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**The Arctic and Nordic
Countries in the World of Economy and Politics**

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THE COMPLEXITIES OF GOVERNING THE ARCTIC

Introduction

“Everybody talks about the weather, but nobody does anything about it²” is a famous American quote. The statement was allegedly made by Charles Dudley Warner, but usually attributed to Mark Twain. The question is, however, if it is really true that everybody talks about it and whether in reality nobody does anything about it. If we perceive it in a larger context and talk about the climate, and then take it for a metaphor, say, for the global warming, what impact could it have on the life on this planet and what action is expected of all of us to counteract its diverse and much threatening if not outright disastrous impact? The Arctic is not only heating up but it is really hot at the moment as an international issue.

Although it is not quite true that everybody talks about the weather, some do, and a lot at that. Furthermore, many actually try to do something about it. Naturally, we do not know if the process of global warming is irreversible, but since it has continued for a number of years now, for the moment we need to assume that it is not going to change; therefore, assuming it is not reversible, we should anticipate the future development and try to tackle the issues it poses and the challenges we need to face. With multiple interests, several players on the scene and unimaginable riches to be had, the question of the Arctic's manageability remains open.

This article will attempt to present what seems to be of critical importance to the planet in terms of the influence on the life of all of us, namely the current changes occurring in the Arctic, as well as try to show how complex the issue is.

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² Ch. D. Warner, *Respectfully Quoted: A Dictionary of Quotations*, compiled by the Library of Congress, Dover Publications, 2010.

In addition, the work will endeavor to describe briefly the role of the Arctic Council in responding to the problem and to present the countries vying for the participation in it, including their possible reasons for doing so. Commonly, the list of pressing issues includes the following select themes pertaining to each country involved in the Arctic: sovereignty, energy, security, new transport passages, oil, gas and other natural resources including fisheries, environment protection, and the welfare of indigenous people inhabiting the area. Moreover, the paper will make an effort to enumerate some of the major attempts of international collaboration undertaken in the region, and evaluate some potential developments in the Arctic geopolitical sphere.

The article will examine the major players on the scene with the curious absence of the Russian Federation, which the author has been assured will be covered by other writers in this issue. The work will also present the interesting connection between the Arctic and the two Nobel Peace Prize winners: one of the year 2007, namely Albert Arnold "Al" Gore, Jr.³, former Vice President of the United States (1993-2001), who won it jointly with the Intergovernmental Panel on Climate Change for bringing the awareness about global climate changes to us all, and the other of the year 2010 to Liu Xiaobo of China⁴, which brought us international tensions and affected Arctic deliberations as well.

As in the case of the initially-mentioned quote, terminology is of vital importance and so is the understanding of the context, players involved in the issue of the Arctic, as well as major factors contributing to the intensified interest in the region. If the article is to examine what is at stake for the world and why so many countries wish to be involved in it, we need to establish first what it is exactly that is being examined and perhaps, more importantly, why.

What exactly is the Arctic?

The Arctic is said to have suffered most because of the changes in weather conditions and, undoubtedly, due to human activities contributing to the climate transformation. In the vein of complaints about the weather, people usually attribute extremely cold flurries to that region and blame the Arctic for bringing it to them. According to such a basic source as Wikipedia, so indiscriminately used by students all over the world, "The Arctic is a polar region located at the northernmost part of the Earth. The Arctic consists of the Arctic Ocean and parts of Canada, Russia, Denmark (Greenland), Norway, the United States (Alaska),

³ In addition, Al Gore was honored with a Grammy Award for Best Spoken Word Album (2009) for his book *An Inconvenient Truth*, a Primetime Emmy Award for Current TV (2007), and a Webby Award (2005). He was also the subject of the Academy Award-winning (2007) documentary *An Inconvenient Truth* in 2006.

⁴ The Norwegian Nobel Committee has decided to award the Nobel Peace Prize for 2010 to Liu Xiaobo for his long and non-violent struggle for fundamental human rights in China. The Norwegian Nobel Committee has long believed that there is a close connection between human rights and peace. Such rights are a prerequisite for the "fraternity between nations" of which Alfred Nobel wrote in his will. Nobelprize.org, the Official Web Site of the Nobel Prize.

Sweden, Finland, and Iceland. The Arctic region consists of a vast, ice-covered ocean, surrounded by treeless permafrost. The area can be defined as north of the Arctic Circle (66° 33'N), the approximate limit of the midnight sun and the polar night. Alternatively, it can be defined as the region where the average temperature for the warmest month (July) is below 10 °C (50 °F); the northernmost tree line roughly follows the isotherm at the boundary of this region.⁵ Is that really the case? After all, according to some researchers, Sweden and Finland hold no territories in the Arctic, and neither does Iceland, as non-coastal Arctic states, although they are all permanent members of the Arctic Council.

