrived on the Arctic stage; the People's Republic of China (PRC).

This article aims to shed some light on China's increasing interest and activity in the Arctic, which so far has not been adequately analysed.¹ Over the years that I have now been living in Iceland, I have become keenly aware of a development that has yet to attract wider public attention. In a discussion with a Chinese diplomat I learned that China's relationship with Iceland began in 1953, only four years after the Communists took control of China. Realizing that this relationship began with the founding of a Chinese-Icelandic cultural society, I asked myself what motives are behind Beijing's apparent strategic and forward-looking efforts. What effects could the appearance of an "outside power" have on the region itself, the greater geopolitical architecture, as well as on transatlantic lines of communication? These questions were first posed in a short essay written in February 2013, by Paula Briscoe, a National Intelligence Fellow at the U.S. Council on Foreign Relations titled: *Greenland – China's Foothold in Europe?*² Her article addressed the strategic dimension of the aforementioned developments, which arguably will be of critical importance for the future of transatlantic geopolitics. In spite of this useful contribution, most authors have mainly focused on the analysis of the current conflict potential between Russia and the West.³ When discussing the Arctic, China's appearance on the Arctic chessboard and its concomitant influence in the region has largely been overlooked.

Until now, the majority of academic discussions seem to have underestimated China's appearance north of the Arctic Circle. Some even argue that China is more interested in the Antarctic and try to prove this point by either comparing the number of research stations or the number of routine trips China's only Icebreaker Xue Long (Snow Dragon) makes to the respective regions. As a matter of fact, China has five permanent research stations in Antarctica and only one in the Arctic and its icebreaker has been to Antarctica on 18 separate occasions compared to only two expeditions to the Arctic during the same period of time. The argument can be made that China is more interested in the South Pole than in the North Pole. However, we have to take into consideration that Snow Dragon's trips to the Antarctic were mostly supply missions. The two trips to the Arctic had a very different purpose. In both cases, they can be considered to have been a show of force or, in other words, a "because we can" enterprise. The first was a joint research trip to the North Pole together with Icelandic scientists, while the second was an unannounced journey along the North East Passage, where Russian territorial claims are opposed by China and the rest of the international community. This successful and unannounced journey has led to a harsh diplomatic response from Moscow. Moreover, it is likely to encourage Russia to improve its reconnaissance and defence capabilities in order to avoid surprise visitors along the North Sea Route in the future.

In order to better understand China's ambitions in the North, it is more interesting to analyse its diplomatic efforts and economic activities than simply counting ship transits. Moreover, to understand the numerous

¹ Willett, L., 'Frozen over: Maritime security challenges in the High North', in *Jane's navy international*, 117 (2012), H. 10, p. 21-24. One of the authors who capably analyses future military scenarios, yet - just as the majority of the so-called experts - overlooks the Achilles' Heel that is Greenland on the line of communication.

² <http://blogs.cfr.org/asia/2013/02/01/paula-briscoe-greenland-chinas-foothold-in-europe/>

³ inter alia: Humrich, C. and Wolf, K. D. in, *Osteuropa* 2-3, 2011, 'Krieg in der Arktis? Konfliktszenarien auf dem Prüfstand', *Logbuch Arktis, Der Raum, die Interessen und das Recht*; Kürsener, J., 'Die Nordostpassage: profitabler als die Suezroute', in, *Schweizer Soldat*, 89, 2014, H. 4, p.38-43; Haftendorn, H., *Arctic Security: New Challenges in a Diverse Region* (Aspen Paper).

security challenges, in particular, the vulnerability of Western sea lines of communication (SLOCs), it is important to take a closer look at the internal political situation in both Greenland and Iceland.

THE GEOPOLITICAL FRAME IN THE ARCTIC

Geopolitically, there is a “coast to coast” dilemma. The desirable political and economic objectives in the region hinge upon the influence over – or even control of – Kalaallit Nunaat (Greenland) and Iceland as well as the exclusive control of Arctic waters. Not only are there massive deposits of raw materials in and around Greenland⁴ but Greenland and Iceland are also aiming for far-reaching autonomy and may soon confront the geopolitical players as independent states. By ending negotiations on E.U. membership, Iceland has chosen a path that attempts to maximize the economic benefits that can be drawn from the European Economic Area and Schengen while minimizing the influence exerted upon itself by supranational European organizations. Iceland’s current leadership attaches great importance to having as much room for political manoeuvring as possible and therefore support a multi-vector policy, aimed at entertaining relations that are equally close with China as they are with the U.S., Russia, and the E.U. Iceland is both a part of NATO and has also enjoyed a separate bilateral defence agreement with the U.S. since 1951.⁵ However, the Icelandic population remains traditionally pacifist. If a generation of politicians who are not convinced of the advantages of a transatlantic partnership were to come to decide to leave the Alliance, this would have global repercussions. How pertinent this question is, has become clear after the latest elections. The newly elected mid-right wing coalition holds only a single seat majority. Large parts of the political spectrum are eager to question the close relationship with NATO and the presence of foreign troops. The far-left parties might be inclined to reach out to both China and Russia to gain some sort of security promises, which the latter would gladly accept.

