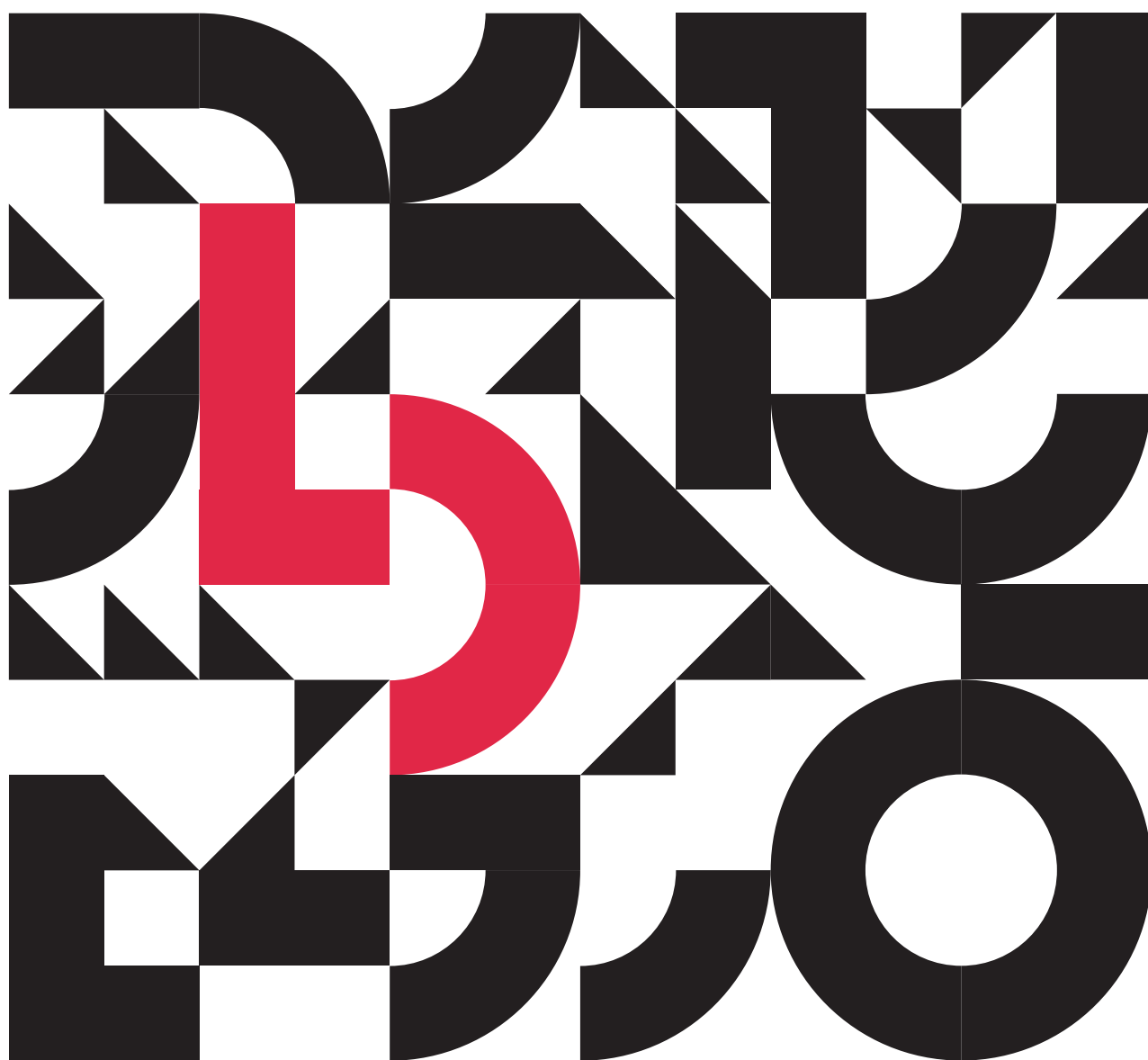


# Russian chairmanship of the Arctic Council: **The Awakening of a Giant**

WORKING PAPER - MAY 2021



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RUSSIAN CHAIRMANSHIP OF THE ARCTIC COUNCIL: THE  
AWAKENING OF A GIANT, GROUPE D'ÉTUDES GÉOPOLITIQUES,  
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# Russian chairmanship of the Arctic Council: The Awakening of a Giant

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## INTRODUCTION

On May 20, 2021, the 12th Arctic Council Ministerial Meeting was held in Reykjavik, Iceland. The 2021 meeting had been anticipated by observers of the region as it marks the beginning of the rotating chairmanship for Russia. Moscow is heading the council for the second time since it was established in 1996.