The region is referred to also as the North, Far North, High North, circumpolar or polar Arctic areas, or – as defined in the Norwegian political discourse⁶ - *nordområdene*, i.e. Northern Areas. *Nordområdene* “includes those parts of the Nordic countries and Russia that participate in the Barents Euro-Arctic Region, the Norwegian Sea, the Barents Sea, and the southern parts of the Polar Sea. The totality of the areas north of the polar circle (the whole circumpolar region) will be referred to by the term *the Arctic*”⁷. However, the joy of establishing a common ground for definitions is short-lived as some researchers immediately make a reservation at this point clearly suggesting that the term is far from obvious. “The Northern Areas is a territory whose borderlines do not need to be clearly defined”⁸. Even the members of the Arctic Governance Project (AGP)⁹ in the chapter “Defining the Arctic” state the following: „There is no universally accepted definition of the Arctic. We follow the practice of the Arctic Council in treating the Arctic as a circumpolar encompassing both marine and terrestrial systems extending southward from the North Pole, covering about 8% of the Earth’s surface, including areas located within the jurisdiction of eight States, providing a homeland for many indigenous peoples, and including altogether some 4 million residents. But this region is highly diverse in biophysical, socioeconomic, and cultural terms”¹⁰.

The definition presented by American researchers in the Congressional Report of 2012 prepared by Ronald O'Rourke, Coordinator Specialist in Naval Affairs:

⁵ <http://en.wikipedia.org/wiki/Arctic>. Web. December 22, 2012.

⁶ It is worth-noting that the majority of territories classified in Europe as High North lies within the boundaries of the Kingdom of Norway. See: <http://www.regjeringen.no/nb/dep/ud>.

⁷ *Geopolitics in the High North, Multiple Actors. Norwegian Interest*, A five-year (2008-2012) research program financed through the Norwegian Research Council and conducted by the Norwegian Institute for Defense Studies with partners and associates, www.norden.org, p. 7. Web. Downloaded: March 23, 2011.

⁸ A. Kubka, *Norweskie interesy w globalizującym się świecie*, „Studia Humanistyczno-Społeczne”, v. 5, 2011, p. 43.

⁹ <http://www.arcticgovernance.org/funders-aamp-sponsors.142457.en.html>. The Arctic Governance Project (AGP) was an unofficial initiative sponsored by a group of foundations to enable the policy community to frame critical Arctic governance issues and to propose innovative responses for a sustainable future. Web. November 15, 2011.

¹⁰ *Arctic Governance in an Era of Transformative Change: Critical Questions, Governance Principles*, Ways Forward Report of the Arctic Governance Project, 14 April 2010, www.norden.org, Web. March 15, 2011.

“Some observers use the term ‘high north’ as a way of referring to the Arctic. Some observers make a distinction between the ‘high Arctic’—meaning, in general, the colder portions of the Arctic that are closer to the North Pole—and other areas of the Arctic that are generally less cold and further away from the North Pole, which are sometimes described as the low Arctic or the subarctic”¹¹.

This article will apply the term “the Arctic” to denote the geographic region including high Arctic and low Arctic, in accordance with the definition adopted by the Arctic Council.

What is so important about the Arctic?

Much has been written about the importance of the region, be it in the context of the climate and its global impact or the riches the Arctic might hold. After even a glimpse on the map, the strategic importance of the region becomes obvious in terms of security. “The developments in the Arctic will have lasting ramifications for international relations, international law, international climate change policy, international trade, and international human rights. The Arctic's strategic location will not only influence government policies, but also affect strategic business decisions and global economic development over the coming decades. The Arctic Institute believes that an interdisciplinary approach to Arctic studies, bringing together researches and experts from a variety of disciplines, is key to fully understanding the ongoing transformation of the region and making progress towards sustainable Arctic development”¹². The truth is that the whole

¹¹ Changes in the Arctic: Background and Issues for Congress, Ronald O'Rourke, Coordinator Specialist in Naval Affairs, Congressional Research Service, August 1, 2012, 7-5700, www.crs.gov R41153, CRS Report for Congress, *Prepared for Members and Committees of Congress*, p. 5.

¹² <http://www.thearcticinstitute.org/> The Arctic Institute Center for Circumpolar Security Studies, Web. January 12, 2013. “The Arctic Institute seeks to establish itself as an authoritative, interdisciplinary, and independent source for information and in-depth analysis about the developments in the High North. The Institute was founded in 2011 and currently aims to bring together scholars and researchers to build a growing stock of knowledge and expertise on the Arctic region. In contrast to existing platforms for Arctic affairs, The Arctic Institute is not affiliated with or sponsored by any of the Arctic states. The Arctic Institute believes that an interdisciplinary approach to Arctic studies, bringing together researches and experts from a variety of disciplines, is key to fully understanding the ongoing transformation of the region and making progress towards sustainable Arctic development. The Arctic Institute is an interdisciplinary, independent think tank focused on Arctic policy issues. We aspire to be a think tank for the 21st century - a network of young professionals who work from locations around the globe and who represent expertise in many different disciplines. Collaboration, creativity and independence are all critical to our success. We strive to provide the most nuanced, objective, clear and candid analysis possible. In general, we see the Arctic as a fast-evolving region characterized by international and inter-sectoral cooperation rather than a region in which Cold-War mentality and behavior still dominate. Our current staff includes specialists in Arctic climate science, geopolitics, law, oil & gas and media. In the recent past, our staff has been cited or appeared in the Economist, the Huffington Post, European Voice, American Public Media / NPR, Alaska Dispatch and USA Today. The Institute is not directly affiliated with any governmental entity, corporation or civil-society organization.”

Mendeleev's Periodic Table can be found in the Arctic, not to mention abundant fisheries, new maritime passages and incredibly rich wildlife. In terms of maritime life alone, after all, there must be a reason why whales migrate up north to find the richest aqua hunting grounds. In short, there is no shortage of reasons why the Arctic is drawing the international interest and becoming increasingly important to the world's most powerful countries and their economies.