This naïveté towards the great eastern powers seems to have a tradition in Iceland. There is the persistent rumour that long-term President Grimsson offered Keflavik airport to Russia following the negotiations on a Russian loan at the beginning of the 2008 financial crisis. Grimsson also attracted attention during an event celebrating the establishment of diplomatic relations between Iceland and Russia by referring to St. Petersburg as the natural capital of the Arctic⁶ – not only U.S. political and military circles were alarmed.

These challenges are also important for the future of Greenland and were recently addressed in Martin Breum’s study, *The Greenland Dilemma*⁷, which was translated into English in March 2015 by the Royal Danish Defence College and published on its official website. Startled by Greenland’s government under Aleqa Hammond, which had set itself the goal of political independence from Denmark within a generation, the Danish armed forces are now publicly positioning themselves to counter this development. In an interview from March 2014, the Danish Foreign Minister, Martin Lidegaard was surprisingly frank about what was at stake for Copenhagen: “We have a greater presence in Beijing and Washington and Berlin because of Greenland. That’s what makes Danish foreign policy unique. [...] Denmark is bigger and more important with Greenland than we are without. It is in our interest to defend that unity.”⁸ This also explains the current public debate on the future of Danish-Greenland relations. In 2013, the Commander of the Royal Danish Defence College, Rear Admiral Nils Wang, explained why Copenhagen was so outspoken about the topic: “A power vacuum will always be

⁴ cf. Royal Danish Defence College, 214, Brief. Greenland and the New Arctic Political and security implications of a state-building project. Rear Admiral Nils Wang and Dr. Damien Degeorges, p.6 f.: “The United States Geological Survey (USGS) estimates that about 13% of the undiscovered oil, 30% of the undiscovered natural gas, and 20% of the undiscovered natural gas liquids in the world are located in the Arctic region. (...) However, it is estimated that 97% of the oil and gas reserves in the Arctic Ocean are located within the already-determined and, until now, un-questioned Exclusive Economic Zones of the Arctic coastal states. As the majority of the known minerals in the region are located ashore, almost all known natural resources in the Arctic region are already legitimately owned by a state.” Or, dealing with Germany’s economic interests in the international context: Haftendorn, Helga, ‘Schatzkammer Arktis: Deutschlands Interessen an Rohstoffen aus dem Hohen Norden’, in, *Internationale Politik*: IP.,67 (2012), H. 4: Zu neuen Ufern, p.91-97.

⁵ http://avalon.law.yale.edu/20th_century/ice001.asp.

⁶ <http://grapevine.is/news/2014/02/26/president-iceland-is-not-well-suited-for-the-eu/>

⁷ <https://itunes.apple.com/us/book/the-greenland-dilemma/id996387129?mt=11>.

⁸ Breum, M., *The Greenland Dilemma*, Copenhagen March 2015, Royal Danish Defence College, p.149f.

filled. If other countries came to believe that Greenland would soon start planning for the day that Greenland was no longer a part of Denmark, [...] Denmark's position in the world would be weakened."⁹ These developments are the blueprint from which we can now begin to study the facts.

GREENLAND'S IMPORTANCE FOR THE ARCTIC

Greenland's future is of utmost importance for the geopolitical balance in the Arctic. According to reliable geological estimates, the world's largest island, covering an area six times the size of Germany, has huge raw material deposits. Among these rare earths are metals such as uranium, as well as other minerals, oil, and gas. It is inhabited by no more than 57.000 people. At present, Greenland is a semi-autonomous country within the Kingdom of Denmark. Even so, the call for full independence, which has been theoretically possible since gaining self-rule in 2009, still gains much support. The question of who is to exploit the as yet untouched deposits of raw materials plays an essential part in this discussion; not least because these materials could conceivably finance the independence. At present, Greenland receives an annual block grant of €500 million from Denmark and approximately €30 million from the European Union to develop its educational sector. This is a part of the €218 million grant within the framework of the 2014-2020 E.U.-Greenland partnership agreement.¹⁰ The call for independence and self-determination is now taken so seriously in Denmark that their political establishment has been discussing it intensively. Although economic independence from Denmark could result in a further disengagement from the former colonial power and lead to full independence, the authors of a recent study published by the Royal Danish Defence College in 2014, provide a rather positive outlook on Greenland-Danish relations.¹¹ Denmark will carry on working towards cooperation and openness and will aspire to successfully continue this endeavour.¹² However, a study by the London-based POLARSKI think tank comes to a contrary conclusion. Its title is self-explanatory: In 2035 Kalaallit Nunaat is an independent state.¹³