During this meeting, the Russian Federation introduced the agenda for its chairmanship of the Arctic Council. Continuing the Icelandic presidency's objectives, Russia intends to pursue a pragmatic policy in the Arctic. In hopes of striking a balance between economic interests, environmental urgency, and the expected social policy requirements, Russia highlighted four priorities: the quality of life of Arctic communities, which are not limited to indigenous peoples; protection against the effects of climate change, in particular the thawing of permafrost; socio-economic cooperation between Arctic regions to boost the construction of resilient infrastructures; and finally, ensuring the stability of the Arctic Council and acting in favor of its development. During the meeting, Russian Foreign Minister Sergey Lavrov reiterated Russia's commitment to maintaining the efforts made over the past two years.

In May 2019, for the first time in the forum's history, the eight foreign ministers failed to agree on a joint statement during the ministerial meeting in Rovaniemi which brought the Finnish presidency to a close. U.S. Secretary of State Mike Pompeo had strongly criticized Chinese activity in the polar region as well as the Canadian and Russian stances on sea crossings. Confronted with a Trump administration at odds with the consensual discourse of greater involvement in regional cooperation, Russia saw the opportunity to position itself as the leader of Arctic cooperation.

While Russia is usually described as a threat in the Arctic, in the context of great economic ambitions and strategic tensions echoing the Cold War period, what stances can be expected from Moscow during this two-year presidency?

## RUSSIA'S HISTORICAL INTEREST IN THE ARCTIC

The Russian Far North embodies a large part of the Arctic region, both in terms of demographics and surface area. While half of the Arctic population lives in Russia, its coastline represents 53% of the Arctic Ocean coastline. For Moscow, the Arctic is strategic in order to assert the country's international status and

power. Russia has demonstrated a strong presence in the Arctic, particularly since the opening in 2014 of new military bases along the Northern Sea Route. By placing access to natural resources at the center of its strategy and seeking to reclaim this pioneer frontier that was at the heart of the Soviet imagination, Russia is a key player in Arctic governance.

Russian interest in the Arctic region is not new, with the region's strategic and economic potential being emphasized since the Crimean War during the 19th century. That conflict revealed the military potential of the Northern Sea Route. During the First World War, the construction of the port of Murmansk in 1915 served as a supply point for Allied troops. Going beyond the national scope, Russian interest in the Arctic led the Soviet regime to position itself in favor of solid regional cooperation allowing for a better governance of this strategic zone. In 1987, Gorbachev's Murmansk speech called for the Arctic region to become *a zone of peace* and introduced inter-state cooperation<sup>1</sup>, which was formalized nine years later with the adoption of the Ottawa Declaration in 1996. Many of the Arctic Council's research projects are related to improving environmental problems in the Russian Arctic.

Between 1996 and 1999, Russia had a weak presence within the Arctic Council. However, during the 2000s, Moscow started to invest in large development projects in the so-called "profitable" Russian Arctic. At present, the Arctic region stands for a significant share of the national economy - between 10 and 20% of Russian GDP and total exports come from this region. Essential for Moscow's national security, the Russian Arctic is above all understood for its economic and commercial potential, which remains the point of view of the Russian elite.

And so, the first Russian chairmanship between 2004 and 2006 received lukewarm assessments from observers. Even if the meetings were well organized, the Russian agenda was poor in substance and, in the end, few projects were launched. There was, however, evidence of a commitment to cooperation - for example, the Russian state reduced the price of icebreaker escorts for the International Polar Year up to 50% following Sweden's request in 2006. Elana Wilson Rowe, geographer at the NUPI, points out the current paradox of Arctic policy: because environmental issues are becoming strategic, it is more difficult to cooperate in this area today than in the 1990s<sup>2</sup>. Yet, Russia's polar policy during its chairmanship of the Arctic Council aims to strengthen cooperation, even with non-Arctic states.