International Importance of the Arctic: Rules and Regulations, and Multiple Players

According to the US Geological Survey, some 30% of the world's undiscovered reserves of natural gas, and 13% of the undiscovered oil, lie in the Arctic. It also contains coal, iron, uranium, gold, copper, rare earths, gemstones and much more, including, of course, fish. In the case of the resource-hungry economies of North-East Asia—China, Japan and South Korea—the chance to exploit these riches should or must not be missed. The same applies to the hope that the North-East Passage above Russia, also known as the Northern Sea Route (NSR), as well as the North-West Passage from the Atlantic over the top of North America, will become navigable for several months each summer. The NSR cuts the voyage from Shanghai to Hamburg by 6,400km (4,000 miles) compared with the southern journey through the Strait of Malacca and the Suez Canal¹³.

One of the main problems and a potential source of conflict in the Arctic are its undetermined borders. History has already noted some territorial disputes in the Region of which perhaps the most famous was between Russia and Norway settled in 2010. In addition, there have been arguments between Russia and the United States in the Bering and Chukchi Seas, and between Canada and Denmark over Hans Island and in the Lincoln Sea. The South China Sea shows how minor territorial disputes can flare dangerously, especially when natural resources are at stake.

Another major issue is the Arctic's relatively undetermined *modus operandi*, or fairly weak international institutions combined with huge resource base. Unlike in the case of the Antarctic, there exists no Arctic treaty. The Arctic coastal states opposed such a solution, arguing that the Arctic, as the ocean surrounded by land, was well governed by the existing international law. The primary international law governing the Arctic is UNCLOS¹⁴ which provides a framework for managing

¹³ *Banyan, Snow dragons. "As the Arctic melts, Asia shudders at the risks but slavers at the opportunities."*, <http://www.economist.com>. Sep 1st 2012. From the print edition. Web. January 25, 2013.

¹⁴ United Nations Convention on the Law of the Sea. Here is the problem again. With the traditional mistrust of international organizations and the fear that US may be subject to foreign laws, the United States has never ratified it. Another example of such an attitude, although undoubtedly for various different reasons is the much publicized and criticized the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC). The United States was among the nations that participated in the third United Nations Conference on the Law of the Sea, which took place from 1973 through 1982 and resulted in the international treaty known as the United Nations

international waters. In addition, it sets forth measures for solving maritime boundary disputes and territorial claims. The primary institutional framework is the Arctic Council whose major task is the international cooperation in environmental protection and sustainable development. The first step towards the formation of the Council occurred in 1991 when the eight Arctic countries signed the Arctic Environmental Protection Strategy (AEPS). The 1996 Ottawa Declaration established the Arctic Council as forum for promoting cooperation, coordination, and interaction among the Arctic States, with the involvement of the Arctic Indigenous communities and other Arctic inhabitants on issues such as sustainable development and environmental protection. The Arctic Council has conducted studies on climate change, oil and gas, and Arctic shipping. In 2011, the Council member states concluded the Arctic Search and Rescue Agreement (signed by all Arctic countries), the first binding treaty concluded under the Council's auspices. The third major international and legal framework is provided by IMO (International Maritime Organization)¹⁵. It is the United Nations specialized agency with responsibility for the safety and security of shipping and the prevention of marine pollution by ships. Although all Arctic states are members of it, its impact is somewhat limited by the necessity of unanimity in all its decisions and recommendations, just like the Arctic Council.

Finally, the source of potential conflict may also be the involvement or the wish to be involved as expressed by major world powers, of which more is written below. By nature of their geography, the USA is already in the Arctic Council, and so is Russia, but China, India, and Brazil are vying for some measure of involvement, which would then obviously include all the BRIC countries, not to mention the European Union, and other interested organizations and states.

The Arctic Council in Transition

The Council, which includes the eight states with Arctic territory and representatives of the region's indigenous populations, has evolved into a decision-making organization with a permanent secretariat and budget and it now attracts more attention from the rest of the world¹⁶.

Convention on the Law of the Sea (UNCLOS). The United States also participated in the subsequent negotiations of modifications to the treaty from 1990 to 1994. The UNCLOS came into force in 1994. Although the United States now recognizes the UNCLOS as a codification of customary international law, it has not ratified it.

¹⁵ <http://www.imo.org>

¹⁶ The Ottawa Declaration of 1996 formally established the Arctic Council as a high level intergovernmental forum to provide a means for promoting cooperation, coordination and interaction among the Arctic States, with the involvement of the Arctic Indigenous communities and other Arctic inhabitants on common Arctic issues, in particular issues of sustainable development and environmental protection in the Arctic. Arctic Council Member States are Canada, Denmark (including Greenland and the Faroe Islands), Finland, Iceland, Norway, Russian Federation, Sweden, and the United States of America. <http://www.arctic-council.org/index.php/en/about-us>. Web. Downloaded: December 15, 2012.

This year, the Arctic Council's chairmanship is going to be transferred from the Nordic to North American countries (the Swedish chairmanship ends in Kiruna in May 2013). The 16-year-old Arctic Council is "the most active inter-governmental forum on regional issues" today and has been affirmed by key northern nations as "the principal venue for discussion of Arctic issues". May 2011's Agreement on Cooperation on Aeronautical and Maritime Search and Rescue – the first legally binding agreement negotiated within the auspices of the Arctic Council – and the participation of U.S. Secretary of State Hilary Clinton at the Arctic Council Ministerial Meeting in Nuuk, Greenland – the first ever by the U.S. Secretary of State – has increased the clout of the Council¹⁷.