In any case, on 5 December 2014, the three-party coalition headed by the Social Democrats (Siumut) opened a new chapter in Greenland's history. The coalition, which held 17 of 31 seats in their parliament and was led by Aleqa Hammond, has declared that the government's main effort would be to increase uranium mining, previously only begun in the Kvanefjeld Project (10 km from Narsaq, on the southern tip of Greenland). Hitherto, Denmark had regarded uranium mining as a strategic resource and had reserved itself a veto right, due to the foreign policy dimensions of the enterprise. Copenhagen takes a critical view of the possible use of uranium for the development of nuclear weapons as well as for nuclear power. For the Nuuk government, uranium mining, on the other hand, is precisely the means to further promote independence. In this way, the legal borders between Copenhagen and Nuuk can be tested and uranium mining is expected to produce the budgetary means required to finance independence. Preparations for uranium mining are already well underway: The Kvanefjeld Mine is already advertised by the Australian mining company, Greenland Minerals and Energy Ltd, as a project which should "serve Greenland, China, and the world".¹⁴ It would be the world's largest mining area for commodities such as various rare metals, and one of the largest for uranium.

Another mining project in Isua, for which thousands of Chinese workers had been earmarked, has also attracted the media's attention and triggered a discussion about growing threat of foreign infiltration. A population of 57,000 will receive 3,000 – 4,000 imported workers from a different culture as an element which cannot be underestimated.¹⁵

⁹ I.c., p.173.

¹⁰ <http://www.euractiv.com/sections/eu-priorities-2020/greenland-its-way-back-towards-european-union-309496>.

¹¹ I.c.

¹² Knudsen, A., 'Die Arktis – Nahinteressengebiet für Kopenhagen', in, *Marineforum*. Ausgabe A: Zeitschrift für maritime Fragen, 87 (2012), H. 12, p.4-9.

¹³ <http://www.polarisk-group.com/>

¹⁴ http://www.wasmga.com.au/template/uploads/pdfs/20140213_NFC_Update_February_2014.pdf.

¹⁵ Obviously, China has bought out the insolvent western partners and will continue the project by itself cf. <http://www.adn.com/article/20150306/china-mining-and-housing-arctic>.

These developments correlate with China's strategic thinking, as far as it is openly accessible. Marc Lanteigne, a political scientist and expert on China and the Arctic, quotes and translates a study by the Chinese Army Research Institute, made available to the Chinese public on the Chinese internet on 19 June 2014. According to the study, the Arctic could become a new "lifeline" for China: "[...] the Arctic [is] a key source for oil and gas as well as a means to transport fossil fuels and other goods [and] the region could be a 'new Middle East' and provide a new 'lifeline' for China. The assessment concluded that the Arctic was on track to become a major energy supply base for the Chinese economy and that Beijing should seek out partnerships with energy-producing states in the Far North."¹⁶ This closely correlates with the evidence on Chinese endeavours in the region. It had, however, never before been stated in such clarity.

Mining investments in Greenland are of the highest relevance. Besides the enormous influence which investments of such magnitude previously had on a community of only 57,000 people, its public life, its decision-making culture, as well as its political processes, the lack of properly skilled workers in Greenland remains an important topic in the future. Work in the mines will only be possible if specialists are called in. If these were to come from China (their numbers ranging in the thousands) it would have entirely unforeseeable consequences on the island's social, political, and ethnic developments. The massive "surplus" of men in China, which makes it impossible for millions of young Chinese men to find a wife, combined with a spirit of adventurism, as well as other material benefits, could be a decisive factor in attracting workers for the hard labour necessary on the world's biggest island. What if China's commitment in the mining industry were to lead to the founding of a Chinese zone of influence within a few decades, as the result of intermarriages between Inuit women and Chinese men and their subsequent offspring? What if this ethnic form of influence is even intended by the Politbureau of the Communist Party of the People's Republic of China? These issues require close consideration.