## FROM 2007, THE REVIVAL OF RUSSIAN AMBITIONS IN THE ARCTIC

If planting a flag on the ocean floor at the presumed location of the North Pole at a depth of 4,261 meters on the 2nd of August 2007 during a Russian expedition was more of a communication strategy than a territorial claim, it remains a striking example of Russia's ambitions in the region. The Russian state claims that a part of the seabed known as the Lomonossov Ridge extends the Siberian continental shelf, which would allow it to request an extension of the country's

1 — Åtland, K. (2008). Mikhail Gorbachev, the Murmansk Initiative, and the Desecuritization of Interstate

2 — Elana Wilson Rowe (ed.), *Russia and the North*, Ottawa, Univ. of Ottawa Press, 2009, 218 p

Exclusive Economic Zone (EEZ). Russia's eagerness to assert these rights is, however, often overstated as Canada and Denmark have filed similar claims with the UN Commission on the Limits of the Continental Shelf (CLCS). If these claims were validated, these States could negotiate the extension of their EEZ. However, it should be remembered that a claim validated by the CLCS does not automatically lead to an extension of the EEZ – this would be subject to bilateral negotiations.

In 2008, the acting Russian President, Dmitry Medvedev, defined a distinct policy line for the Arctic in the document «The Basic Principles of the State Policy of the Russian Federation in the Arctic in the Period up to and beyond 2020»<sup>3</sup>. Moscow then launched an investment plan of 35 billion euros through 2020, underlining the strategic importance of the Arctic for Russia.

### **RUSSIA AS A NEW LEADER IN THE ARCTIC ?**

In September 2017, as part of the «Development Program for the Arctic through 2025,» the Russian Ministry of Economic Development presented a bill to create eight «hub zones.» With this Arctic strategy, Russia has resumed a proactive policy of large-scale development of its polar region and is sending a strong message about its desire to control an area considered central to its economic development as well as its security and defense policy. Since then, Moscow has continued its efforts to strengthen the Northern Fleet's capabilities, to continue the construction and modernization of military infrastructure such as military airfields (Kola Peninsula, Kotelny Island, Tiksi and Anadyr among others), and to improve its aerospace defense network. However, it should be noted that despite this reinvestment, the level of infrastructure and equipment remains much lower than it was during the Cold War. At the same time, there are increasing military activities in the Arctic and NATO countries regularly organize the «Cold Response» exercise in Norway.

On a diplomatic level, this Russian investment can also be observed through the organization of major conferences at Moscow's initiative. The fifth International Arctic Forum («Arctic, Territory of Dialogue»), organized in St. Petersburg in April 2019, was an opportunity for Moscow to present its ambitious projects for the economic development of its northern region. Russian groups such as Novatek, Gazprom, Nornickel, and Rosatom – the organizing members – are spearheading the implementation of this strategy. With a 50% larger audience compared to the previous forum held in 2017, the Northern Sea Route's commercial development and the exploitation of its underground resources were at the heart of the discussions. Ultimately, this conference appears to be a diplomatic instrument to bring together international partners for political and economic cooperation in the region.

In his April 21, 2021 address, Vladimir Putin reiterated his government's commitment to improving infrastructure and connectivity in the Russian Arctic as part of the new strategy outlined by the government in 2020. The creation of a large-scale railway project linking the Bovanenkovo gas field to the strategic

3 — Russian Government. The Fundamentals of State Policy of the Russian Federation in the Arctic in the Period Up to 2020 and Beyond. 2008.

port of Sabetta demonstrates Russia's choice to massively invest in this remote but resource-rich region's infrastructure. These infrastructure and energy projects complement Russia's ambition to develop the Northern Sea Route (NSR) which is a priority of the Russian government. The NSR is the foundation of this policy which has been pursued in the Far North since the end of the 2000s. Although Rosatom, the state-owned company which manages the NSR, does not hesitate to promote this route, which is presented as an alternative to traditional shipping routes, Moscow is far from reaching its objectives. Even until 2018, Russia anticipated an annual volume of 80 million tons of freight for 2024, this figure will not be reached given the current trajectory (32 million tons for the year 2020). Since then, the Russian authorities have lowered their objective to 60 million tons of annual freight transiting through the NSR, i.e. twice as much as at present.