This organization, alongside with the countries geographically belonging to it, has granted the status of a permanent participant to six international organizations representing Arctic Indigenous Peoples (Arctic Athabaskan Council - AAC, Aleut International Association - AIA, Gwich'in Council International - GGI, Inuit Circumpolar Council - ICC, Russian Arctic Indigenous Peoples of the North - RAIPON, Saami Council - SC), which in itself presents a new approach in the international political decision making and governance. However, equally interesting is the list of observers, and the criteria applied when granting such a status. Observer status in the Arctic Council is open to: non-arctic states, inter-governmental and inter-parliamentary organizations, global and regional, and non-governmental organizations¹⁸.

Since 2006, three successive chairmanships of the Council have been held by Nordic states: Norway (2006–2009), Denmark (2009–11) and Sweden (2011–13). From 2013 it will be chaired by Canada (2013–15) and then the United States (2015–17). The current situation in the United States appears to be of particular interest as the United States Senate will begin the confirmation process for three key Administration positions: Senator John Kerry (D–MA) for Secretary of State, former Senator Chuck Hagel (R–NE) for Secretary of Defense, and White House chief counterterrorism advisor John Brennan for director of the CIA. All three have been considered staunch supporters of President Obama's foreign and defense policies, also in the case of the unresolved ratification of the UNCLOS treaty, as initiated by the former Secretary of State Hillary Clinton and advocated by the then U.S. Foreign Relations Committee Chairman John Kerry¹⁹.

According to Kristofer Bergh of Stockholm International Peace Institute, "The Arctic Policies of Canada and the United States: Domestic Motives and

¹⁷ <http://marketspace.thinktosustain.com/2012/05/resource-hungry-non-arctic-countries-should-get-observer-seats-at-arctic-council>. Web. Downloaded: February 2, 2013.

¹⁸ <http://www.arctic-council.org/index.php/en/about-us/partners-links>. Web. Downloaded: January 30, 2013.

¹⁹ On January 13, 2009, speaking at her Senate confirmation hearing as nominee for the United States Secretary of State, Senator Hillary Clinton said that ratification of the Law of the Sea Treaty would be a priority for her. Transcript of Hillary Clinton's Confirmation Hearing. Council on Foreign Relations. January 13, 2009. <http://www.cfr.org/us-election-2008/transcript-hillary-clintons-confirmation-hearing/p18225>. Web. Downloaded: December 15, 2012.

International Context,” the US foreign policy on the Arctic region is set out in a presidential directive from 9 January 2009. This document, the final presidential directive issued by US President George W. Bush, has largely been accepted by the succeeding administration of President Barack Obama and is considered largely bipartisan. The US policy emphasizes issues of national security in the changing and increasingly accessible Arctic region. Other issues highlighted in the document include the environment, economic development, governance, indigenous communities and science²⁰. The website given as a reference²¹ indeed exists on the Internet but it has an intriguing reservation next to it, which only shows how quickly the situation changes and time passes: “This is historical material, ‘frozen in time.’ The web site is no longer updated and links to external web sites and some internal pages will not work”²².

More current American sources claim that The U.S. is the only littoral Arctic country not to have an Arctic strategy²³. Why would that be since there have been so many calls urging US to do so? The attitude seems to be of the “let’s see what happens” category but there are some compelling reasons for it. According to Kathrin Keil, as presented in her article titled “Opening Oil and Gas Development in the Arctic - A Conflict and Risk Assessment,” published on January 31, 2013.

The US and Canada have for the foreseeable future only a weak economic interest in the large-scale development of their Arctic hydrocarbon base. This has largely to do with the low competitiveness of US and Canadian Arctic oil and gas resources with resources further south that are already much better explored and connected to infrastructure systems. Additional hindering factors are the shale gas revolution in the lower 48 states, the predominant role of the Gulf of Mexico for US oil production, the vast Canadian hydrocarbon concentration especially in Alberta, and limited northern infrastructure²⁴.

“New” Countries Vying for the Observer Status

Those who want to be permanent observers are hoping for a decision on their status vis-a-vis the council at the end of the Swedish chairmanship in Kiruna in May 2013. The criteria for admitting observers to the Arctic Council are as follows: In the determination by the Council of the general suitability of an applicant for observer status the Council will, inter alia, take into account the extent to which observers:

- Accept and support the objectives of the Arctic Council defined in the Ottawa declaration.

²⁰ K. Bergh, *The Arctic Policies of Canada and the United States: Domestic Motives and International Context*, „SIPRI Insights on Peace and Security”, No. 2012/1, July 2012.

²¹ <http://georgewbush-whitehouse.archives.gov/news/releases/2009/01/20090112-3.html>.

²² *Ibidem*.

²³ L. Coffey, *Hagel, Kerry, and Brennan Senate Confirmation Hearings: U.S. Policy on Arctic Security*, „The Heritage Foundation Leadership for America”, Issue Brief. No. 3840. January 24, 2013.

²⁴ <http://www.thearcticinstitute.org>. Web. January 31, 2013.

