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The Promise of Involvement: Asia in the Arctic

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Abstract:

This article argues that deeper Asian involvement in Arctic affairs can only strengthen international governance efforts in key areas like sustainable development, safety at sea, and environmental protection, whereas the potential drawbacks are modest. I review the main concerns voiced regarding outside influence over Arctic affairs, and then show that effective governance of this region will require active support by non-Arctic states within a range of global

institutions. Thereafter I ask whether such support can be generated by deeper non-Arctic involvement in the work of the Arctic Council. The final section summarizes the argument and draws some conclusions relevant to policy decisions by the states involved.

The Promise of Involvement: Asia in the Arctic

In late 2012, the first liquefied natural gas tanker to sail through the Northern Sea Route reached its destination in Japan, carrying gas from a Euro-Arctic offshore field. Only months earlier, a Korean-owned naval architecture and engineering company had won the contract for designing the long-awaited new icebreaker for Canada's coast guard,¹ and China had completed its fifth Arctic marine survey from its own ice-capable research vessel. The same year saw India apply for permanent observer status in the Arctic Council, a high-level forum for addressing Arctic issues, thus joining an expanding group of Asian applicants that already counted China, Japan, Korea and Singapore. The recent surge in Asian interest in the Arctic has been followed closely by the states of the Arctic region: Should they worry about this development, or see it as an asset in their efforts to manage the rapid changes underway in the Arctic?

This article argues that deeper Asian involvement in Arctic affairs can only strengthen international governance efforts in key areas like sustainable development, safety at sea, and environmental protection, whereas the potential drawbacks are modest.² I review the main concerns voiced regarding outside influence over Arctic affairs, and then show that effective governance of this region will require active support by non-Arctic states within a range of global institutions. Thereafter I ask whether such support can be generated by deeper non-Arctic involvement in the work of the Arctic Council. The final section summarizes the argument and draws some conclusions relevant to policy decisions by the states involved.

Asia in the Arctic

Evidence of Asian-state interest in the Arctic is ample and not really as new as many believe. Japan set up an Arctic research station in the early 1990s and funded the major share of the hitherto most comprehensive multinational research project on the physical, economic and political conditions for broader use of the Northern Sea Route.³ China's ice-capable research vessel, the *Xue Long* ('snow dragon'), was acquired two decades ago, and the government agency responsible for polar activities added 'Arctic' to its name already in 1996. A recent study indicates that China has now surpassed Japan in terms of annual listed periodical publications on Arctic matters, with a 2012 output higher than that of India, Japan and Korea combined.⁴ Companies from China, Japan and Korea are already at work on the Norwegian continental

shelf,⁵ and Indian firms are reported to have engaged in commercial negotiations with Russian license holders in Yamal in Western Siberia as well as in Sakhalin.⁶ The world's shipbuilding industry is dominated by Asian firms today. Korean companies in particular have positioned themselves for an Arctic market, not least through the recent acquisition of the Aker Yards, with its world-leading technology in ice-strengthened cargo ships. And finally, as regards polar diplomacy, the major Asian maritime states are members of the correspondence group under the International Maritime Organization (IMO) tasked with negotiating a legally binding Polar Code that will upgrade today's voluntary guidelines for ships operating in ice-covered waters. In short, these applications for permanent observer status in the Arctic Council are among the many manifestations of Asian-state interest in the Arctic, and of the increasing preparedness to engage in a broad range of Arctic activities.

Two concerns voiced about this development deserve attention. One is that deeper involvement on the part of these powerful actors might, in the long term, undermine the primacy of regional states in Arctic affairs; the second is that it might jeopardize the unique and prominent position that indigenous peoples have obtained within the Arctic Council. The first-mentioned concern has probably carried greater political weight, but neither of the two is compelling, as we shall see.

Geopolitical concerns

Regional worries over new players in Arctic politics derive from clearly discernible geopolitical and geo-economic shifts, reinforced by recent debate on the adequacy of the legal framework for Arctic governance. The USA is still well ahead of any Asian competitor in its capacity for military power projection and remains the world's strongest economy by far, not least in terms of technology and innovation.⁷ Yet, many years of growth rates considerably lower than those achieved by several large 'emerging economies', like China and India, have made clear that this ranking is not written in stone. Although another Arctic state, Russia, remains the world's number two military power, China is rapidly narrowing the gap, especially as regards conventional capability.⁸ Moreover, Russia's economic structure is in general less diversified and more dependent on resource extraction than are those of the leading Asian states. And Moscow has somewhat mixed feelings about the surge in Chinese investments in, and immigration to, the Russian Far East.⁹