Questions such as these are also being posed in Washington and Moscow, as the Intelligence Risk Assessment of the Danish Defence Intelligence Service from 2012 points out: "Both the United States and Russia are highly sceptical of Chinese attempts at securing control over the region's natural resources."¹⁷ The 2013 Intelligence Risk Assessment deals in greater detail with China's economic footprint: "It is likely that China's role and potential influence in the Arctic region will increase as China's economic involvement grows. On a number of occasions, China has demonstrated both capability and willingness to use investments and other kinds of economic instruments as a lever to obtain political objectives."¹⁸ This critical reception has obviously also been noticed in China: On 16 March 2013, an article by Zhang Yunbi in the China Daily tried to calm the fears among many Western observers that there was a secret agenda behind China's investments: "China Dismisses Hysteria over Greenland Ventures."¹⁹

What effect would independence of Kalaallit Nunaats have on the world's geopolitical balance? The creation of a new international legal entity in the Arctic Ocean would increase the possibilities of China asserting their own interests in the Arctic.²⁰ As independent states, Iceland and Greenland would be political

¹⁶ Lanteigne, M., *China's Emerging Arctic Strategies*, University of Iceland, Institute of International Affairs. The Centre for Arctic Policy Studies, 2014, p.26f.

¹⁷

http://feddis.dk/SiteCollectionDocuments/FE/EfterretningsmaessigeRisikovurderinger/Risikovurdering2012_English Version.pdf

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http://feddis.dk/SiteCollectionDocuments/FE/EfterretningsmaessigeRisikovurderinger/Risikovurdering2013_English Version.pdf

¹⁹ http://www.chinadaily.com.cn/kindle/2013-03/16/content_16312994.htm.

²⁰ Royal Danish Defence College, 214, l.c.: "Technically, Greenland could decide to become independent through a referendum, and then be recognized as a state by other states, and treated de jure as such in the international system. This independence option is explicitly mentioned in the Self-Rule Act. The main issue, however, is not whether or not Greenland technically may secede from the Kingdom of Denmark, but how to define the degree of independence Greenland is capable of enforcing. The strategic location in the Arctic and the huge potential of natural resources have already given Greenlandic self-rule a prominent "near-state" status in global affairs. The visit to Greenland in 2012 by the head of a G20 state, then South Korean President Lee

lightweights. The danger to the security architecture lies in the fact that an outside power or “alien” to this region could exploit this weakness and thereby change the fragile geopolitical balance of power in the Atlantic and the Arctic. For this, China’s intentions are of particular relevance. There is an iron rule in politics, namely that a power vacuum leads to political tensions.

The fact that China regards its position in the Arctic as that of a research nation, exploiter and consumer of resources, and user of new shipping routes is reflected in a recent statement by Chinese officials who want China’s voice to be heard in all questions pertaining to the Arctic. China not only invokes the U.N. Convention on the Law of the Sea but also regards itself as a near neighbour of the Arctic thus deriving its claims. One such statement was made by a high-ranking member of the Chinese PLA in 2010: At the Third Session of the Eleventh Chinese People’s Political Consultative Conference (CPPCC), Rear Admiral Yin Zhuo asked China not to fall behind on Arctic Ocean exploration. According to the United Nations Convention on the Law of the Sea (UNCLOS), the North Pole and surrounding area are the common wealth of the world’s people and do not belong to any country, said Yin Zhuo, who also served as former President of the Chinese Naval Strategy Institute. Yin expressed concern that some countries are infringing upon other nations’ interests by fighting for sovereignty over the region, which reportedly has 9% of the world’s coal and a quarter of the global untapped oil and gas, together with an abundance of diamonds, gold, uranium, and other resources. Believing in China’s regional war capacity in the oceans, Yin proposed to establish a cross-agency commission focusing on strategic planning.”²¹

The political argument is remarkable: Because the Arctic boasts 9% of global coal reserves and a quarter of the oil and gas, the interests of the neighbouring countries must not be put above that of any of the others. To stress this claim, China has, for years, been working on strengthening its positions in the Arctic Council (AC): “China wishes to play an expanded role within the Arctic Council in the wake of attaining formalized observer status in that forum in 2013. (...) China cannot seek to become a full member, as it lacks territory above the Arctic Circle, or indeed in any region commonly considered “Arctic”; the shortest distance between China’s northernmost point in Mohe County, Heilongjiang provinces and the Arctic Circle is more than 1400 kilometres. Nonetheless, there have been arguments within the country that China’s proximity to the Arctic region and the effects of regional climate change on Chinese weather patterns justify greater engagement with any major existing and emerging regimes in addressing Arctic affairs.”²²