Now that the United States finds itself weakened by Trump's dissident policies, Russia could emerge as a political leader in the region. While Moscow seeks technological and financial partnerships, more than ever the deployment of investment and technology in the Arctic requires a calm political climate in the interests of all – Russia first and foremost<sup>4</sup>. The new Arctic Council Strategic Plan approved at the Reykjavik meeting reaffirms the importance of regional cooperation<sup>5</sup>.

## THE EUROPEAN UNION AND RUSSIA, HISTORY OF A MISUNDERSTANDING

Against the backdrop of the Ukrainian crisis and European sanctions, Russia is still opposing and blocking the European Union from obtaining Observer status, Originally postponed during the 2017 ministerial meeting, a decision was not made at either the 2019 or 2021 meeting. Despite the support of Norway, Finland, and Sweden, the EU has only been granted an ad hoc Observer status within the Arctic Council. The issue of granting the EU observer status to the Arctic Council, which has been complicated by the Ukrainian crisis, raises awareness of the EU's geographical proximity to Russia in the region and the difficulty of keeping the Arctic free of external geopolitical tensions.

The Arctic figures in the global foreign and security policy strategy of the EU, *Shared vision, common action: a stronger Europe*, released in June 2016. This strategy acknowledges the importance of maintaining the existing avenues of cooperation with Russia in the Arctic and emphasizes the EU's strategic interest in keeping the area peaceful and free of tensions through the cooperation provided by the Arctic Council.

Some regional cooperation forums, such as the Northern Dimension (which gathers four partners on matters regarding the environment, public health, social welfare and culture, as well as transport and infrastructure) or the Barents Euro-Arctic Cooperation Council, are the few opportunities for cooperation that have continued to make Russia and the EU work together since the 2014

4 — Lasserre, Choquet, Escudé Joffres, Géopolitique des pôles, Cavalier bleu 2021

5 — Arctic Council (2021). Arctic Council Strategic Plan 2021 to 2030. Reykjavik. URL: <https://oaarchive.arctic-council.org/handle/11374/2600>

crisis.

However, Western sanctions since the annexation of Crimea by Russia in 2014 only reinforced the Russian tendency to ‘pivot to the East’<sup>6</sup>. In order to offset the sudden end to investments and loss of access to the western banking system as a result of the sanctions, it has become essential for Russia to find alternatives allowing it to pursue its energy projects in the Arctic<sup>7</sup>. For the past few years, Moscow has been seeking to diversify and open its projects to investments from Asian countries (Japan, India, Singapore). Likewise, Russia has gotten closer to China in order to gain access to financial resources from the different *Belt and Road Initiative*’s structures.

### THE CURRENT STATE OF CHINA-RUSSIA RELATIONS — WHAT REALITY AND WHAT POSSIBILITIES FOR THE ARCTIC?

The China-Russia partnership, often labeled as strategic by the two states, is being carefully observed. There is a growing fear regarding the creation of an “sino-russian axis”, in the Arctic and elsewhere. However, it is important to keep in mind that this alarming rhetoric is often associated with other goals (electoral considerations; securing loans during negotiation of tight budgets).

Despite their diplomatic posturing, relations between Russia and China are rather ambiguous<sup>8</sup>. Moscow and Beijing are still wary of each other. Russia’s stance regarding China’s application for Observer status at the Arctic Council has been a longstanding obstacle for China whose first application dates back to 2007. Though the Nordic countries were in favor, Russia and Canada were reluctant. Those two governments saw it as an unnecessary internationalisation of the organisation. In 2013, this status was finally granted to China. The removal of the word ‘permanent’ in the official denomination, and the codification of the roles and duties of Observers within the Council, eased the long-standing reluctance.

In the polar region, however, the cooperation between the two states remains essentially economic and that to a limited extent. Although China is often framed as a funder for Russian projects and infrastructure, the country is only participating in three projects at this time: Yamal LNG, Arctic LNG 2, and the gas pipeline Power of Siberia. Those economic ties and the Chinese investments are certainly important, but they remain at the same scale as other international partners. They also represent the rare Chinese breakthroughs in the entire Arctic region. While the China-Russia partnership is increasingly scrutinised by the media, the People’s Republic of China is not the only Asian country working with Russia on gas and oil projects. For instance, Japan is also involved in the Arctic LNG 2 project, through the Mitsui and JOGMEC consortium.