- Recognize Arctic States' sovereignty, sovereign rights and jurisdiction in the Arctic.
- Recognize that an extensive legal framework applies to the Arctic Ocean including, notably, the Law of the Sea, and that this framework provides a solid foundation for responsible management of this ocean.
- Respect the values, interests, culture and traditions of Arctic indigenous peoples and other Arctic inhabitants.
- Have demonstrated a political willingness as well as financial ability to contribute to the work of the Permanent Participants and other Arctic indigenous peoples.
- Have demonstrated their Arctic interests and expertise relevant to the work of the Arctic Council.
- Have demonstrated a concrete interest and ability to support the work of the Arctic Council, including through partnerships with member states and Permanent Participants bringing Arctic concerns to global decision making bodies²⁵.

So far, six non-arctic countries (France, Germany, The Netherlands, Poland, Spain, United Kingdom) have been admitted as observers to the Arctic Council, together with nine Intergovernmental and Inter-Parliamentary Organizations (International Federation of Red Cross & Red Crescent Societies - IFRC, International Union for the Conservation of Nature – IUCN, Nordic Council of Ministers - NCM, Nordic Environment Finance Corporation - NEFCO, North Atlantic Marine Mammal Commission - NAMMCO, Standing Committee of the Parliamentarians of the Arctic Region – SCPAR, United Nations Economic Commission for Europe - UNECE, United Nations Environment Program - UNEP, and eleven non-government organizations: Arctic Circumpolar Gateway, Association of World Reindeer Herders - AWRH, Circumpolar Conservation Union – CCU, International Arctic Science Committee - IASC, International Arctic Social Sciences Association - IASSA, International Union for Circumpolar Health - IUHC, International Work Group for Indigenous Affairs - IWGIA, Northern Forum - NF, University of the Arctic - UArctic, World Wide Fund for Nature-Global Arctic Program – WWF²⁶.

The role of the observers is listed at the Arctic Council official site as follows:

- Decisions at all levels in the Arctic Council are the exclusive right and responsibility of the eight Arctic States with the involvement of the Permanent Participants.
- Observers shall be invited to the meetings of the Arctic Council once observer status has been granted.
- While the primary role of observers is to observe the work of the Arctic Council, observers should continue to make relevant contributions through

²⁵ <http://www.arctic-council>.

²⁶ *Ibidem*.

their engagement in the Arctic Council primarily at the level of Working Groups.

- Observers may propose projects through an Arctic State or a Permanent Participant but financial contributions from observers to any given project may not exceed the financing from Arctic States, unless otherwise decided by the SAOs.
- In meetings of the Council's subsidiary bodies to which observers have been invited to participate, observers may, at the discretion of the Chair, make statements after Arctic states and Permanent Participants, present written statements, submit relevant documents and provide views on the issues under discussion. Observers may also submit written statements at Ministerial meetings²⁷.

Even if the acrostics have already signaled the complexity of the issues and interests, the lists given above certify sufficiently to the importance of the Arctic challenges. Perhaps even more convincing will be the enumeration of the countries and organizations vying for the observer status: People's Republic of China, Italian Republic, State of Japan, Republic of Korea, Republic of Singapore, Republic of India, European Union, Oceana, Association of Oil and Gas Producers – OGP, OSPAR Commission, Greenpeace, International Hydrographic Organisation – IHO, World Meteorological Organization – WMO, and Association of Polar Early Career Scientists – APECS²⁸. Other sources also name Brazil as one of the candidates.

Under the Arctic Council rules, the decision to admit a country or a non-state entity must be unanimous by the eight permanent members of that body. It would be extremely difficult to present the reasons, if known and made public, and the behind-the-curtains jockeying for the position as regards granting the observer status, but perhaps an example of such attitudes is called for here, as well as some of the problems and challenges posed by multiple and much diversified interests of the bodies involved. Such attempts appear to range from logical and reasonable to occasionally bordering on surprising, oblique, cheeky, if not outright blatant. The last category can be exemplified by a Chinese businessman who surprised everybody with a curious bid to purchase the northern-most 10 per cent of Iceland for development as a golf resort – Icelandic territory straddling the Arctic Circle. Iceland rejected the offer²⁹.

The Canadian source, “Interests and Roles of Non-Arctic States in the Arctic: Background Brief,”³⁰ dated to October 2011, enumerates the interests of some of those countries in the Arctic as follows:

China:

- Scientific research on climate change and marine species.

²⁷ *Ibidem*.

²⁸ *Ibidem*.

²⁹ <http://marketspace.thinktosustain.com>. Web. January 25, 2013.

³⁰ <http://www.opencanada.org>. The text slightly modified on November 4, 2011.

- New shipping routes.
- Oil and gas for energy security.
- Natural resources security.
- Great power competition.

Japan:

- Scientific research on climate change and marine species.
- New shipping routes.
- Natural resources (including rare elements and metals) for food and resource security.

Republic of Korea:

- Scientific research on climate change and marine species.
- Liquefied Natural Gas (LNG).
- Natural resources for food security.
- New shipping routes.
- New commercial activity for their shipyards.

India:

- Scientific research on climate change and global warming (the melting sea ice and permafrost will impact their people and ecosystems).
- Oil and gas to provide energy security.
- Natural resources for food and resource security.
- New shipping routes.
- Great power competition.