However, China should also ask itself if its interests can ever be asserted in the AC. The AC was officially founded as a forum to organize the interests of the Arctic Nations (nation states as well as indigenous peoples), as well as those of the interested countries and other observers. This, at least, is the argument of the founding members. Whoever wants to achieve observer status must recognize full sovereignty, sovereign rights, and jurisdiction of the eight Arctic neighbour states over the Arctic, as was clearly laid down in the founding documents and the rules for observers.²³ This way, the special rights of disposal of the eight neighbour states Canada, Finland, Iceland, Sweden, Denmark, Norway, Russia, and the U.S., as well as their sole responsibility, are protected from the aspirations of those alien to the region. Whether or not, this legal nicety permanently manages to exclude countries like China from decisions pertaining to the Arctic remains to be seen. At present, the AC is only a political institution which lacks clearly defined rules on problem resolution. Important agreements between individual members are therefore decided upon bilaterally and not within the framework of the AC, as is, for example, the Search and Rescue (SAR) Agreement between Canada and Denmark. Other reasons are that decisions require a consensus. However, there are no clearly defined procedures in place of how to make decisions in the event of conflict.

Myung-bak, without a stop-over in Denmark and without the presence of the Danish Prime Minister, was for the self-ruled territory a clear sign of recognition on the world stage. This was further highlighted in 2011 when then Greenland Minister of Industry and Natural Resources Ove Karl Berthelsen visited China, and was received by China’s then Vice-Premier, now Premier, Li Keqiang.”

²¹ <http://chinascope.org/m/content/view/2391/105/>.

²² cf. Lanteigne, p. 16.

²³ <http://www.arctic-council.org/index.php/en/document-archive/category/4-founding-documents>.

What Lanteigne describes in the following quote can be regarded as a broadly held consensus on China's aspirations: "With the Arctic region taking on greater global strategic and economic significance, Beijing wants to avoid being left out of future decision-making processes, especially considering that two great powers, Russia and the United States, are full members of the Council and may be moving towards increasingly problematic strategic relations. In short, China is seeking to enter Arctic politics at a time when the region has become both more crowded and more diplomatically unpredictable. Nevertheless, there are strong economic reasons for Beijing to continue to press for a greater role in Arctic politics."²⁴

At the third Arctic Circle Conference in Reykjavik in October 2015, China's Foreign Minister Wang Yi laid out the three principles of Chinese Arctic policy: respect, cooperation, and win-win.²⁵ China regards the Arctic as man's common heritage and wants to limit the neighbours' exclusive responsibility. China especially stressed the protection and sovereign rights of the indigenous peoples and considers the freedom of research and naval routes as non-negotiable. This also applies to areas which are part of the continental shelf. These political goals include a great potential for conflict should China actually be prepared to push through these aims, especially in the face of opposition. The appearance of five Chinese warships in the Bering Sea, off the coast of Alaska, that coincidentally took place during with the visit of the U.S. President to the 49th State therefore marked a clear break from previous behaviour. China attempt to make itself spokesperson for indigenous rights can hardly be considered a credible effort, given its track record among the minorities in Mongolia, Xinjiang, or Tibet. However, it is a clear challenge to the West, especially in the light of unsolved questions in Greenland.

To what extent China's interests have already become a topic of constant interest in Greenland was also highlighted by the political dispute between the two main parties in the 2013 election campaign, when the Social Democrats accused the Socialists of trying to abandon the rules on a minimum wage for Chinese workers and of selling Greenland resources too cheaply to China.²⁶ It is worth noting that a parliamentary majority in Greenland only requires 16 votes. The foreign office employs fifteen people. Not many people have to be convinced in order to achieve a decision.

CHINA'S INTEREST IN ICELAND

China's interest in Iceland also merits closer scrutiny. It is, however, not easy to understand its intentions, as no Arctic Strategy or White Book has been published.²⁷ For now, China's intentions remain both ambiguous and intransparent. At the same time, the facts allows for interesting conclusions to be drawn. Only four years after the People's Republic of China was founded in 1953, the Iceland-China Cultural Society was formed,²⁸

²⁴ cf. Lanteigne, p. 17.

²⁵ <http://arcticcircle.org/video2015>.