6 — Shagina, Maria. « Russia’s Pivot to Asia: Between Rhetoric and Substance ». *Orbis* 64, no 3 (1 janvier 2020): 447-60.

7 — In a speech in 2021, V. Putin showed this trend of diversification, directed towards Asia. Putin, Vladimir. « Russia and the Changing World — Article by V.Putin on Foreign Policy ». The Embassy of the Russian Federation to the United Kingdom of Great Britain and Northern Ireland, 27 February 2012. <http://rusemb.org.uk/press/612>.

8 — Saradzhyan, Simon. « Why Russia’s Alliance with China Is Improbable, but Not Impossible ». *Recherches & Documents*. Paris, France: Fondation pour la Recherche Stratégique, September 2020

However, this progress hides the reality of a long-standing distrust between Russian and Chinese authorities. While the trade deals are a sign of increasing cooperation, Dr. Elizabeth Buchanan, of Deakin University in Australia explains, « the Arctic partnership should be seen in terms of the Russian proverb, “Trust, but verify.” » In this regard, it is useful to remember the long time required to finalize trade deals for different projects in the Arctic. The China-Russia relationship “is fraught with historical resentment and some mutual suspicion—and not just among the political elites.” says Buchanan.

Despite those reservations and obstacles, it is with Russia that China has made the most noticeable progress to establish its presence in the Arctic. There is now a willingness to continue this economic partnership and even extend it to investments and projects related to extractive and connectivity sectors.

China is seeking to legitimize its presence in the Arctic by claiming to be a ‘near-Arctic’ state, a rhetoric it is not alone in employing; different actors are seeking to show their proximity with the region, proximity not only being considered as a geographic measurement. The *Polar Silk Road* (PSR) is a Chinese attempt to merge the Arctic ocean and its potential shipping importance within its bigger *Belt and Road Initiative*. By including the Arctic in the world-wide superproject, China is trying to position itself as a viable answer to the region’s development needs which would of course help it to obtain a more legitimate and central spot in the Arctic.

For now, Russian and Chinese interests are going in the same direction and China’s leadership appears to be aware that it must get the most out of it before a potential reversal<sup>9</sup>. Thus, the fourteenth Chinese Five-year plan for 2021-2025, includes the PSR as an economic development goal to be achieved, representing a new step in the regional thinking for China’s leadership. In the future, it would be wise to remain aware of the evolutions of this particular aspect. It is likely that Chinese efforts to slowly but surely define the Arctic as a global space will collide with Russian interests. Indeed, on this matter, Russia is very sensitive and considers control of the maritime traffic along its coasts as its rights and duties. Moscow, already aware of this economic dependency on Chinese investments, is trying to diversify its partners, particularly with Asian countries. Thus, the role that Moscow will want to concede to Arctic Council observers in regard to the different points mentioned above will be a matter to be watched. The absence of responses to the Observer status applications asked by Ireland, Estonia, and the Czech Republic at the most recent ministerial meeting on May 19th and 20th may be an early signal.

The extraction industry is another particularly concerning issue for the region and the Russia-China partnership. Russia’s development of its Arctic territories has, until now, always been closely linked to the extraction of minerals and hydrocarbons. But the environmental crisis and the climatic changes deeply affecting the region require the slowing, or even the halting, of such practices. How will the new Russian Chairmanship of the Arctic Council – an organisation largely built around and concerned with environmental and climatic issues



– articulate its solutions to this paradox of a region overexposed and fragile to the harmful consequences of climate change, yet opening new opportunities for exploitation that accelerate it? The official Chinese rhetoric also needs to be questioned. Chinese authorities are posturing as a champion of environmental and global changes, which contradicts the economic activities directly promoted by the same leadership. In the Arctic, and even more in the Russian Arctic, the Chinese presence is vastly, if not entirely, related to those harmful activities.