European Union's policy is based on the following principle:

- Protecting and preserving the Arctic together with its population, inter alia taking account of climate change and its various potential impacts including on fishing.
- Promoting sustainable use of natural resources.
- Contributing to enhanced governance in the Arctic through implementation of relevant agreements, frameworks and arrangements, and their further development.
- Emphasizing the need for maritime and fishing regulations for the Arctic that do not unduly hamper access on the part of non-Arctic states.³¹

The reasons for admitting non-Arctic countries have been listed as follows:

- Engaging these countries into Arctic Activities more deeply will on the one hand encourage them to pay more serious attention to the environmental concerns, especially, the concerns which pertain to shipping and future resource exploration, which takes place in the fragile Arctic environment;
- USA, Russia and Canada would benefit from stronger Arctic engagement by these states and will better understand their position towards the Arctic while giving up very little of their direct influence on Arctic matters;

³¹ *Ibidem*.

- If rejecting the applications Arctic states will send a very strong negative political message to the countries seeking the permanent observer status;
- So far, China perceives the Arctic council as a primary forum for discussion of the Arctic issues. If the application is rejected it may divert its focus to closer bilateral relation with Arctic states or seek other forums for cooperation on the Arctic matters;
- By accepting observers and therefore enhancing its openness and inclusiveness, the Council will help the international community to better appreciate its work, thus expanding its international influence and reputation³².

Even if we agree that China indeed is a “near-Arctic state”, (see the next chapter), what about Singapore which sits on the equator? “The answer is that in 2012, as the summer ice melted, 46 ships sailed through Arctic waters, according to Arctis, a research group, mostly from Far Eastern ports to Europe. They carried 1.2m tonnes of cargo, a third more than in 2011. This “northern route” could erode Singapore’s position as a global shipping hub. And the melting of the Greenland glaciers could threaten its existence: Singapore’s highest point, Bukit Timah, is only 164m (538ft) above sea level”³³.

As usual, the opinions on the issue of granting the observer status to non-Arctic countries are diverse. On the one hand, as said before, the Arctic Council may gain a lot by allowing other countries in. On the other, however, concern is voiced by many, including especially indigenous people, that the “enlargement” of the Arctic Council might blur the basic issues and principles of it which should govern its activities. “As a matter of established Arctic Council principle, states seeking Observer status must respect the sovereignty of the Arctic states and the rights of the Arctic indigenous peoples. Several commentators noted that this is where the European Union application was questioned, as the EU is perceived to be on the wrong side of a critical issue regarding indigenous rights to hunt and sell their products on global markets [...] Adding to this, it was heard from many that some applicants for Observer status – China, Japan and South Korea, for example – have polar assets, such as an Arctic science research station and icebreaker ships, but that may not be sufficient to qualify them for membership”³⁴.

Complex Relations: The Example of China

The promise of the natural resources seems an obvious answer to the question why so many countries want to join/observe/be in the loop, keep an eye, etc. Much

³² <http://www.sipri.org/research/security/arctic/arcticevents/the-arctic-council-in-transition-nordic-to-north-american-leadership>. Web. Downloaded: February 5, 2013.

³³ *Outsiders in the Arctic. The roar of ice cracking. Will Asian countries consolidate or disrupt Arctic stability?*, „The Economist”, February 2, 2013. www.economist.com. Web. February 2, 2013.

³⁴ *Canada as an Arctic Power: Preparing for the Canadian Chairmanship of the Arctic Council (2013-2015)*, presented by the Munk-Gordon Arctic Security program, May 2012. <http://www.arctic-report.net/wp-content/uploads/2012/06/Canada-as-an-Arctic-Power.pdf>. Web. February 5, 2013.

controversy has surrounded the bid for the Arctic Council observer by the economic world power, China. The Arctic Institute Center for Circumpolar Security Studies states that “In his address to conference, Chinese Ambassador to Norway Zhao Yun described his as a “near-Arctic state”, and - in a sign that China’s diplomatic approach is paying off - there are new indications that both Canada and Norway are open to Chinese observer status. Canada might elect to support China’s bid, but not that of the EU. Norwegian Minister of Foreign Affairs Espen Barth Eide has announced that Norway will work towards admitting China as an observer state (Barents Observer)”³⁵. Other sources claim, however, that Denmark supports China’s bid, which is not surprising taking into consideration the increase in trade between the two countries and China’s high hopes for investing in Greenland’s minerals. Norway initially dropped its support of Chinese observer status after Beijing cut off political and human rights dialogues with Oslo when the Nobel Committee awarded imprisoned Chinese activist Liu Xiaobo with the Nobel Peace Prize in October 2010³⁶. Beijing also took other retaliatory measures such as enforcing stricter controls on Norwegian salmon imports, causing their sales to fall dramatically. On the other hand, China can count on the support of Canada as the former country “has already invested millions in the Athabaska oil sands. It is also planning to invest in Quebec’s Plan Nord, the province’s strategy for developing its northern half. Last August, Quebec Premiere Jean Charest traveled to China and Japan to promote Asian investment in his province. On January 12, Wuhan Iron and Steel Co., China’s third-largest steelmaker, successfully closed the deal to create a joint venture with Adriana Resources, a Canadian iron ore producer, to develop deposits in Lac Otelnuk, in Nunavik, Quebec. Jilin Jien Nickel also recently announced a CAN \$400 million investment in a nickel mine near Kangiqsujuaq, Nunavik, and it has signed agreements with three Inuit communities to pay royalties”³⁷. If we had a third hand, we could say that although Canada is for granting China the observer status, it is averse to doing so in the case of European Union. Once again, the reasons seem to be purely economic. Despite an Inuit exemption, the EU ban on trade in seal products has had a devastating effect on Inuit communities in the Canadian Arctic. “Canada hasn’t been quite as open in its support but there has been nothing to suggest that Canadians are in fact opposed to the Chinese; probably they would be quite happy to see the Chinese on. The complicating factor for Canada of course is that it has strong views on the European Union’s effort to join as an observer because of the Europeans’ position on seal trade”³⁸. China has invested both

³⁵ Kevin Casey in “The Arctic This Week”: 19 January 2013 – 25 January 2013. <http://www.thearcticinstitute.org/>.