²⁶ cf. Handelsblatt 13 March 2013: "Die künftige Regierungschefin will mehr von ausländischen Investoren verlangen, aber auch das bislang herrschende Abbauverbot für Uran und Seltene Erden lockern. (...) Hammond hatte im Wahlkampf dem bisherigen Regierungschef einen voreiligen Verkauf heimischer Ressourcen an chinesische Interessenten vorgeworfen. Dieser hatte unter anderem durchgesetzt, dass der grönländische Mindestlohn für mehrere tausend chinesische Bergarbeiter in einem geplanten Erzbergwerk nördlich von Nuuk außer Kraft gesetzt werden kann. Hammond kündigte noch in der Wahlnacht an, sie werde diese Regelung im neuen Parlament erneut zur Abstimmung stellen. Außerdem will sie eine höhere Besteuerung ausländischer Investoren durchsetzen. Hammond tritt aber auch für eine Lockerung des bisher kompletten Abbau-Verbotes für Uran sowie für „Seltene Erden“ ein, die für Hightech-Produkte wichtig sind." [The future head of government wants to demand more from foreign investors, however, also wants to relax the rules concerning a ban on mining for uranium and rare earths. (...) Hammond had accused the incumbent head of government of having flogged domestic resources to Chinese buyers. He had, inter alia, ensured that the Iceland minimum wage can be suspended for thousands of Chinese miners in a planned mine north of Nuuk. During election night, Hammond announced that she would again put this to parliament She also wants to push through higher taxation of international investors. Hammond, however, also argues for an easing of the total ban on uranium as well as rare earths mining, necessary for high-tech products] Aleqa Hammond, however, resigned on 1 October 2014 following a spending scandal.

²⁷ Rainwater, Shiloh, 'Race to the North: China's Arctic strategy and its implications', in, Naval War College review, 66 (2013), H. 2, p. 62-82.

²⁸ <http://is.china-embassy.org/eng/xwdt/t1200604.htm>.

one of the oldest cultural societies on the island. Following the establishment of diplomatic relations between the Middle Kingdom and the island in the middle of the Arctic-Atlantic Oceans in 1971, China's Deputy Prime Minister Geng Biao began the tradition of Chinese diplomatic visits in 1979. In 1995, Chinese Foreign Minister Qian Qichen visited, followed in 2000 by Li Peng, the Chairman of the Standing Committee of the People's Congress. The high point was President Jiang Zemin's appointment on "America's unsinkable aircraft carrier" in 2002, followed by the politburo members Luo Gan in 2003 and He Guoaiang in 2010. In 2012, Prime Minister Wen Jiabao paid a visit, and in the following year Deputy Prime Minister Ma Kai did the same. No country, Western or otherwise, has pursued diplomatic visits to Iceland as extensively as the PRC. In 2014, Victor Z. Gao, who had been Deng Xiaoping's chief interpreter and today operates as a chief strategist for international policy, spoke about Iceland-China relations and presented China as a globally leading country of the future. "China is getting closer and closer to the centre of the world stage."²⁹ A few weeks later, and parallel to the second China-Nordic Arctic Cooperation Symposium, there were not only reports on the future of China's Arctic strategy but also a China-Iceland Joint Aurora Observatory which was opened in the north of the island, close to the city of Akureyri.³⁰ China boasts by far the largest embassy in Iceland, with room for up to 200 diplomats, which rounds off this picture. In comparison Germany currently has four accredited diplomats in Reykjavik; the U.S. embassy has a staff of twelve.

The increasing number of visits since 1995 illustrates Iceland's growing importance for Chinese diplomacy. A speech given in October 2014, by the Chinese ambassador to Iceland, Zhang Weidong also reflected on the impressive list of Icelandic diplomatic visits to China: "On the other hand, China has also received high level visits from Iceland, including Foreign Minister Ólafur Jóhannesson in 1982, Prime Minister Steingrímur Hermannsson in 1986, Prime Minister Davíð Oddsson in 1994, Speaker Salome Thorkelsdóttir and President Vigdís Finnbogadóttir in 1995, Foreign Minister Halldór Ásgrímsson, and Speaker Halldór Blödal in 2005. President Ólafur Ragnar Grímsson officially visited China in 2005. He visited China again in 2007 to witness the Special Olympics and in 2010 to attend the Shanghai Expo. Prime Minister Jóhanna Sigurdardóttir visited China in 2013, followed by Foreign Minister Gunnar Bragi Sveinsson's trip to China in June 2014."³¹

What impresses even more than the frequency of high-ranking visits is the close and complementary political consensus, which is beneficial for both sides: "China and Iceland support each other in the international arena. China supported Iceland's interests in its fishing areas. Iceland appreciates China's position on democracy in international relations and its policy that all countries, big or small, are equal. Iceland supported China's resumption of its legitimate seat in the United Nations and voted for China."³² The question must be asked as to what Iceland's population is to think of – and expect – if China's interpretations and views of democracy are supported by Iceland in international relations. One is allowed to ask in which tongues Iceland politicians actually speak when visiting China and whether, given such statements by the Chinese Ambassador, Iceland should still be perceived as a part of the West, or already as the Far East's mouthpiece in the geographical West.

