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BASIC

Arctic Diplomacy at a Crossroads

Addressing Present and Future Geopolitical and Strategic Risk

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**Défense
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BASIC

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Policy Recommendations

Policy 1: Restart Track 2 Diplomacy to Address Arctic Human Security Issues

Restarting Track 2 diplomacy on Arctic human security issues will help to foster a deeper understanding of the complex issues impacting indigenous peoples in the Arctic, such as sustainable resource management, climate change, and preservation of traditional practices. Track 2 and 1.5 initiatives provides a platform for dialogue, knowledge exchange, and promotes cross-cultural understanding among indigenous communities, scientists, policymakers, and civil society. This enables stakeholders to develop innovative solutions to challenges faced by indigenous peoples in the region, especially in the face of the current limited cooperation in the Arctic Council.

Policy 2: NATO must act with restraint

In order to have a positive spillover effect in the Arctic, such as increasing strategic predictability and stability, NATO must act with restraint in the region to counter undue escalation in the face of an insecure political leadership in Moscow, whilst at the same time not allowing Russia to intimidate NATO states in the region. NATO defensive posture must be led by the A7 not only because these are the regional states, but also as a mechanism to not overpopulate the region with NATO military presence.

Policy 3: The Arctic Council must resume interim cooperation with Russia

To ensure future stability in the Arctic, the Arctic Council must resume interim practical cooperation with Russia on compartmentalised issues such as those prioritised by the Norwegian chair 2023-2025.

Policy 4: To avoid an increased Sino-Russian Arctic partnership that threatens stability in the Arctic, the Arctic states must engage with China and Russia

Whether an increased economic and military Russia-China Arctic partnership will turn out to be a threat for Arctic stability will depend on how Arctic states will engage with both Russia and China. An isolated and weakened Russia might become more dependent on China and give the latter more access to the Arctic. Similarly, not finding avenues for cooperation with other Arctic states, China might try and gain more foothold in the region through enhanced cooperation with Russia. Arctic states, especially in the European Arctic, should prevent this from happening by engaging with the two countries through joint frameworks for economic cooperation and joint research projects in the region.

Policy 5: The A8 should establish an Arctic Risk Reduction Centre

To ensure and enhance stability in the Arctic, the A8 should establish a risk reduction centre built on the existing architecture of Arctic agreements on safety and security in the region. Greater and reliable means of communication between the Arctic states may raise transparency and strengthen stability.

Policy 6: Engaging with non-Arctic states

To avoid tensions between Arctic and non-Arctic states, Arctic states should find appropriate ways and channels to engage with non-Arctic states while keeping the centrality of the Arctic Council in Arctic governance. One way to do this would be to get non-Arctic states committed to abide by international law, respect indigenous peoples rights, and cooperate to ensure risk reduction and search and rescue activities in the Arctic. This could be done, for example, through a New Ilulissat declaration, inclusive of non-Arctic states with major investments and stakes in the region, such as China, India, and the United Kingdom, amongst others. The initiative and hosting of such a declaration should come from Arctic states, to remark their centrality in the region.

Introduction

The Russian invasion of Ukraine in February 2022 has had deep repercussions in the Arctic. Once heralded as an exceptional region because of the high level of cooperation between all Arctic states resulting in low tensions and stability, the Russian invasion in 2022 revealed that the region is no longer immune to conflict spillover. Indeed, the A7 (Canada, Denmark via Greenland, Finland, Norway, Sweden and the United States) decided to pause all cooperation in the Arctic Council and its subsidiary bodies as a response to the Russian aggression. Other Arctic regional institutions, such as the Coast Guard Forum soon followed suit and paused their cooperation with the Russian Federation as well.¹ While the Arctic Council has agreed to new guidelines allowing the Arctic Council Working Groups to resume their work, there remains a number of serious questions around the future of Arctic governance and stability.² Arctic diplomacy as we know it is at a crossroads.

BASIC was awarded a Targeted Engagement Grant by Canada's Department of National Defence (DND) to forecast emerging risks for Canada's security in relation to geopolitical pressures and strategic competition emerging due to changing alliance relationships in the Arctic region. We also investigate the utility of different risk reduction and confidence building measures.

This report is based on 28 semi structured interviews following the 7 Questions Futures Technique.³ This technique allows us to investigate the key drivers of specific policy areas so that we can develop future scenarios. The results presented here are not necessarily the opinion of the majority and we have set out to allow for minority positions to be taken into account. We have interviewed current and former civil servants who are working with or have worked with Arctic issues in addition to a range of experts and scholars. All our interviewees have filled in a consent form before taking part in the interview to protect their anonymity. The interviews are numbered from 1 to 28.

The report falls in three parts. In the first part we present our findings on current and anticipated geopolitical pressures in the region. This is followed by the second part in which we address the future state relations as we uncovered them, and in the third and final part we present a range of avenues for reestablishing practical Arctic diplomacy.

1. 'Joint Statement on Arctic Council Cooperation Following Russia's Invasion of Ukraine', 3 March 2022. <https://www.state.gov/joint-statement-on-arctic-council-cooperation-following-russias-invasion-of-ukraine/> (accessed 12 December 2023); 'Statement regarding Barents Euro-Arctic cooperation', 4 March 2022. <https://barents-council.org/news/joint-statement-of-finland-denmark-iceland-norway-sweden-and-the-european-union-regarding-barents-euro-arctic-cooperation> (accessed 12 December 2023).
2. 'Three months into the Norwegian chairship: A status update with SAO chair Morten Høglund'. Arctic Council 31 August 2023. <https://arctic-council.org/news/three-months-into-the-norwegian-chairship-a-status-update-with-sao-chair-morten-hoglund/> (last accessed 12 December 2023).
3. 7 Questions Futures Technique, <https://foresightprojects.blog.gov.uk/2018/05/01/7-questions-futures-technique/> (last accessed 12 December 2023).

Current and anticipated geopolitical pressures in the Arctic

Introduction

With the Russian invasion in 2022 and the subsequent responses from the A7, Arctic diplomacy is no longer in a position to deliver practical solutions to the range of concrete challenges and critical issues facing Arctic state cooperation, its peoples and the environment.

The Russian invasion of Ukraine in February 2022 was a crucial turning point for the Arctic and for cooperation between Arctic states. Before the Russian war against Ukraine, Arctic diplomacy not only delivered solutions to region specific issues through a plethora of international institutions, but also served as a forum for diplomats to discuss issues outside the Arctic. With the Russian invasion in 2022 and the subsequent responses from the A7, Arctic diplomacy is no longer in a position to deliver practical solutions to the range of concrete challenges and critical issues facing Arctic state cooperation, its peoples and the environment.

The region faces a number of critical issues in the short and long term, the practical solutions to which require the involvement of the A8⁴ thus requiring Arctic diplomacy is reestablished in one form or another. The idea that the Arctic can function in a 7+1 format is a non-starter if only because the Russian Arctic is roughly half of the Arctic. We also already know that the longer Arctic diplomacy remains dead-locked, the more difficult it will become to restart it.⁵ Some critical issues facing the region are the direct result of the Russian invasion of Ukraine, such as the imminent NATO expansion making seven of the eight Arctic states NATO members, that may increase the risk of conflict. Others are a result of events unrelated to the Russian aggression, such as climate change that may have devastating effects on Arctic societies and peoples as well as impact the geostrategic calculations.⁶ Regardless of the origin of the different issues, the common denominator is that their solutions require involvement of all eight Arctic states.

Before examining the potential and anticipated geopolitical pressures in the region, we must consider the different dynamics driving states' relations in the Arctic. As Andreas Østhagen has suggested, it is useful to

4. The A8 is Canada, Denmark via Greenland, Finland, Iceland, Norway, Russia, Sweden, United States.

5. Chiara Cervasio and Eva-Nour Repussard, *Prioritising People in the Arctic Eight Policy Proposals for Reducing Risks to Human Security*. (London: BASIC 2022); Gry Thomassen, *Managing Resources and Sea Routes in the Arctic Looking to the Future*. (London: BASIC 2022); Gry Thomassen, 'After Ukraine: How Can We Ensure Stability in the Arctic?' *International Journal*, 78(4), 643-651. <https://doi.org/10.1177/00207020231217463>

6. National Intelligence Estimate, Climate Change and International Responses Increasing Challenges to US National Security Through 2040. NIC-NIE-2021-10030-A. October 2021; UK Ministry of Defence: Defence's response to a more contested and volatile world, 2023.

distinguish between the systemic or international level, the regional level and the national level when attempting to make sense of the current situation and understanding the drivers of Arctic states behaviour, policies and strategies.⁷

The systemic level is about how power is distributed between states. For instance, during the Cold War, the Arctic was heavily militarised not as an effect of the region being contested, but because its geographic position placed the region into the strategic competition of the two opposing superpowers. Likewise, when the A7 paused cooperation with Russia in the Arctic Council in 2022 it was a direct result of the competition between the West and Russia at the systemic level.