³⁶ M. Bennet, *Snubbed by Norway, China looks elsewhere for support in Arctic* (Foreign Policy Blogs, Canada based), „Eye on the Arctic”, 02 February 2012, <http://eyeontheartctic.rcinet.ca>. Web. December 12, 2012.

³⁷ *Ibidem*.

³⁸ L. Sevunts, *Canada’s delicate balancing act at Arctic Council: ‘Yes’ to China, ‘No’ to EU* (Foreign Policy Blogs, Canada based), „Eye on the Arctic”, 25 January 2013. <http://eyeontheartctic.rcinet.ca>. Web. December 12, 2012.

financially and diplomatically in the Arctic. The Arctic Institute, a Washington think-tank, notes that China spends more on polar research than America (though, to put this in perspective, so does South Korea)³⁹.

The condemnation of Norway by China for Liu Xiaobo's Nobel Peace Prize has some Scandinavians questioning Beijing's temperament to join the Arctic Council. China retaliated following Liu's 2010 award, suspending talks on a free trade agreement, snubbing visiting diplomats, and imposing new import controls on Norwegian salmon. Oslo reported Beijing to the World Trade Organization over the fishing dispute. Norway worked to resolve the tensions and stressed the independence of the Nobel Committee. After many disputes and several debates, cold shoulders and retaliations, Norway seems to have warmed up to the idea of China being granted an observer status at the Arctic Council. However, Foreign Minister Jonas Gahr Støre says Norway favors accepting new observers in 2013 — but with two conditions. The first is codifying the difference between full members — Canada, Greenland, Norway, Russia, the United States, Sweden, Finland, and Iceland — and the role of permanent observers, which currently include the Netherlands, the United Kingdom, Germany, France, Poland, and Spain. The second is respect for Arctic Council principles linked to the Convention of the Law of the Sea⁴⁰ and the obligation to settle conflicts through consensus-based negotiation.⁴¹ According to "The Arctic Portal,"⁴² Norway has declared ready to accept China as an observer in the Arctic Council. After a political dispute over Liu Xiaobo was awarded the Nobel Peace prize in 2010, Foreign Minister Espen Barth said it was irrelevant to the issue. "We want people to join our club. That means they will not start another club". Sweden foreign minister Carl Bildt backed his colleague. "The Arctic Council should be the arena

³⁹ Banyan, *Snow Dragons. As the Arctic melts, Asia shudders at the risks but slavers at the opportunities*. Sep 1st 2012. From the print edition. <http://www.economist.com>. Web. January 25, 2013.

⁴⁰ While the Secretary General of the United Nations receives instruments of ratification and accession and the UN provides support for meetings of states party to the Convention, the UN has no direct operational role in the implementation of the Convention. There is, however, a role played by organizations such as the International Maritime Organization, the International Whaling Commission, and the International Seabed Authority (the latter being established by the UN Convention).

The International Seabed Authority, which has 165 members and whose primary goals are to regulate deep seabed mining and to give special emphasis to ensuring that the marine environment is protected from any harmful effects which may arise during mining activities, including exploration, would seem to be very useful for the deliberations regarding the North, but one more time, as its signatories, out of 8 member states of the Arctic Council it lists Canada, Denmark, Iceland, Finland, Norway, Russia, and Sweden but not the United States.

⁴¹ Voice of America, *Norway Questions China's Temperament for Seat on Arctic Council*, June 5, 2012. <http://blogs.voanews.com>. Web. February 1, 2013.

⁴² The Arctic Portal is an endorsed IPY-Project nr. 388 lead by Iceland's Senior Arctic Official in consultation and co-operation with other members of the Arctic Council and its Working Groups, Permanent Participants, Northern Forum, UArctic, The Arctic Centre at the University of Lapland, The Arctic and Antarctic Research Institute of Roshydromet, The International Centre for Reindeer Husbandry and others.

for Arctic issues". Earlier Iceland has already welcomed China as an observer. Ambassador to Norway for the People's Republic of China, Zhao Jun and Ambassador to Norway from the Republic of Korea, Byong Hyun Lee both advocated including stakeholders from outside the Arctic to be granted observer status in the Arctic Council when giving speeches at the Arctic Frontiers in Tromsø⁴³.

On January 21, 2013 Chinese media reported that Norwegian Foreign Minister Espen Barthe Eide (original spelling by the Chinese press) said that Norway will support China's application for the status of a permanent observer to the Arctic Council. "We are supportive to the enlargement of the number of observers and we are now working with other members towards a decision at the coming ministerial meeting in May" on the applications including that from China, Eide said at a press conference held after signing the agreement on setting up the Secretariat of the Arctic Council in Tromsø, a northern Norwegian city. Norway wants to discuss Arctic-related issues with all relevant countries and China is clearly a country to have such dialogue with, said Eide. "You know, Norway and China are neighbors with only one country between us," added the Norwegian Foreign Minister⁴⁴.