The extent of China-Iceland relations is impressive. Iceland was the first European country to sign a bilateral free trade agreement with China.³³ It was only the second such agreement with a member of the OSCE. China signed the first free trade agreement with New Zealand in 2008. In light of Iceland's waning willingness to become a member of the European Union, the agreement between Iceland and China was advanced by an ad hoc visit of Chinese Prime Minister Wen Jiabao in April 2012, and was signed a few months later. It must be assumed that this agreement is important for China in its pursuit of Arctic interests. It should be seen against the backdrop of a similar development between China and Norway. After negotiations on a free trade agreement began in September 2008, they were abruptly stopped by China in protest of the decision of the Nobel Prize Committee to award the Nobel Peace Prize to Liu Xiaobo, a prominent Chinese human rights activist. Apart from ending the negotiations on the free trade agreement, China stopped Norwegian imports of salmon, and

²⁹ www.islandsstofa.is/files/victor-gao.ppsx, Folie Nr. 17.

³⁰ <http://nordurslodanetid.is/en/china-nordic-symposium>.

³¹ <http://is.china-embassy.org/eng/xwdt/t1200604.htm>.

³² I.c.

³³ <http://www.nzz.ch/aktuell/wirtschaft/wirtschaftsnachrichten/china-und-island-vereinbaren-ein-historisches-abkommen-1.18065098>.

began flexing its Arctic muscles vis-à-vis the Kingdom. All attempts by the Norwegian government to explain that the Nobel Prize Committee acts independently and that its decisions do not necessarily reflect the views of the Norwegian government were to no avail. There have been no indications that the negotiations on a free trade agreement will be resumed. Apart from the fact that Norway is now the only EFTA member without a free trade agreement with China, this does throw into sharp relief China's approach to countries not willing or not able to bow to its wishes. Influencing the Nobel Prize Committee is certainly beyond the power of a Western government. It is, however, significant that the Norwegian government refrained from officially welcoming the Dalai Lama during his visit in May 2014, which was regarded by Western media as kowtowing to China.³⁴ Irrespective of these efforts, China has continued its ban on Norway, possibly as a warning to all other new 'friends' in the brave new world of free trade.³⁵ The way in which Norway is treated because of its different views on human rights issues remains a feared blueprint for future relations between the Middle Kingdom and smaller countries, not only in the High North.

A case can be made that these are the harbingers of a new era in Iceland's history – one in which Iceland no longer plays the role as a "U.S. aircraft carrier" but becomes a Chinese hub and a gateway to Asia. In 2009, a 3.5 billion Yuan (€480B) currency swap agreement was signed between the central banks of the two countries and was extended in 2013.³⁶ There were also discussions on Chinese capital taking on 95% stake in Islandbanki, crippled by the financial crisis.³⁷ The intention of the Chinese company NFC made public in July 2015, to open an aluminium plant in the island's north-west, completes the picture.³⁸ Wider public attention was given to the plan of Hunag Nubo, formally head of propaganda for the Communist Party of China and now billionaire, to buy 30,000 hectares of Iceland's Highlands and develop them for tourism. So far, the Icelandic government has not approved these plans; yet, according to statements by Nabo, it remains on his agenda. The increase in the number of Chinese tourists, from currently 10,000 to 100,000 per year as announced by China (which would be approximately 7% of annual tourists), might make a Chinese spa and golf resort in the uninhabited Iceland Highlands appear highly profitable. Preparations are being made for direct flights from China to Iceland. At the moment, most air passengers have to first travel via Copenhagen or other major European airports. In 2012, both countries celebrated 40 years of diplomatic relations by conducting a scientific expedition to the North Pole. In August 2012, the Chinese icebreaker Xue Long dropped anchor in Reykjavik following its voyage through the NWP and confirmed China's claim and capability to use this route in future.³⁹ China will soon supplement this icebreaker, bought in 1994 from Ukraine, with a further vessel. At present, Germany has a 35-year-old research vessel with ice breaking capability, the Polarstern. However, in 2015, it had to end its research

³⁴ <http://bigstory.ap.org/article/norway-shuns-dalai-lama-hoping-mend-china-ties>.