The regional level however takes as its starting point that states which are in close geographic proximity tend to have more interactions than states without close geographic proximity. This means that mere geographical proximity demands political attention and has its own security dynamics. The establishment of the Arctic Council in 1996 is a prime example of how the regional states gathered to deal with regional issues, such as environmental concerns. However, when we talk about the Arctic there appears at times to be more than just one region. We can identify a European Arctic, a North-American Arctic and the littoral states - the A5 - that in many ways are distinctive regions within the Arctic with their own political dynamics. The A5 for instance emerged as a separate entity in the region around the Arctic Ocean when they issued the Ilulissat Declaration in 2008 to the great dismay of the remaining Arctic states, Iceland in particular.⁸

Finally, the national level allows us to understand the individual states' decisions around their national security. Of course these are very much impacted and based upon regional and international developments, but at the national level local considerations and historical experiences and traditions play a role as well. For instance, Canada's refusal to allow wider NATO engagement in the Arctic in the 2010s is largely explained by Canadian domestic factors, such as a long standing preoccupation with sovereignty in relation to the Northwest Passage and the Canadian Arctic Archipelago.⁹

7. Andreas Østhagen (Ed), *Norway's Arctic Policy Geopolitics, Security and Identity in the High North*. (Blackwell's: 2023) Duncan Depledge, 'Train Where You Expect to Fight: Why Military Exercises Have Increased in the High North' *Scandinavian Journal of Military Studies*, 3(1), p.288–301.DOL: <https://doi.org/10.31374/sjms.64>;

8. Jon Rahbek-Clemmensen, Gry Thomasen, 'How has Arctic coastal state cooperation affected the Arctic Council?' *Marine Policy*, Volume 122, 2020, <https://doi.org/10.1016/j.marpol.2020.104239>.

9. Helga Haftendorn, 'NATO and the Arctic: Is the Atlantic Alliance a cold war relic in a peaceful region now faced with non-military challenges?', *European Security*, Vol. 20, No. 3, September 2011, pp. 337-362; Adam Lajeunesse, 'Arctic Geopolitics and Security from the Canadian Perspective' In: Weber, J. (eds) *Handbook on Geopolitics and Security in the Arctic. Frontiers in International Relations*. (Springer, Cham. 2020) https://doi.org/10.1007/978-3-030-45005-2_3

Geopolitical pressures in the Arctic



Our research found that five issues could become critical now and in the future and our interviews clearly reveal the extent to which the Arctic order is at a crossroads.

So what are the current and potential geopolitical pressures in the Arctic over the next 10-20 years? Our research found that five issues could become critical now and in the future and our interviews clearly reveal the extent to which the Arctic order is at a crossroads. These are spillovers from global developments, climate change, Russia, China and other non-Arctic states. Yet, the possibility remains that the spillover that the Arctic is facing is indeed nothing new - arguably, the region has always experienced spillover effects from changing geopolitical pressures and been an arena for strategic competition between adversaries [interviews 7, 8].

Global Developments, Regional Spillover

First, we found that the spillover that the region currently experiences will continue into the future [interviews 3, 6, 7, 10, 12, 13, 19, 20, 23]. Some of our interviewees (unsurprisingly) anticipate that the outcome of Russia's war against Ukraine will determine the scope and premises for stability in the Arctic in the future [interviews 1, 4, 8, 9, 10], others pointed to a more general breakdown in the rules based order as having a detrimental effect upon Arctic cooperation and anticipated that this would undermine states' willingness to adhere to conventions and rules that regulate cooperation and behaviour in the region, such as UNCLOS [interview 12]. The competition for resources at the systemic level was also expected to draw more states into the region and therefore increase geopolitical pressures [interviews 13, 17, 19, 23, 24, 28] and some feared that there would be a new "colonisation" of the Arctic as an effect of this [interview 17].

NATO's expansion and the resulting changing alliance relationships in the region is perhaps the most tangible piece of evidence that the Arctic is indeed susceptible to events outside the region and that these may have lasting effects upon the cooperation between the A8 on issues relating to the Arctic. This was underlined by our interviewees and we will discuss this in detail in section 2.

We also found that the Arctic has an extraterrestrial connection. A few of our interviewees anticipated that the emerging interrelationship between the Arctic and space will continue to develop [interviews 7, 16, 18].

While still unclear, the effects of more actors launching satellites above the Arctic and establishing observatories, such as China in Iceland, and the potential dual-use of the radar stations in the region denotes this new and evolving interrelationship [interviews 7, 16]. The importance of space for the Arctic was further underscored by the US Space Force (USSF) renaming the Thule Air Force Base to Pituffik Space Base to better “reflect its role in the U.S. Space Force”.¹⁰

The Implications of Climate Change

Second, we found that the effects of climate change in the region have both regional and global ramifications. A significant number of our interviewees identified climate change and the various effects it can have on the Arctic as one of the most critical issues facing the region [interviews 1, 2, 3, 4, 6, 7, 8, 9, 13, 14, 18, 19, 20, 21, 23, 24, 27, 28]. Temperatures in the Arctic are rising three times faster than the global average,¹¹ resulting in the loss of sea ice and glacial melt. This presents opportunities and challenges in the region both in terms of accessibility and navigation, as well as having detrimental effects for Arctic societies and peoples. We found four major concerns emanating from the impact of climate change in the region. These are increased accessibility to sea routes, critical resources, the security implications of climate change as well as concerns around human security.

Accessibility

It is predicted that the impacts of climate change could result in ice free summers in most of the Arctic Ocean by the 2030s.¹² The retreating of Arctic sea ice could open up sea routes in the region, notably the Northwest Passage (NWP) and Northeast Passage, in particular the Northern Sea Route (NSR). This presents opportunities for international commercial shipping routes [interviews 2, 3, 8, 11, 13, 15, 18, 22, 26]. Interviewees highlighted that the emergence of new shipping routes has significant implications for global trade as they offer faster and more cost-effective routes for commercial shipping, particularly the NSR which shortens shipping time between Asia and Europe [interviews 2, 3, 11, 15, 18, 22, 28]. This has attracted the interests of countries like China, prompting them to invest in the region [interviews 2, 3, 11, 22]. The increased presence of China in the Arctic is discussed in depth later in Part 1 and in Part 2 of this report.

Currently, shipping in the Arctic Ocean makes up less than 10 percent of the world’s shipping.¹³ Nevertheless, as the ice melts and shipping activities in the Arctic increase, concerns about environmental impacts of shipping are raised [interviews 1, 7, 13, 26, 28]. For instance, more maritime traffic in the region can lead to higher levels of pollution as a result of vessel emissions which further contribute to global warming and have a detrimental effect on marine life and the region’s fragile ecosystems. Another consequence of increased shipping in the Arctic is the increase of navigation risks [interviews 13, 28]. In the NWP, for instance, harsh weather conditions, turbulent water, drifting ice, extended periods of darkness, and poor infrastructure increases the likelihood of accidents occurring such as groundings, collisions, and vessel failures.¹⁴

However, we also found that in the next 10-20 years, some of our interviewees were critical about the prospects of the NSR being a commercial route, highlighting that there could be a risk of disruption to trade and commercial shipping due to geopolitical tensions [interviews 3, 11, 28].

10. USSF: Thule Air Base Gets New Name. April 2023. <https://www.spaceforce.mil/News/Article/3355840/thule-air-base-gets-new-name/>
11. Arctic Monitoring and Assessment Programme (AMAP), *AMAP Climate Change Update 2021: Key Trends and Impacts* (Tromsø, 2021), p.9. <https://www.amap.no/documents/doc/amap-arctic-climate-change-update-2021-key-trends-and-impacts/3594> (accessed 10 December 2023)
12. Yeon-Hee Kim, Seung-Ki Min, Nathan P. Gillet, Dirk Notz, and Elizaveta Malinina, ‘Observationally-constrained projections of an ice-free Arctic even under a low emission scenario’, *Nature Communications*, 14(3139), June 2023. DOI: <https://doi.org/10.1038/s41467-023-38511-8>
13. Victor M. Eguíluz, Juan Fernández-Gracia, Xabier Irigoien, and Carlos M. Duarte, ‘A quantitative assessment of Arctic shipping in 2010-2014’, *Scientific Reports*, 6(30682), August 2016. DOI: <https://doi.org/10.1038/srep30682>
14. Michael Byers, *Who Owns the Arctic? Understanding Sovereignty Disputes in the Arctic* (Vancouver: Douglas & McIntyre, 2009); Whitney Lackenbauer and Adam Lajeunesse, ‘On Uncertain Ice: The Future of Arctic Shipping and the Northwest Passage’, The School of Public Policy Publications (SPPP), University of Calgary, Vol. 7 (2014). DOI: <https://doi.org/10.11575/sppp.v7i0.42493>; Frédéric Lasserre and Olivier Faury, *Arctic Shipping: Climate Change, Commercial Traffic and Port Development* (Routledge, 2019); Gry Thomasen, *Managing Resources and Sea Routes in the Arctic* (London: BASIC, 2022); Chuya Wang, Minghu Ding, Yuande Yang, Ting Wei, and Tingfeng Dou, ‘Risk Assessment of Ship Navigation in the Northwest Passage: Historical and Projection’, *Sustainability*, 14(9), May 2022. DOI: <https://doi.org/10.3390/su14095591>

Climate Change and Critical Resources

The melting of sea ice in the Arctic is making it more feasible to access the region's vast natural resources, including oil, natural gas, fisheries, and critical minerals [interviews 2, 11, 13, 16, 21]. According to the 2008 US Geological Survey (USGS), the Arctic has the world's largest undiscovered oil and natural gas reserves,¹⁵ and the possible exploitation of these untapped resources has attracted the attention of Arctic states, particularly Russia, Canada, and the US, as well as non-Arctic actors, like China and the EU.