Conclusion

If we take the member states of the Arctic Council (8) and their respective memberships in various organizations (e.g. the EU, NATO, add to them permanent participants (6), observer states (6), intergovernmental and inter-parliamentary organizations (9) and non-government organizations (11) with the observer status and the countries and organizations currently applying for the observer status (14, as listed on the official site of the Arctic Council in January 2013) together with their affiliations, and complement that situation by the variant of the changing chairmanship, and then multiply the received number by international, multilateral political and economic relations of each of the entities, the result will be mind-boggling. The situation is dynamic, ever-changing and what is written today probably will no longer hold true tomorrow. With the right of veto enjoyed by the state members and the complexity of various interests, a comparison with the United Nations Organizations seems to suggest itself. Even if we examine the investors, following the obvious trail of money, in the global world of economy today and the very complex ownership of companies, the picture does not become much clearer. The political games are very much on. Because, hypothetically speaking, one could ask a question which is pure conjecture and an example only: Why would Russia even wish to risk/enjoy/block the EU's bid for the observer status at the Arctic Council when the United States is openly against it, as it is on public record, when the decision of the member states needs to be unanimous?⁴⁵

⁴³ *Norway welcomes China to Arctic Council*, <http://arcticportal.org>, web. 24 January, 2013.

⁴⁴ English.news.cn, 2013-01-22, <http://news.xinhuanet.com>. Web. February 2, 2013.

⁴⁵ "The Senate should seek clear guarantees from Senator Kerry that he will: [...] Veto the European Union's attempt to join the Arctic Council. The question of sovereignty is also important in terms of defining actors in the Arctic. Only national or sub-national bodies or purely intergovernmental

Some critics of the Arctic attempted solutions claim that the Arctic Council with its veto rights and multiple players becomes as manageable as the UN, and it is not a compliment in this context. The same kind of people state that if the issues become so complex that no layman appears to be able to make the heads or tails of them, it probably is about money. The detractors would naturally say that, in a nutshell, what drives the countries to join the Arctic race is the economy, following another famous American saying, “It’s the economy, stupid,” as coined by James Carville, a campaign strategist of Bill Clinton’s 1992 presidential bid against George H. W. Bush⁴⁶.

Optimists say, however, and let us hope it proves true in the future, that the global community finally has a chance to make the Arctic governance not only about the money but also about security, socially and ecologically responsible distribution and access to the resources, shared maritime passages, protection of the environment, common and transparent defense strategies, honoring and protecting indigenous peoples’ right, and sustainable development. May they all agree.

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organizations should have a role in Arctic matters. Supranational bodies should be excluded from having a formal role in Arctic matters”. See: L. Coffey, *Hagel, Kerry, and Brennan Senate Confirmation Hearings: U.S. Policy on Arctic Security*, „The Heritage Foundation Leadership for America”, Issue Brief. No. 3840. January 24, 2013.

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Abstract

The paper attempts to present what seems to be of critical importance to the planet in terms of the influence on the life of all of us, namely the current changes occurring in the Arctic, as well as tries to show how complex the issue is. The article examines the major players on the scene with the curious absence of the Russian Federation, which the author has been assured will be covered by other writers in this issue. The work will also present the interesting connection between

the Arctic and the two Nobel Peace Prize winners: one of the year 2007, namely Albert Arnold "Al" Gore, Jr., and the other of the year 2010 to Liu Xiaobo of China, which brought us international tensions and affected Arctic deliberations as well. In addition, the work endeavors to describe briefly the role of the Arctic Council in responding to the problem and to present the countries vying for the participation in it, including their possible reasons for doing so. Using the example of China, trying to obtain the observer status in the Arctic Council, the author attempts to present the complexity of international relations and diversified interests of separate countries and organizations, as well as to evaluate some potential developments in the Arctic geopolitical sphere.

Złożoność problem zarządzania Arktyką

Celem artykułu jest przedstawienie tego, co wydaje się mieć ogromne znaczenie dla naszej planety biorąc pod uwagę wpływ tego zjawiska na życie nas wszystkich, a mianowicie obecnych zmian zachodzących w Arktyce. Jest również próbą pokazania złożoności problemu. Artykuł analizuje udział głównych aktorów tej sceny politycznej z pominięciem Federacji Rosyjskiej, która, jak zapewniono autora tego artykułu, zostanie uwzględniona w artykułach napisanych przez innych badaczy tej kwestii. Artykuł zaprezentuje również interesujący związek między kwestią Arktyki i dwoma laureatami Nagrody Nobla: jednego z 2007 roku, a mianowicie Alberta Arnolda „Al” Gore Jr., oraz drugiego z 2010 roku Liu Xiaobo z Chin, które zaowocowały w międzynarodowe napięcia mające niemały wpływ na debaty związane z Arktyką. Ponadto celem pracy jest zaznaczenie roli Rady Arktycznej w odpowiedzi na problem i przedstawienie krajów starających się o uczestnictwo w niej, jak również możliwych tego przyczyn. Posługując się przykładem Chin, starających się uzyskać status obserwatora w Radzie Arktycznej, autor podejmuje próbę przedstawienia złożoności stosunków międzynarodowych i zróżnicowanych interesów poszczególnych krajów i organizacji, jak również dokonania oceny niektórych potencjalnych osiągnięć w sferze geopolitycznej Arktyki.

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