³⁵ In its analysis of Asia, the western security policy community thinks that China attempts to „die Nachbarstaaten (...) in halbsouveräne Provinzen zu verwandeln, ohne sie dabei militärisch unterwerfen zu müssen, (...) durch demografische Expansion und wirtschaftliche Anbindung immer abhängiger von einer Pekinger Interessensdefinition zu machen.“ [turn the neighbouring states (...) into semi-sovereign provinces, without having to subdue them militarily (...) ever more dependent on Beijing's definition of interest through demographic expansion and economic links] in, Umbach, Frank, 'Maritime Sicherheit – Fallstudie Ostasien', in, Maritime Sicherheit im 21. Jahrhundert, DSF Band 215, NOMOS 2014, p.262–300.

³⁶ <http://www.ft.com/cms/s/0/81d100de-73fb-11df-87f5-00144feabdc0.html>

³⁷ <http://www.wantchinatimes.com/news-subclass-cnt.aspx?id=20130815000079&cid=1102>.

³⁸ Chinese company puts money on table; visir.is - Yesterday Klappi Development ehf and the Chinese company NFC signed a document of understanding on financing the construction of a 120,000-tonne aluminium smelter in a planned industrial zone at Hafursstadir in Skagabyggd (NW-Iceland). Prime Minister Sigmundur David Gunnlaugsson (Progressive Party) and Zhang Weidong, China's Ambassador to Iceland, gave speeches on the occasion. Plans call for Icelandic parties to own a majority of the shares in the aluminium smelter. On the other hand, NFC, according to the declaration, will guarantee at least 70% of the costs of the project. In addition, it will guarantee the operations of the aluminium smelter during its start-up. The energy needs of the aluminium smelter will be 206 MW. The power is expected to come from Blonduvirkjun Power Station (W-Iceland). A press release states that there will be an estimated 240 permanent jobs in the Klappi Aluminium Smelter and up to 800 temporary jobs during the construction period. Hafursstadir is just south of Skagaströnd. Both Saudarkrokur and Blonduos will be within smelter's employment area.

³⁹ <http://www.reuters.com/article/2012/08/17/us-china-environment-idUSBRE87G0P820120817>.

activities early due to engine trouble.⁴⁰ Fortunately, Germany is currently inviting tenders for a new research icebreaker, to be deployed from 2019 onward.⁴¹

Iceland is not only the gateway to the Arctic, but also to the Atlantic and lends itself not only to the transport of raw materials mined in Greenland but also to the distribution of shipping between Europe and America. What is more, China is playing for time. To quote Huang Nubo: “Many people think Iceland is very remote but if you think about it in the long run, in 10 years... If the ice caps melt in the North Pole, then Iceland property will become very expensive because it's the only way that a lot of ships need to pass to go to Europe.”⁴² Nevertheless, Nubo has started negotiations to buy land in Norway, to the north of Tromsø and in the vicinity of the town of Longyearbyen on Svalbard, rather than in Iceland. He struck a deal with a Norwegian landowner and now owns a million square meters to the north of the Arctic Circle; its use remains unclear.⁴³ A further interesting detail was a speech given by Iceland President Ólafur Ragnar Grímsson in April 2013, in which he stated that China and other Asian countries should be given more say in the Arctic.⁴⁴

Observers wonder whether China's significant emergence in the Arctic would have been possible without the unexpected closure of the US military base in Keflavík in 2006. This closure continues to be a strain on the relationship between the two countries. It marked a break in the trans-Atlantic security architecture and has undeniably left a power vacuum. The fact that the U.S. has now begun using the base for ad-hoc air policing missions as a result of increased Russian reconnaissance flights is observed with serious interest in Iceland. Diplomatic visits by the U.S. have also intensified since 2014. Victoria Nuland, the Assistant Secretary of State, was the first high-ranking member of a U.S. administration to have visited Iceland for a long time. The fact that a new and larger embassy building was bought is a further sign of increased U.S. presence.

If China, as a “power alien” to the region, can establish in the Arctic Circle over the long term, it will strongly influence the political gravitational forces. The appearance of a new power along the trans-Atlantic lines of communication has the potential of turning economic competition into political rivalry and, ultimately, even military conflict. Where political claims and political space intersect, lies the field of decision: military, political, economic. In one word – strategic. To recognize this is geopolitical thinking, to act accordingly is rational policy.

⁴⁰ <http://www.spiegel.de/wissenschaft/natur/antrieb-defekt-eisbrecher-polarstern-muss-expedition-abbrechen-a-1011672.html>.

⁴¹ <http://www.vdma.org/article/-/articleview/1716877>.

⁴² <http://www.cnbc.com/id/100666980#>.

⁴³ <http://www.nordlys.no/nyheter/article7362483.ece>.

⁴⁴ <http://www.theguardian.com/environment/2013/apr/16/china-future-arctic-iceland>.

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