The region's critical minerals, including rare earths, play a crucial role in various industries,¹⁶ and as China continues to control a significant portion of the global supply of critical minerals, it has raised concerns about the West's strategic dependency on China for these critical materials. In 2020, the US government passed the Energy Act requiring the US Department of Interior to review and update the list of critical minerals that are important to the US economy, national defence, technology, infrastructure, and renewable energy, as well as update the methodology used to identify potential critical minerals.¹⁷ Similarly, the European Union has recently passed the Critical Raw Materials Act, which lists 34 critical minerals that are crucial for its own advanced technology sectors, in order to reduce strategic dependency on China, and has signed an agreement on strategic partnership with Greenland on sustainable raw materials value chains.¹⁸

Yet, our interviews show disagreement as to whether increasing access to natural resources in the region causes geopolitical tensions among countries with Arctic territories as well as between Arctic and non-Arctic states. Some of our interviewees suggested that increasing access to resources is fuelling competition among Arctic states who are vying for control over these resources which could potentially further disputes over territorial claims and exacerbate tensions in the region [interviews 2, 13, 21, 28]. Others, however, argued that increasing access to the Arctic's natural resources is not fuelling competition in the region [interviews 4, 18, 20]. For example, one of our interviewees emphasised that the majority of the Arctic's natural resources lie within the Exclusive Economic Zones (EEZs), meaning that these resources are already under the jurisdiction of one of the five Arctic coastal states [interview 20]. Other interviewees entirely rejected that there would be competition as a result of global warming in the Arctic, because it remains difficult and economically expensive to extract resources in the region [interviews 4, 11]. One interviewee, in particular, pointed out that as permafrost melts, it is becoming increasingly challenging to construct the necessary infrastructures for resource extraction, thereby complicating mining due to the effects of global warming [interview 4].



Our interviews show disagreement as to whether increasing access to natural resources in the region causes geopolitical tensions among countries with Arctic territories as well as between Arctic and non-Arctic states.

15. 'Circum-Arctic Resources Appraisal: Estimates of Undiscovered Oil and Gas North of the Arctic Circle' (US Geological Survey (USGS), 2008). <https://pubs.usgs.gov/fs/2008/3049/fs2008-3049.pdf> (accessed 14 December 2023).

16. Brett Watson, Steven Masterman, and Ern Whitney, 'Critical Minerals in the Arctic: Forging the Path Forward' (Wilson Center, July 2023). <https://www.wilsoncenter.org/article/critical-minerals-arctic-forging-path-forward> (accessed 14 December 2023).

17. 'U.S. Geological Survey Releases 2022 List of Critical Minerals' (US Geological Survey (USGS), 2022). <https://www.usgs.gov/news/national-news-release/us-geological-survey-releases-2022-list-critical-minerals> (accessed 14 December 2023).

18. Government of Greenland: EU and Greenland sign strategic partnership on sustainable raw materials value chains. November 2023. <https://govmin.gl/2023/11/eu-and-greenland-sign-strategic-partnership-on-sustainable-raw-materials-value-chains/>

The Security Implications of Climate Change

We found that climate change also has implications for military activities in the region [interviews 1, 13, 17, 26, 27] in particular in two areas. First, we found that climate change has implications for the security of military installations and infrastructure, for example rising sea levels and thawing permafrost undermines the stability of existing military structures, such as roads, runways, naval bases, and communication systems [interviews 7, 13].

Secondly, and equally important, we found that climatic change impacts military operations and planning in the region [interviews 1, 27]. The harsh and unpredictable conditions place a significant strain on equipment and communications systems, potentially leading to decreased reliability and functionality. As a result, this makes it difficult for militaries and navies to forecast challenges and increases the risk of disruption to capabilities [interviews 1, 3, 7, 13, 27].¹⁹

Climate change is, therefore, altering the dynamics of military and naval operations by changing the environmental landscape, meaning that states may have to develop new technologies and strategies to safeguard their capabilities in the region to ensure effective military presence. For example, the reducing thickness of the ice cover makes it harder for submarines to hide and operate undetected [interviews 1, 7, 27] and with diminishing sea ice, submarines become more easily detected by adversaries' surveillance and satellite technologies [interview 1]. In addition, the changing conditions makes it harder for submarines to detect other underwater vessels, icebergs, and floating ice which increases the risk of collisions or confrontations in the Arctic waters [interviews 26, 28].

Finally, in order to cope with the changing environment, militaries are having to modify infrastructures, as well as redesign equipment and technologies, to withstand and adapt to the changing conditions [interviews 1, 13, 18]. However, the potential of increased military activities in the Arctic as a consequence of NATO expansion into the region and the opening of Arctic waters is raising concerns about environmental impacts of bigger emissions and the construction of such new facilities [interviews 1, 7, 26, 28]. Infrastructure development and emissions can accelerate warming trends which further contributes to the melting of ice and to ongoing climate change in the region.

The Human Security Implications of Climate Change

Climate change poses a significant threat to human security in the Arctic region. Our interviewees highlighted that the effects of climate change on ecosystems and species have devastating impacts on Arctic societies and peoples [interviews 1, 3, 9, 11, 13, 15, 17, 20, 24, 28]. These changes are undermining the traditional ways of life and culture of indigenous communities, exacerbating the vulnerabilities of Arctic populations and socio-economic consequences.²⁰ The changing climate is causing deterioration to critical infrastructure in the region such as roads, bridges, buildings, airstripes, pipelines, and sewage systems.²¹ Moreover, the diminishing sea ice and changes in weather patterns negatively affects food supply and disrupts traditional livelihoods, including hunting and fishing [interviews 13, 17, 28].

POLICY RECOMMENDATION: Restart Track 2 Diplomacy to Address Arctic Human Security Issues

Restarting Track 2 diplomacy on Arctic human security issues will help to foster a deeper understanding of the complex issues impacting indigenous peoples in the Arctic, such as sustainable resource management, climate change, and preservation of traditional practices. Track 2 and 1.5 initiatives provide a platform for dialogue, knowledge exchange, and promote cross-cultural understanding among indigenous communities, scientists, policymakers, and civil society. This enables stakeholders to develop innovative solutions to challenges faced by indigenous peoples in the region, especially in the face of the current limited cooperation in the Arctic Council.

19. Jan-Gunnar Winther, 'Arctic climate change' in Karsten Friis, Elana Wilson Rowe, Mike Sfraga, and Ulf Sverdrup (eds), *Navigating Breakup: Security realities of freezing politics and thawing landscapes in the Arctic: Input Report for the Arctic Security Roundtable at the Munich Security Conference* (Norwegian Research Institute of International Affairs and Wilson Center, 2023), p.24. <https://www.wilsoncenter.org/sites/default/files/media/uploads/documents/MSR%20ASR%20Input%20Report%202023%20Navigating%20Breakup.pdf>
20. Chiara Cervasio and Eva-Nour Repussard, *Prioritising People in the Arctic: Eight Policy Proposals for Reducing Risks to Human Security* (London: BASIC, 2022), p.22.
21. Wilfred Greaves, 'Climate change and security in Canada', *International Journal*, 76(2), July 2021, pp. 181-353. DOI: <https://doi.org/10.1177/00207020211019325>



Permafrost

At the regional level, climate change in the Arctic has significant consequences for the stability of permafrost [interviews 9, 11, 16, 27]. As the permafrost in the Arctic thaws due to global warming, it releases large amounts of greenhouse gases, particularly carbon dioxide and methane, into the atmosphere which contributes to rising global temperatures and amplifies climate change [interviews 9, 11, 16]. This creates a dangerous feedback loop as more global warming leads to more thawing of permafrost which, in turn, releases more greenhouse gases which further exacerbates climate change processes.²² Moreover, the thawing of permafrost can cause damage to infrastructure in the region, as the frozen ground where buildings, roads, and pipelines are constructed becomes unstable [interviews 1, 7]. The thawing of permafrost has consequences not only for the region but also on a global level. The release of greenhouse gases from melting permafrost has implications for the global climate system and has a number of systemic effects such as rising sea levels, disrupted ocean currents, more frequent and extreme weather events on a global scale, changes in precipitation patterns, and loss of biodiversity.

22. Alina Bykova, 'Permafrost Thaw in a Warming World: The Arctic Institute's Permafrost Series Fall-Winter 2020' (The Arctic Institute, October 2020). <https://www.thearcticinstitute.org/permafrost-thaw-warming-world-arctic-institute-permafrost-series-fall-winter-2020/> (accessed 13 December 2023).

Russia's intentions in the Arctic

Third, we found that estimating or understanding Russia's intentions and aims in the Arctic is difficult and, among our interviewees, we identified a mosaic of different assessments that broadly follow our three levels of analysis: the systemic, regional, and national. Accordingly, Russia has a somewhat separate set of objectives and aims depending on which level of analysis is applied.

When looking at the systemic level, we found that our interviewees thought Russia would be more assertive towards the West mainly because of competition at the systemic level. In this assessment, our interviews stressed that Russia has an interest in upsetting the status quo at the international level in their ongoing power struggle. This could have spillover effects in the Arctic by making the Arctic region an arena for strategic competition both in the near and long term [interviews 2, 3, 4, 6, 8, 12, 18, 21, 22, 23, 27, 28].