## WHAT PROSPECTS FOR THE 2021-2023 PRESIDENCY?

At the Arctic Council Ministerial Meeting on May 20, 2021, many action plans and reports were approved, including the Arctic Climate Change Update 2021. With global warming threatening this region of the world, where its effects are felt three times faster than elsewhere on the globe<sup>10</sup>, the continuity of the climate and ecological agenda during the chairmanship of the council is a key aspect of regional governance. However, Russia's extractive ambitions in the Arctic region raise concerns about the environmental consequences of such an industrial policy.

Mining is a real lever for economic development and the affirmation of national unity and structures the Siberian territory. Creating real *business towns*<sup>11</sup> like Novy Urengoï where 70% of the jobs come from the Russian gas industry, this economic model represents the main base of activities for the inhabitants of the Arctic region.

This non-resilient extractive economy is a real break on Siberia's ecological transition, and of Russia in general. The thawing of the permafrost caused by global warming weakens infrastructure and accelerates the effects of global warming in a feedback loop. Despite an ecological policy in the 1990s leading to the protection of 25% of the territory of Yakutia<sup>12</sup>, the Russian Arctic territory is now weakened by the consequences of climate change that threaten both urban centers, populations, and the extractive economy predominant in these polar regions<sup>13</sup>. The indigenous population, representing 5% of the population of the Russian Arctic, remains under pressure from the activities of the extractive industry. These activities are a threat to the preservation of their territory, despite the implementation of a compensation policy with the execution of independent expertise to assess the damage caused by this type of exploitation.

The upcoming chairmanship of the Arctic Council represents a real opportunity for Russia to demonstrate its interest in establishing healthy and multilateral cooperation between the different members of the Arctic Council. Since

10 — Deshayes, Pierre-Henry. « Arctic Warming Three Times Faster than the Planet, Report Warns ». Phys.Org, 20 May 2021. <https://phys.org/news/2021-05-arctic-faster-planet.html>.

11 — Yvette Vaguet. Les formes et les enjeux de l'urbanisation en Arctique. Daniel Joly. L'Arctique en mutation, 46, Editions de l'EHPE, pp.125-134, 2016, Les Mémoires du Laboratoire de Géomorphologie, 978-2-900111-23-9. Halshs-01779914

12 — Émilie MAJ, « Sibérie extrême-orientale : nature et ville post-communiste en république Sakha (Iakoutie) », Strates [Online], 12 | 2006

13 — *ibid*

Russia cannot use this presidency to satisfy its national ambitions, it is forced to be proactive towards the other Arctic countries. The Arctic states have so far managed to preserve dialogue and cooperation in the region, a situation which, despite certain concessions such as the EU's observer status, is the subject of consensus among the eight Arctic states.

Russia intends to build on the Icelandic presidency and to take a pragmatic approach to integrate all the states in this region in a constructive dialogue. The Russian presidency is part of the Russian Arctic Strategy 2020-2035 which aims to develop its Arctic territory on a large scale. At the same time, Moscow, through its Arctic ambassador Nikolai Korshunov, says it is working «closely with all Arctic countries, not only in the development of Arctic policy, but also in its implementation».

On May 20, 2021, Sergey Lavrov stressed his country's willingness to continue the cooperation efforts initiated by the Icelandic presidency while continuing to work on climate and socio-economic issues in the polar region: «We hope that the Russian presidency will serve to further strengthen regional cooperation. Addressing the challenges we face today in the high latitudes requires truly collective approaches».

However, we can highlight the paradox between the Russian agenda in the Arctic Council – which is focused on sustainable development and the fight against the effects of climate change, and which is in line with the previous Icelandic and Finnish presidencies – and the very different reality of its domestic development policy for its Arctic regions. The ecological disaster of May 2020 with the spill of 20,000 tons of diesel into the Ambaraya River and its tributaries in the Norilsk region reminds us of the immense deficit of public policies for environmental preservation and the fight against climate change. On the other hand, the situation of indigenous peoples in the Russian Arctic is permanently weakened by administrative and legal measures, including the law on «foreign agents», which hinders the activities of NGOs such as Raipon (*Russian Association of Indigenous People of the North*), which maintain close contacts with their counterparts in other Arctic regions. These paradoxes could end up putting Moscow's diplomatic statements on the Arctic stage in a difficult position.