At the regional level, our interviewees found that Russia would be less - perhaps even non - assertive because it would be against Russia's interests in the region [interviews 1, 4, 6, 12, 16, 21]. In this assessment, it is highlighted that Russia, unlike the other Arctic states, has a very broad spectrum of interests in the region, including significant economic interests. This translates into an intent to pursue a cooperative approach with the regional states, to preserve stability in the region. This explains for instance why Russia is exploiting the tools available for maintaining the Arctic order, such as UNCLOS [interviews 1, 4, 18, 21], setting its behaviour in the Arctic wildly apart from its actions in Europe.



In this perspective, the Russian militarisation of the Russian Arctic is as much about protecting and supporting its economic activities as it is simultaneously a militarisation to increase and bolster its forward posture

Russia's attachment to economic security in the Arctic is particularly seen as reducing the risk of conflict in the region [interviews 1, 4, 6, 12, 16, 21]. The Russian Arctic's contribution to the Russian GDP is – at least prior to the Russian war against Ukraine – estimated between 12 and 15 percent and accounts for approximately 20 percent of its export of which oil is 80 percent and gas 20 percent of its total production, and the prospects of considerably more export of oil and gas is equally unparalleled to any of the other Arctic states.²³ In this perspective, the Russian militarisation of the Russian Arctic is as much about protecting and supporting its economic activities as it is simultaneously a militarisation to increase and bolster its forward posture [interviews 4, 6, 21, 22]. As one scholar put it:

"The Russian Arctic is so much more important to the Russian economy than anyone else's Arctic, and so I would say are they militarising the Arctic? Is the Gulf of Mexico militarised? Because that's how important the Gulf of Mexico is to the United States. It's far more militarised than the Northern Sea Route, but of equivalent importance in their respective economies. Russia is up against the wall. Of course, they need to secure the Northern Sea Route" [4]

Despite our interviewees identifying a fundamental Russian defensive interest in the Arctic, derived from their vast economic interests in the region, they also highlighted that this is just one side of the coin. Russia's military build-up in the Arctic obviously serves other purposes at the strategic level, such as increasing their nuclear deterrence and their abilities to close the Greenland-Iceland-UK (GIUK) Gap and protect their Northern fleet [interviews 4, 13, 19, 28]. Some of our interviewees underscored that when understanding Russia and Russian intentionality, it is important to distinguish between Arctic militarisation as their domestic defence and Russia's nuclear deterrence, and realise that Russia's Arctic is entangled with its strategic aims [interviews 4, 13, 14, 19, 27, 28]. Russia's Arctic is in other words hosting both defensive and offensive capabilities.

When looking at the national level, there is little doubt among our interviewees that the political leadership in Moscow is fearful and insecure [interviews 1, 2, 3, 4, 12, 19, 21, 27].

Fear in IR – according to existentialist scholarship - is a way to manage anxiety by providing an object and thus opportunity to be managed and countered often through securitisation and physical protection. This also means that fear as an effect of anxiety is not necessarily a response to a physical threat or danger.²⁴

We found that NATO's expansion into the region increases a sense of insecurity and vulnerability in the political leadership in Moscow [interviews 1, 2, 3, 4, 12, 19, 21] and that Moscow fears that NATO may attack Russia over the Arctic [interviews 2, 3, 4, 12, 21].

At the same time, our interviews showed that the uncertainty around the stability of the political leadership in Russia makes it incredibly difficult to predict the future of Arctic states' relations. What will happen in Russia with or without Putin? How will the war against Ukraine impact the stability of the leadership? Our interviewees speculated it could turn either way, i.e., a more aggressive or reconciliatory Russia [interviews 4, 8, 12, 14, 19, 21, 27]. Either way, this underscores a fundamental lack of ability to understand Russia [interviews 4, 22].

Threat Perceptions of China

China is perceived as the most threatening non-Arctic state for the future of Arctic stability.

In its 2018 Arctic White Paper, China considers itself as a "near-Arctic state", whose policy goals in the region are 'to understand, protect, develop and participate in the governance of the Arctic, so as to safeguard the common interests of all countries and the international community in the Arctic, and promote sustainable

23. Nivedita Kapoor, 'Russia and the Future of the Arctic,' ORF Occasional Paper No. 336 (Observer Research Foundation: October 2021).
Bahar Rumelili, 'Integrating Anxiety into International Relations Theory: Hobbes, Existentialism, and Ontological Security', International

24. Theory 12, no. 2 (July 2020): 257–72, <https://doi.org/10.1017/S1752971920000093>

development of the Arctic.’²⁵ China’s activities in the Arctic are mostly driven by research interests on climate change and by economic interests, such as the import of oil and energy products, as well as the use of Arctic natural resources and shipping routes [interviews 5, 10, 11].

In particular, China has a vested interest in collaborating with Arctic states on the NWP and the NSR under the so-called “Polar Silk Road” (PSR), which adds an Arctic dimension to the Chinese “Belt and Road” initiative (OBOR). The OBOR is a gigantic infrastructure and connectivity project, and the PSR is aimed at developing Arctic shipping routes through the building of ports, facilities, and infrastructures. Due to climate change, in the next 10-20 years the NWP and the NSR will most likely be open for commercial maritime transports during summer, and this could significantly reduce time and costs of shipping for China’s commerce in Europe (which accounts for only a small part of China’s global trade) [interviews 11].²⁶ As explained in China’s Arctic strategy, the PSR is one of China’s primary objectives in the Arctic:

“China hopes to work with all parties to build a “Polar Silk Road” through developing the Arctic shipping routes. It encourages its enterprises to participate in the infrastructure construction for these routes and conduct commercial trial voyages in accordance with the law to pave the way for their commercial and regularized operation. China attaches great importance to navigation security in the Arctic shipping routes. [...] China calls for stronger international cooperation on infrastructure construction and operation of the Arctic routes.”



At the systemic level, perceptions of China’s destabilising role in the Arctic can be traced back to a general difficulty in understanding and trusting Chinese intentions, which mostly comes from a lack of transparency from China

25. The State Council of the People’s Republic of China, ‘Full Text: China’s Arctic Policy (in English)’, *Government of China* (January 2018). https://english.www.gov.cn/archive/white_paper/2018/01/26/content_281476026660336.html

26. Malte Humpert, *The Future of Arctic Shipping: A New Silk Road for China?*, The Arctic Institute, *Center for Circumpolar Security Studies* (November 2013). <https://www.thearcticinstitute.org/wp-content/uploads/2013/11/The-Future-of-Arctic-Shipping-A-New-Silk-Road-for-China.pdf?x62767>

In pursuing its Arctic interests, China emphasises respect for international law, sovereignty rights, and freedom of navigation under UNCLOS, leading some to fear that its interests in the NWP might clash with Canada's sovereignty claims in the Canadian Arctic [interview 15].

Threat perceptions of China unfold at both the systemic and regional level. At the systemic level, perceptions of China's destabilising role in the Arctic can be traced back to a general difficulty in understanding and trusting Chinese intentions, which mostly comes from a lack of transparency from China [interviews 22, 25]. Although China might not have immediate military interests in the region, there is fear that the consolidation of its economic and scientific research interests might lead the country to exert more military posturing in the next 10-20 years [interview 13]. Moreover, there is suspicion around China's PSR, as Chinese-built civilian infrastructures in the Arctic might turn to be of Chinese military interest in the future [interviews 10, 13, 25]. The expansion of China's ice-breakers fleet, with a third ice-breaker currently under construction, indicates that the PSR and China's commercial interests in the Arctic are a policy priority for the country, which will continue to expand its presence and power in the region [interviews 13, 28].²⁷

Such systemic threat perceptions and fundamental lack of trust in Chinese intentions are stronger on the part of states in the North American Arctic. Some interviews point out that the Arctic will become a new arena for strategic competition and great power status between the United States and China [interviews 12, 15, 21, 24]. Moreover, increased naval presence in Arctic waters on both sides might lead to dangerous accidents, even raising concerns in some about the region turning into a "new South China Sea", with Chinese fishing fleets and commercial ships intruding into states' exclusive economic zones [interviews 15, 24, 28]. Elsewhere,²⁸ we have argued that such threat perceptions of China are sometimes exaggerated. Even with climate change, the Arctic will remain a very difficult area to access, and the arrival of Chinese investors in the region – which is heavily criticised by some Western governments – is instead often welcomed by Indigenous communities.²⁹ Moreover, European Arctic states tend to perceive Chinese presence and investments in the region as less of a threat [interviews 5, 14].

The scenario changes at the regional level, where almost all of our interviews (from both the European and North American Arctic, as well as from other non-Arctic states) show concerns in relation to the prospects of increased China-Russia cooperation in the region [interviews 3, 4, 5, 12, 13, 15, 18, 21, 22, 25, 26, 28].

Our interviews identified Russia's 2014 invasion of Crimea as a critical event for the intensification of China-Russia cooperation in the Arctic. Up to 2013, Russia persistently opposed China's requests for obtaining observer status in the Arctic Council [interview 10].³⁰ After the invasion, following severe sanctions from the West, Russia welcomed growing Chinese investments in the Russian Arctic [interviews 5, 10, 16, 28]. Cooperation between the two countries has intensified to the point that, in 2017, the two countries agreed to cooperate under China's PSR, expanding the use of the NSR through the building of ports and other infrastructures.³¹

Russia's 2022 war against Ukraine had a similar effect on China-Russia cooperation. Renewed sanctions from the West pushed Russia closer to China, both globally and in the Arctic [interviews 10, 16]. In April 2023, the Russian Federal Security Service (FSB) and the Chinese Coast Guard signed a Memorandum of Understanding (MoU) to cooperate on Coast Guard tasks, which includes the protection of sovereign rights at sea like fishing resources, oil, and gas.³² As several interviewees noticed, the MoU signals the seriousness of China-Russia Arctic cooperation, at least on "soft" security issues, and it is noteworthy that the signatory on the Russian side was the FSB [interviews 3, 10, 12, 13, 21]. As explained later in this report, one of the most common negative scenarios that our interviews painted for the future of Arctic security would be that the Russia-China partnership in the Arctic becomes more solid and even turns into a military partnership.

27. Polina Leganger Bronder, 'China to Build its Third Icebreaker', *The Barents Observer* (December 10, 2021). <https://thebarentsobserver.com/en/arctic/2021/12/china-build-its-third-arctic-icebreaker>

28. Chiara Cervasio and Eva-Nour Repussard, *Prioritising People in the Arctic Eight Policy Proposals for Reducing Risks to Human Security*. (London: BASIC 2022); Gry Thomasen, *Managing Resources and Sea Routes in the Arctic Looking to the Future*. (London: BASIC 2022).

29. Chiara Cervasio and Eva-Nour Repussard, *Prioritising People in the Arctic Eight Policy Proposals for Reducing Risks to Human Security*. (London: BASIC 2022), p. 18.

30. See also Jeremy Greenwood and Shuxian Luo, 'Could the Arctic be a Wedge Between Russia and China', *War on the Rocks* (April 4, 2022). <https://warontherocks.com/2022/04/could-the-arctic-be-a-wedge-between-russia-and-china/>

31. Joachim Weber, 'Limited Cooperation or Upcoming Alliance? Russia, China and the Arctic', *Handbook on Geopolitics and Security in the Arctic: The High North Between Cooperation and Confrontation* (2020): 345-361.

32. Thomas Nilsen, Russia's Coastguard Cooperation with China is a Big Step, Arctic Security Experts Says, *The Barents Observer* (April 28, 2023). <https://thebarentsobserver.com/en/security/2023/04/russias-arctic-coast-guard-cooperation-china-big-step-expert>



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Engaging with non-Arctic states

China's presence in the Arctic should be contextualised in a broader scenario where several non-Arctic states (such as India, Japan, Singapore, and South Korea) have become interested in the region for its key economic and commercial importance as well as its relevance for scientific research on environmental issues and climate change. Other non-Arctic states, most notably the United Kingdom have a vested interest in Arctic stability due to its geographic proximity [interviews 23, 27], as well as the secure access to the infrastructure in the GIUK Gap is important to British defence and commercial interest.³³

Of these states, our interviews assessed that India is a critical non-Arctic state with growing interests in the region [interviews 10, 11, 16, 24, 25]. India released its Arctic policy in 2022 and has growing scientific and economic interests in the region, especially with regards to energy resources and investments in transport and connectivity [interviews 11, 16]. Moreover, India is interested in the study of climate change in the Arctic to better understand the dynamics of glacial melt in the Himalayas and vice versa [interviews 11, 16].

33. Looking North: The UK and the Arctic. The United Kingdom's Arctic Policy Framework. *Foreign, Commonwealth & Development Office* (February 2023). <https://www.gov.uk/government/publications/looking-north-the-uk-and-the-arctic/looking-north-the-uk-and-the-arctic-the-united-kingdoms-arctic-policy-framework>; House of Lords International Relations and Defence Committee, *Our friends in the North: UK strategy towards the Arctic* (November 2023).



Being in such a unique position, India could play an important “honest broker” role between the West and Russia in the Arctic

However, unlike China, India is not perceived as a threatening actor by Arctic states [interviews 10, 11, 16, 24, 25]. Our interviewees described India mostly as a friendly state, and as a country that could have a positive impact on the growing divide between NATO Arctic states and Russia in the Arctic [interviews 10, 24, 25]. Indeed, India enjoys the unique position of having good relations with both Russia and all the other Arctic states, including crucially the US, and it is therefore perceived as a trustworthy partner [interviews 10, 24, 25]. Being in such a unique position, India could play an important “honest broker” role between the West and Russia in the Arctic [interviews 10, 11, 16, 24].

Despite not perceiving other non-Arctic states as threats for Arctic security, our interviews show concerns that, by leveraging on their economic and scientific interests, such non-Arctic states will gain more foothold in the region in the coming years [interviews 3, 5, 8, 9, 11, 17, 21, 24, 25]. This risks destabilising the Arctic by introducing new layers of complexity around regional governance, with more and more states wanting to have a stake in Arctic issues [interviews 3, 5, 21, 24]. Moreover, non-Arctic scientific research on climate change in the region can destabilise local ecosystems and pose risks to indigenous peoples [interview 17]. In Part 3 of this report, we suggest that this can be addressed by engaging non-Arctic states through a new Ilulissat declaration, while keeping the centrality of the Arctic Council in Arctic governance.

The future state relations

In a regional perspective, we found that an absolute prerequisite for a stable and cooperative future scenario is the resumption and maintenance of the Arctic Council

When we asked our interviewees to paint an optimistic and a pessimistic future for the Arctic, we found a set of scenarios and their drivers which may appear in the Arctic in the next 10 to 20 years. These assessments, as bleak as some are, illustrate that the region is not on the brink of conflict nor beyond a future of stability and cooperation and most importantly, that the region is and remains intrinsically connected to the systemic level.

Positive scenarios

A number of changes at the systemic level were considered detrimental for a positive future to evolve in the region. Most notably, an end to Russia's war against Ukraine and a regime change in Moscow [interviews 1, 2, 4, 5, 9, 12, 14, 15, 17, 18, 19, 20, 21, 22, 25, 26, 27, 28] is required, but also other international developments are called for, including the resumption of arms control agreements and their negotiations between the US and Russia [interviews 14, 27]. Similarly, reducing the salience of nuclear weapons in both US and Russian postures and doctrines were considered a necessary - although somewhat unlikely - prerequisite for the evolution of a more stable Arctic [interview 21]. It was also mentioned that a China-US rapprochement will have a positive spillover effect in the region [interviews 18, 25]. Others focussed on a general and sustained commitment to international law and respect for the rules-based order [interviews 8, 14, 22, 23, 25], or found that a solution to climate change would set the Arctic region on path towards a positive future [interviews 1, 7, 9, 10, 25].

Whilst those observations are hardly surprising, our interviewees were in disagreement on whether the newly expanded NATO alliance should have a bigger role in the region for a positive scenario to evolve. On one hand, some interviewees estimated that an increased role of NATO will lead to more militarisation of the region making it a less predictable environment where there is an increased risk of miscalculation and accidents, as further explained in the next section on negative scenarios. Others stressed that the region is a matter for Arctic states and argued that too many cooks in the region can confuse the messaging [interviews 1, 13, 16, 20, 25, 27]. Presumably, the resumption of practical cooperation between the A8 would render an increased role for NATO in the Arctic obsolete anyway [interviews 13, 15, 24]. On the other hand, some stressed that the enlargement increases strategic predictability in the region [interviews 4, 14, 24] at least in the European Arctic [interview 24] and therefore can provide a sobering foundation to move Arctic stability forwards.

This clearly shows that NATO's future role in the Arctic holds the potential to disrupt the balance in the region. Our interviewees stressed that, although unavoidable, NATO's expansion and future behaviour in the region must be done with restraint.

POLICY RECOMMENDATION 2: In order to have a positive spillover effect in the Arctic, such as increasing strategic predictability and stability, NATO must act with restraint in the region to counter undue escalation in the face of an insecure political leadership in Moscow, whilst at the same time not allowing Russia to intimidate NATO states in the region. NATO defensive posture must be led by the A7 not only because these are the regional states, but also as a mechanism to not overpopulate the region with NATO military presence.

In a regional perspective, we found that an absolute prerequisite for a stable and cooperative future scenario is the resumption and maintenance of the Arctic Council [interviews 3, 7, 9, 14, 15, 17, 18, 19, 21, 22, 23, 24, 25, 28]. Amongst our interviewees there was a certain longing for the past and we found that the times before the Ukrainian Crisis in 2014 is an ideal model for cooperation between states in the region [interviews 1, 12, 13, 22]. However, more importantly for this report, the resumption of dialogue between the A8 on security is a necessary prior condition to avoid conflict or conflict below the threshold of war to emerge in the region in the future [interviews 1, 3, 6, 19, 21]. While a move toward reassurance, such as crisis management and mitigation, development of risk reduction and confidence building measures (CBM), and most importantly more open lines of communication were considered ideal, our interviewees recognised that interim low level discussions on compartmentalised issues is a sign of success in the region [interviews 1, 3, 6, 21, 25, 28]. For example, tailored risk reduction measures towards existing commercial spheres, such as fishing [interviews 3, 6, 20, 21], or cooperation on science [interviews 3, 6, 7, 18, 28].

POLICY RECOMMENDATION 3: To ensure future stability in the Arctic, the Arctic Council must resume interim practical cooperation with Russia on compartmentalised issues such as those prioritised by the Norwegian chair 2023-2025.³⁴

Negative scenarios

The current situation in the Arctic demonstrates that if there has ever been an era of Arctic exceptionalism it is indeed over, and when we asked our interviewees to outline a negative scenario for the region, interviewees identified four main drivers of deteriorating regional cooperation: increased competition at the strategic level, NATO expansion, inadvertent escalation, and increased China-Russia regional cooperation.

Strategic competition

Our interviewees identified a range of different manifestations of strategic competition which could spill over in the Arctic, including the ongoing war against Ukraine and Russian nuclear sabre rattling [interviews 13, 14], the actual use of nuclear weapons in Ukraine [interview 13] and a prolonged continuation of the war [interview 1, 4] which were all seen as escalating tensions between the A8. Others mentioned increased competition between the US and China as spilling over into the Arctic [interview 21]. We also found a more general concern around systemic competition [interview 23], such as arms racing [interview 14] including in space [interview 18]. The latter being mostly driven by China and Russia.

NATO expansion

Most worryingly however is the future role of NATO and the possible effects of NATO's expansion on the cooperation in the region. As already mentioned, the expansion - we found - creates insecurity in Moscow and distrust towards the West's intentions [interviews 1, 3, 28].³⁵ The effect of the expansion to include an additional two Arctic states is in general seen as having the potential to overly militarise the region [interviews 1, 17, 21] and one scholar highlighted that with Finland's accession, Russia had lost the advantages of "Finlandisation" in the region [interview 3]. Militarisation of course increases the risks of miscalculations and misunderstandings between states and importantly may lead to arms racing and increasing postures. As such, our interviewees pointed to the risk of Russia doing more nuclear posturing, increasing their capabilities and further modernising their arsenal in an attempt to intimidate NATO [interviews 21, 22]. Others feared that NATO - in a worst case scenario - would be more escalatory than conciliatory [interviews 6, 21] increasing the risk of escalation. Some did not rule out that the 'ultimate result' of more confrontation and more military presence in the region would be an armed conflict [interview 21], and one scholar found that should the nuclear weapons states do 'some actions and provocations' at the systemic level, that will open a new front of confrontation in the Arctic - a scenario deemed highly unlikely

34. Norway's Chairship of the Arctic Council 2023–2025. March 2023. <https://www.regjeringen.no/en/dokumenter/norways-chairship-of-the-arctic-council/id2968490/>

35. The term West refers to NATO plus Sweden.

but yet possible [interview 7].

Apart from these obvious risks associated with the expansion of NATO into the region, a few more subtle consequences of the expansion emerged. First, we found that there could be institutional confusion [interviews 3, 28]. Specifically, it was raised that the increased presence of NATO in the region could blur the lines of communications on specific issues, for example would security be handled as a bilateral matter, or as a matter between NATO and Russia. In this connection it is worth noting that despite the many efforts since the end of the Cold War to establish practical mechanisms to manage NATO-Russia relations, such as the NATO-Russia Council, these mechanisms have failed in the face of crisis or armed conflict.

Risks of inadvertent escalation

That being said, we found that inadvertent escalation is more likely than intentional escalation in the region [interviews 12, 20, 21] and we identified three areas where the unintended escalation may in fact take place.

we found that inadvertent escalation is more likely than intentional escalation in the region

The first is around Freedom of Navigation,³⁶ and in particular Freedom of Navigation Operations (FONOPS). Originating in 1948 as a form of practice, the Carter Administration (1977-1981) instituted the Freedom of Navigation Program 1979) to enable the US via a formal procedure to:

'Demonstrate US non acquiescence to unilateral acts by other states worldwide that are designed to restrict navigation and overflight rights and freedoms and that the US considers to be excessive'.³⁷

Thus, when the US finds that a coastal state makes a claim that Washington considers to be inconsistent with international law - which for the seas it is UNCLOS, it will act in either or all of three ways: 1. launching a formal diplomatic protest, 2. consultations with the states or, if the other two are unsuccessful, 3. launch FONOPS where the US (Department of Defence) asserts its legal position by sending in a ship or aeroplane to object to the claim.³⁸ Currently, in the Arctic there are a couple of hotspots for such FONOPS, most notably the NSR, but also the NWP.

In the North American Arctic, the US and Canada do not agree about the status of the waters in the Canadian Arctic Archipelago where Canada claims the waters are internal and the US that these are international.³⁹ While most of our interviewees saw no immediate or even potential clash between Canada and the US in this regard, one highlighted a US-Canadian debacle revealing a traditional narrative around Canadian concerns with sovereignty in the Canadian Arctic [interview 8].⁴⁰

If we turn to the NSR, the disagreement between the US and Russia goes as far back as the 1960s when the US sent ships to conduct surveys in the East Siberian and Laptev Seas. As back then, today the main legal dispute between the US and Russia is about the status of certain waters along the NSR where Russia claims it is internal waters and thus provide Russia certain rights and responsibilities, including but not limited to demanding vessels obtain permission from a Russian state authority, the so-called Administration of the NSR, to enter the NSR. This claim is contested by the US and other Arctic states and non-Arctic states that hold that certain straits of the NSR are international waters and that the requirement that vessels shall

36. UNCLOS Part VII High Seas.

37. Andrey Todorov, 'Dire straits of the Russian Arctic: Options and challenges for a potential US FONOP in the Northern Sea Route', *Marine Policy*, Volume 139, 2022, 105020, <https://doi.org/10.1016/j.marpol.2022.105020>; Katarzyna Zysk and Rebecca Pincus, 'Getting Sporty in Russia's Arctic', *War on the Rocks*, October 2023.

38. In this instance it is important to recall that the US has not ratified UNCLOS.

39. Adam Lajeunesse, 'Arctic Geopolitics and Security from the Canadian Perspective' in Joachim Weber, (ed) *Handbook on Geopolitics and Security in the Arctic. Frontiers in International Relations*. (Springer, Cham: 2020) https://doi.org/10.1007/978-3-030-45005-2_3

40. Helga Haftendorn, 'NATO and the Arctic: Is the Atlantic Alliance a cold war relic in a peaceful region now faced with non-military challenges?', *European Security*, Vol. 20, No. 3, September 2011, pp. 337-362; Adam Lajeunesse, 'Arctic Geopolitics and Security from the Canadian Perspective' in Joachim Weber, J. (ed) *Handbook on Geopolitics and Security in the Arctic. Frontiers in International Relations*. (Springer, Cham.: 2020) https://doi.org/10.1007/978-3-030-45005-2_3

obtain permission to enter NSR is not consistent with Freedom of Navigation.⁴¹ This does not automatically trigger a FONOPS from the US or anybody else thus reflecting this is a political decision.

However, since the Russian war against Ukraine both the US and the United Kingdom have highlighted the necessity of protecting Freedom of Navigation in their respective Arctic strategies.⁴² In July 2022, months prior to both the US and UK new Arctic strategies, Russia issued a renewed Maritime Doctrine that list the Arctic as the most important region and claim that Russia's control of the NSR is one of a range of key challenges. This should be seen in the broader context of the region becoming an arena for strategic competition in which legal disputes are a part and, as the competition increases, such disputes can get 'inflamed' - as one of our interviewees phrased it [interview 21]. Against this backdrop, we found that FONOPS might increase the risk of conflict in the region [interviews 1, 6, 7, 10, 19, 21, 28] in particular around the NSR. Reflecting on the complexity in the region following the expansion of NATO, one interviewee highlighted the potential of misunderstandings between Russia and NATO. FONOPS are national operations, however there is a risk that Russia might see an individual NATO state's FONOP as a NATO operation [interview 28]. Russia's 2022 modified Maritime Doctrine, is trying to deter FONOPS not only because they will challenge Russia's legal interpretation, but also because parts of the area hold sensitive military infrastructure and capabilities that Russia would not want the West to see.⁴³



Against this backdrop, we found that FONOPS might increase the risk of conflict in the region

41. Andrey Todorov, 'Dire straits of the Russian Arctic: Options and challenges for a potential US FONOP in the Northern Sea Route', *Marine Policy*, Volume 139, 2022, <https://doi.org/10.1016/j.marpol.2022.105020>; Katarzyna Zysk and Rebecca Pincus, 'Getting Sporty in Russia's Arctic', *War on the Rocks*, October 2023.
42. White House: National Strategy for the Arctic Region, October 2022; UK Government: Looking North: The UK and the Arctic The United Kingdom's Arctic Policy Framework, February 2023.
43. The Arctic region holds the largest number of ballistic missile submarines, provides test ground for new weapons, hosts important air bases for strategic bombers, and holds other important military and intelligence infrastructure, see Jørgen Staun, 'A Two-Faced Russia? Civilian Interests and Great Power Politics in the High North' in Joachim Weber (ed.), *Handbook on Geopolitics and Security in the Arctic*, *Frontiers in International Relations*, (Springer, Cham: 2020) https://doi.org/10.1007/978-3-030-45005-2_1

Yet, the Russian interpretation of the legal status of the NSR cannot be left unchallenged. This is a sensitive dilemma that can become a dangerous situation according to our interviewees [interviews 6, 19, 21]. However, two of our interviewees did not see a risk as such, mainly because FONOPS is basically a signal that follows a certain known playbook [interviews 20, 26]. Thus, as long as the actors in the region are familiar with and play by the same playbook, FONOPS does not constitute a risk as such.

Secondly, still in the context of sea routes and in particular the NSR, others highlighted that access to the seas is a major escalation point. Denying Russia access to move especially its strategic military capabilities could lead to a direct military conflict [interviews 6, 22] and there is a risk of collision as well around operations to secure the GIUK Gap that has gained renewed strategic importance to Transatlantic security [interviews 1, 19, 24].

Finally, a few interviewees estimated that China and Russia have an increased need to show the US their military naval capabilities in the North American Arctic. This was characterised as an emerging risk over the next 10-15 years. This kind of activity could quickly end up in tit for tat snap exercises - especially under a Republican Presidency - exercises that as mentioned elsewhere increase the risk of misunderstandings and miscalculations [interview 12].⁴⁴ Others speculated if climate change would allow Russia the opportunity to increase their activities in the North American Arctic as well [interview 18].

The China-Russia threat: Myth or Reality?

According to our interviews, a very worrisome scenario for the Arctic would be a solid Russia-China partnership, with increased economic and military cooperation between the two countries in the region [interviews 10, 12, 13, 16, 18, 21, 28]. Through the Chinese-built ports and facilities under the PSR, Russia might slowly allow Chinese submarines or vessels to enter Arctic waters [interview 10]. The drivers of such an intensified partnership could be the international isolation of Russia and sanctions from the West as the Russian war against Ukraine continues for an indefinite period [interviews 10, 16, 18]. For some, an isolated, weakened, and Chinese-dependent Russia might even become 'a pawn in China's play' [interview 12], as Russia might have no options but to allow China a greater access and presence, also in military terms, to the Russian Arctic, which accounts for around 50% of the Arctic territories [interviews 10, 12, 18, 22].



a very worrisome scenario for the Arctic would be a solid Russia-China partnership, with increased economic and military cooperation between the two countries in the region

44. Duncan Depledge, 'Train Where You Expect to Fight: Why Military Exercises Have Increased in the High North' *Scandinavian Journal of Military Studies*, 3(1), p.288–301. DOI: <https://doi.org/10.31374/sjms.64>

So far, however, cooperation between China and Russia under the PSR has been very limited. Joint PSR projects have been the first Arctic-sourced liquified natural gas (LNG) project on Yamal peninsula and the Arctic LNG-2.⁴⁵ In 2016, China signed an agreement with Russia to build a deep-sea port near Arkhangelsk, expected to be used as a Chinese logistical base for Arctic shipping, but the project is still in the planning stage.⁴⁶ China's Ocean Shipping Company (COSCO) has shown very little interest in the Arctic in the past few years, instead investing heavily in ports along the Suez Canal route.⁴⁷ According to one interviewee:

'China has many times promised to invest in Russian transport infrastructure, Northern Sea Route and also railways in the Russian Arctic zone but never kept its promises' [interview 1].

In terms of military cooperation, in the context of joint annual naval exercises in the Pacific Ocean, China's and Russia's navies have sometimes appeared in the Bering Sea, near Alaska – the most recent joint exercise, held in August 2023, was perceived by the US as particularly provocative [interviews 1, 12].⁴⁸

In the long term, however, Russia might decide not to give China more military foothold in the Arctic, for at least two reasons. The first is that Russia is just not interested in bringing non-Arctic states into Arctic affairs [interview 1]. The second reason is that, despite growing cooperation, there is still a distrust gap between Russia and China, fuelled by the 1969 border war between the two countries in the context of the broader Sino-Soviet split [interviews 16, 23].

There are some signs of cautiousness also on the Chinese side. As explained in Part 1 of this report, cooperating with all Arctic states to build the PSR is one of China's key priorities in the region. China has ongoing bilateral cooperation agreements, especially on scientific research, with Iceland, Finland, Norway, and Sweden.⁴⁹ Therefore, China is playing a 'very delicate balancing role in pursuing their interests in the Arctic', in terms of cooperation with both Russia and other Arctic states [interview 5]. China fears that the pause of the AC following Russia's invasion of Ukraine might further undermine collaboration with other Arctic states, and is concerned about EU sanctions on Russia as a result of the Ukraine war – all these considerations might have put Chinese projects in the NSR under a 'bureaucratic limbo'.⁵⁰

POLICY RECOMMENDATION 4: To avoid an increased Sino-Russian Arctic partnership that threatens stability in the Arctic, the Arctic states must engage with China and Russia. This should be done through joint frameworks for economic cooperation and scientific research in the region.

Whether an increased economic and military Russia-China Arctic partnership will turn out to be a threat for Arctic stability will depend on how the other Arctic states will engage with both Russia and China. An isolated and weakened Russia might become more dependent on China and give the latter more access to the Arctic. Similarly, if China will not find avenues for cooperation with other Arctic states (especially in the European Arctic) in the next 10-20 years to build the PSR, the country might try and gain more foothold in the region through enhanced cooperation with Russia. Arctic states, especially in the European Arctic, should prevent this from happening by engaging with the two countries through joint frameworks for economic cooperation and joint research projects in the region. As cooperation with Russia is currently hampered by the war against Ukraine, in the short-term, Arctic states can focus on China, and make sure that the country's voice and interests in the Arctic are heard through the existing cooperation mechanisms, such as the Arctic Council as well as bilateral agreements [interview 5].

45. Jeremy Greenwood and Shuxian Luo, Could the Arctic Be a Wedge Between Russia and China?, *War on the Rocks* (April 4, 2022). <https://warontherocks.com/2022/04/could-the-arctic-be-a-wedge-between-russia-and-china/>

46. Jeremy Greenwood and Shuxian Luo, Could the Arctic Be a Wedge Between Russia and China?, *War on the Rocks* (April 4, 2022). <https://warontherocks.com/2022/04/could-the-arctic-be-a-wedge-between-russia-and-china/>

47. Malte Humpert, The Future of Arctic Shipping: A New Silk Road for China?, *The Arctic Institute, Center for Circumpolar Security Studies* (November 2013). <https://www.thearcticinstitute.org/wp-content/uploads/2013/11/The-Future-of-Arctic-Shipping-A-New-Silk-Road-for-China.pdf?x62767>

48. US deployed warships after China, Russia naval patrol near Alaska, *Al Jazeera* (August 7, 2023). <https://www.aljazeera.com/news/2023/8/7/us-deployed-warships-after-china-russia-naval-patrol-near-alaska-wsj>

49. Jeremy Greenwood and Shuxian Luo, Could the Arctic Be a Wedge Between Russia and China?, *War on the Rocks* (April 4, 2022).

50. Marc Lanteigne, The Rise (and Fall?) of the Polar Silk Road, *The Diplomat* (August 29, 2022) <https://thediplomat.com/2022/08/the-rise-and-fall-of-the-polar-silk-road/>

Some of our interviews suggested that, in order to avoid being too dependent on China, Russia could increase its cooperation with India – one of its key strategic partners – in the Arctic [interviews 11, 16, 24]. It is key that Russia differentiates its economic partners and investors in the Russian Arctic, and India has already shown interest in investing in the NSR.⁵¹ This, however, might risk worsening relations between India and China (whose relationship is complex, and fraught with distrust and strategic competition), therefore Russia should strike the right balance between Chinese and Indian investments, to avoid the dangerous spillover effects of a potential China-India strategic competition in the Arctic.

51. Malte Humpert, India Looking to Cooperate With Russia With Russia on Development of Arctic Northern Sea Route, High North News (October 6, 2023). <https://www.highnorthnews.com/en/india-looking-cooperate-russia-development-arctic-northern-sea-route>



The Two Arctics

When looking at the conflict potential in the region, we found that the European Arctic is very different to the North American Arctic. Geopolitics matters in the region and it has mattered for a long period including before the Russian war against Ukraine. For example, there has been a prolonged period of more than a decade where NATO has conducted military exercises in the European Arctic and High North in response to the worsening relations between NATO and Russia and in conjunction with calls from smaller NATO member states to increase the attention on the Arctic area and collective defence.⁵² NATO has thus signalled a willingness to defend the Arctic member states even prior to the Russian illegal annexation of Crimea in 2014 and has continued this after the Russian war against Ukraine in February 2022, such as with the Cold Response exercise in March 2022 - although this was planned and informed about prior to the Russian invasion. The next exercise in the European Arctic will be NATO's largest in the region since the Cold War, the so-called Nordic Response 2024 that will take place in March 2024.⁵³

At the same time, Russian military exercises have also been ongoing and, particularly since the beginning of President Putin's second term in 2012, these have become far more daring. However, already in 2009 one exercise simulated a nuclear attack on Sweden, and there has been an increase of snap exercises in the European Arctic, for example in April 2023 Russia exercised protecting the NSR and more recently in August 2023, they exercised to isolate Scandinavia.⁵⁴

It is therefore unsurprising that, in our interviews, we found that the European Arctic is far more susceptible to increased tensions than the North-American Arctic [interviews 4, 12], with some interviewees even characterising the North American Arctic as a place denoted by 'Arctic exceptionalism' [interview 26]. Military exercises increase the risk of misunderstandings between opposing states [interview 12], but we also found that NATO now knows and is able - thanks to the many exercises - to operate in the region [interview 8].

At the same time, some interviewees highlighted that in the European Arctic there are mechanisms to speak to Russia, for instance in regards to incidents at sea or the Norway-Russia hotline [interviews 12, 20]. Equally important there is a long history of cooperation (and conflict) with Russia, the Soviet Union and Imperial Russia between the Nordic countries and Russia [interviews 12, 16, 18, 27, 28]. Such long held or deeply ingrained Russo-Nordic history separates the dynamics in the European Arctic from the North American Arctic and may also explain - apart from tactful Norwegian diplomacy - the smooth transition from Russian to Norwegian AC chairmanship in 2023 [interviews 12, 16, 28].

52. Duncan Depledge, 'Train Where You Expect to Fight: Why Military Exercises Have Increased in the High North' *Scandinavian Journal of Military Studies*, 3(1), p.288–301. DOI: <https://doi.org/10.31374/sjms.64>

53. Three exercises, one scenario: Russia, The Barents Observer, 5 March 2023. <https://thebarentsobserver.com/en/security/2023/03/two-exercises-one-scenario-russia>

54. Duncan Depledge, 'Train Where You Expect to Fight: Why Military Exercises Have Increased in the High North' *Scandinavian Journal of Military Studies*, 3(1), p.288–301. DOI: <https://doi.org/10.31374/sjms.64> ; Russia conducts major military drills in the Arctic, The Brussels Time, 11 April 2023. <https://www.brusselstimes.com/451744/russia-conducts-major-military-drills-in-the-arctic>

Apart from the risks associated with military exercises in the European North and Arctic, we found different pressures, such as the risk of increased hybrid warfare [interviews 3, 6, 28] especially along the Finland-Russia and Norway-Russia border [interviews 6, 28] and we found that the European Arctic is connected to the frontline in Europe.⁵⁵ Some spoke of looking at the European Arctic as an extension of the Eastern Flank [interviews 23, 24] recognising the strategic interconnectivity between the Black Sea and the Barents Sea.⁵⁶ This in turn also means, according to our interviewees, that as much as events in the Black Sea region may have an impact in the Arctic, the Arctic may as well impact the Black Sea region [interviews 23, 24].

Turning to the North American Arctic, our interviewees found little reason to see an increase of tensions in the North-American Arctic, with a few notable exceptions highlighting a US-Canadian debacle revealing a traditional narrative around Canadian concerns with sovereignty in the Canadian Arctic [interview 8]. The tendency to view this part of the Arctic as mostly stable may also be explained by a long-standing tradition in the North-American Arctic that security was and is handled as a bilateral issue between the United States and Canada as already established in 1940 with the Ogdensburg Agreement and with the extended NORAD agreement in 1957. Only a few of our interviewees found it possible to see a US-Canadian confrontation [interview 4].

Interestingly, a few interviewees saw an increased need from China and Russia to show the US their military naval capabilities in the North American Arctic. This was characterised as an emerging risk over the next 10-15 years. This kind of activity could quickly end up in tit for tat snap exercises - especially under a Republican Presidency - exercises that as mentioned elsewhere increase the risk of misunderstandings and miscalculations [interview 12]. Others speculated if climate change would allow Russia the opportunity to increase their activities in the North American Arctic as well [interview 18].

55. Since conducting the interviews, there has been a major spike in people from Russia illegally trying to enter Finland. See 'Finland to reopen some Russia border crossing points', *Politico*, 12 December 2023.

56. Not entirely unlike Józef Piłsudski's post World War I Intermarium plan.

Avenues for reestablishing Arctic diplomacy

Finding appropriate ways and channels to engage with non-Arctic states while keeping the centrality of Arctic states and of the Arctic Council in Arctic governance will be a key challenge of the next 10-20 years

The Arctic has fundamentally changed with NATO's expansion in the region. As explained throughout this report, the challenge is to ensure that the increased NATO presence in the region does not escalate tensions between Russia and the A7, rather NATO's bigger presence should be turned into an anchor of stability in the region. Failing to do this can have serious consequences for the Arctic and can spillover into the European theatre in particular. As recommended in Part 2 of this report, NATO must act with restraint to counter undue escalation in the region.

We also found that restarting cooperation with Russia on security is a requirement in the future, not only to ensure stability in the region, but also to ensure that Russia is not feeling isolated, which could potentially drive them towards other informal or formal alliance relationships, such as with China [interviews 10, 12, 18, 22].

It is therefore apparent that, in the next 10-20 years, Arctic security must be handled as a separate issue [interviews 1, 2, 3, 6, 10, 15, 16, 17, 19, 20, 24]. Although a few of our interviewees found it unnecessary to establish new cooperation mechanisms to deal with security issues in the Arctic [interviews 21, 27], we found that establishing an Arctic Risk Reduction Centre [interviews 6, 19, 20, 24] could reduce the risk of confrontation and inadvertent escalation in the region and provide a confidence building measure. As mentioned in Part 2 of this report, inadvertent escalation is one key driver of negative scenarios for the region identified by our interviewees.

The US-Soviet Nuclear Risk Reduction Centre (NRRC) provides an instructive model for such a risk reduction centre in the Arctic. Whereas originally intended to reduce the risk of inadvertent nuclear escalation as a crisis prevention measure, the NRRC expanded to include other areas of risk, such as conventional arms control, ballistic missile launch notifications, chemical weapons destruction, and international cyber incidents, showing that that this model for risk reduction can be applied to any agreements that include a data exchange and notification component. In addition, and importantly, a risk reduction centre establishes an institutional mechanism agreed between states to a secure, quick, and reliable means of communication between them.⁵⁷

57. Rose Gottemoeller and Daniil Zhukov, *Nuclear Risk Reduction Centers: A Stable Channel in Unstable Times*, (RUSI & Stanley Center for Peace and Security: October 2023).

POLICY RECOMMENDATION 5: To ensure and enhance stability in the Arctic, the A8 should establish a risk reduction centre built on the existing architecture of Arctic agreements on safety and security in the region. Greater and reliable means of communication between the Arctic states may raise transparency and strengthen stability, especially in the face of new geopolitical challenges in the region.

The Arctic will continue to attract more and more non-Arctic states, such as China, India, and the United Kingdom (amongst others), which will look for opportunities for economic cooperation in the region and for advancing scientific research in relation to climate change. Finding appropriate ways and channels to engage with non-Arctic states while keeping the centrality of Arctic states and of the Arctic Council in Arctic governance will be a key challenge of the next 10-20 years [interviews 2, 6, 10, 14, 16, 20, 24, 28]. Through our interviews, we found that a new Ilulissat Declaration could be an effective mechanism to get both Arctic states and non-Arctic states to cooperate and abide by international law on issues of common interests, such as climate change and scientific research amongst others.

POLICY RECOMMENDATION 6: Engaging with non-Arctic states

To avoid tensions between Arctic and non-Arctic states, Arctic states should find appropriate ways and channels to engage with non-Arctic states while keeping the centrality of the Arctic Council in Arctic governance. One way to do this would be to get non-Arctic states committed to abide by international law, respect indigenous peoples rights, and cooperate to ensure risk reduction and search and rescue activities in the Arctic. This could be done, for example, through a New Ilulissat declaration, inclusive of non-Arctic states with major investments and stakes in the region, such as China, India, and the United Kingdom, amongst others. The initiative and hosting of such a declaration should come from Arctic states, to remark their centrality in the region [interview 20].

One of the issues that could be addressed through a new Ilulissat declaration inclusive of Arctic and non-Arctic states is climate change. Both Arctic and non-Arctic states share a common interest in addressing climate change, which is seen as a shared challenge both in the region and globally. Such a shared interest can encourage dialogue and cooperation between different countries, help mitigate tensions in other areas, and even have a spillover effect on reducing strategic competition at the global level [interviews 10, 16, 25]. As one interviewee put it, 'climate responsibility is the only norm that can actually bring China and the United States together'.

Conclusion

The end of Arctic exceptionalism - if there has ever been one - marks a special responsibility for Arctic states to preserve peace and stability in the Arctic.

The end of Arctic exceptionalism - if there has ever been one - marks a special responsibility for Arctic states to preserve peace and stability in the Arctic. In reestablishing Arctic diplomacy it is clear, however, that an end to the war against Ukraine and a regime change in Moscow is necessary for the A7 to resume full cooperation with Russia [interviews 1, 2, 4, 5, 9, 12, 14, 15, 17, 18, 19, 20, 21, 22, 25, 26, 27, 28]. This raises the prospect of a far more worrisome future in the region as Russia's war against Ukraine continues. The special responsibility that befalls the A8 in the first instance is therefore about preventing escalation and increase of tensions in the region [interviews 10, 14, 19, 20, 22, 27, 28].

At the same time, it is clear that the Arctic is and will continue to be crucially interconnected with other areas of the world. As one interviewee put it, 'whatever happens in the Arctic does not stay in the Arctic' [interview 16]. Increased regional competition amongst NATO and Russia, or the US and China, could in fact easily escalate to the strategic level, and have a detrimental impact on economic cooperation and on climate change research globally [interviews 1, 10, 23, 25, 26] - as we write this report, the lack of cooperation on climate change research in the Arctic is already resulting in losses of valuable climate data. Arctic governance, characterised by inter-state cooperation, adherence to international law, and respect of indigenous rights, can also serve as a model for other regions of the world, such as the South China Sea [interviews 5, 26], as well as upholding the rules-based order in other parts of the world can prevent escalation of tensions in the Arctic [interview 14, 18].

This report has outlined six policy options that the Arctic states can pursue to prevent escalation of tensions, both in the near and long term. In the near term, the A7 should support Track 2 diplomacy to address human security issues in the region, and begin interim cooperation with Russia on compartmentalised issues in the Arctic Council based on the Norwegian chair's programme. We also recommend that NATO act with restraint in the region to avoid undue tension whilst not allowing Russia to intimidate states in the region. We likewise caution and recommend that the A7 prevent the establishment of a closer Russian-Sino cooperation in the region, as well as, more broadly, the Arctic states should avoid tensions between Arctic and non-Arctic states whilst keeping the centrality of the Arctic Council for Arctic governance. Finally, in the long term, we recommend that the A8 establish an Arctic risk reduction centre to ensure and enhance stability.