To this general geopolitical backdrop, with the Arctic states alert to any sign of relative decline, we should add a region-specific component: recent warnings by some practitioners and observers of an ‘ongoing race for natural resources in the Arctic’ and of regional states allegedly engaging in ‘unilateral grabs’ and approaching a ‘diplomatic gridlock’.¹⁰ However, as the states bordering on the Arctic Ocean (Canada, Denmark, Norway, Russia and the USA) announced in their 2008 Ilulissat Declaration: ‘By virtue of their sovereignty, sovereign rights and jurisdiction in large areas of the Arctic Ocean the five coastal states are in a unique position... [and] have a stewardship role’ in protecting its ecosystems.¹¹ In essence, this declaration reminded the world that the geopolitical struggle over regulatory competence in the Arctic had in fact been settled in 1982 with the UN Law of the Sea Convention (UNCLOS), which is no less applicable in the Arctic than elsewhere. That Convention differentiates the competence to regulate ocean use by activity and distance from the coast, placing the coastal states at the helm regarding the exploitation of hydrocarbon and mineral resources on generously defined continental shelves and regarding the exploitation of living resources in these states’ 200-mile exclusive economic zones (EEZs). The new wariness of some Arctic states to non-Arctic stakeholder claims reflects not only a broader power shift in world affairs but also recent debate on whether the legal framework for Arctic governance is due for revision.

Wariness as regards revisionism goes poorly with the tendency of some Asian observers to approach Arctic affairs with concepts and arguments that imply communal ownership, notably ‘the common heritage of mankind’. This term has enjoyed some currency in debates over Antarctica, where various national claims to sovereignty are unrecognized beyond the group of claimants,¹² but it lacks relevance in the economically attractive parts of the Arctic where coastal-state sovereignty is not at issue. Thus, Retired Rear Admiral Yin Zhuo was interpreted by many as tending towards revisionism when he remarked that ‘the North Pole and the sea area around the North Pole belong to all the people in the world’ and that ‘China must play an indispensable role in Arctic exploration as we have one-fifth of the world’s population.’¹³ Variants of the ‘global commons’ argument are reportedly pervasive also in Indian discourses on the Arctic,¹⁴ alongside with those recognizing the fundamental legal and political differences between the two polar regions.¹⁵ While no such revisionism is traceable in any official statement by an Asian government, those who are sceptical to non-Arctic involvement (or have a financial interest in

such scepticism) have nevertheless been blowing the sovereignty whistle: for instance, Russian Navy Commander-in-Chief Vladimir Vysotsky has warned about ‘the penetration of a host of states which... are advancing their interests very intensively, in every possible way, in particular China’, adding that Russia will ‘not give up a single inch’ of Arctic ground.¹⁶ Russia and Canada generally place sovereignty issues higher up on their list of Arctic priorities than do other regional states – partly because theirs are by far the longest Arctic coastlines, and partly because some of their unilateral and stricter-than-global Arctic shipping regulations have been challenged on legal grounds by other states.¹⁷

However, any worries that greater Asian involvement in Arctic affairs might undermine the sovereign rights of the coastal states in the region are unfounded. Those rights derive not from Arctic activities or regional patterns of diplomacy, but from globally accepted and regionally applicable international law. UNCLOS has 165 parties (as of January 2013), with the USA as the sole major power not to have ratified. As the main provisions of UNCLOS reflect international customary law, they are binding on *all* states. As did China and India, the Arctic states supported and promoted the division of competence that emerged in the Convention; they were also among the greatest winners in terms of spatially extended jurisdiction. Altering the basic deal underlying the existing legal order for the Arctic would therefore go counter to the interests not only of Arctic states, but to those of the geo-economically ascendant Asian states as well.

The indigenous voice

Also questionable is the second concern as regards the rising involvement of non-regional states. Among the premises for Canada’s Arctic policy, those originating with the country’s indigenous populations loom large, and go a long way in explaining Canada’s scepticism to granting the European Union (EU) a formal role in the Arctic Council.¹⁸ Prior to filing its application for observer status, the EU had introduced a ban on trade in seal-skin products, economically and symbolically important to certain indigenous populations. More generally, some indigenous-peoples’ representatives worry that involving political and economic heavyweights like the EU, China and India might divert the attention paid to indigenous concerns, as well as affecting their own access to high-level decision-makers within the Council framework.¹⁹

Three observations indicate that such worries are exaggerated. First, indigenous concerns have always been only one of several matters deemed highly important by the Arctic Council; the rising aspirations of this body to produce research-based policy premises on salient issues like energy and shipping developments, and to improve capacities for search and rescue as well as oil-spill preparedness and response, reflect the priorities of Arctic states, not Asian ones. Second, it cannot be assumed that the new applicants will promote an agenda that is insensitive to indigenous concerns in the Arctic, and involvement in Council activities is among the factors likely to enhance such sensitivity. Third, the status that six transnational indigenous-peoples associations have as Permanent Participants in the Council ensures ‘full consultation... [in] all meetings and activities of the Arctic Council’,²⁰ implying a considerably stronger basis for building alliances and influencing deliberation than is otherwise common for non-governmental organizations in international diplomacy. In contrast, the observer status applied for by Asian states entails only a right to submit documents and to make statements, with the latter even being subject to the discretion of the chair.²¹

Observer status therefore provides no formal or *de facto* basis for exerting pressure on Council decisions – only an opportunity for non-Arctic states to have their voice heard by those who make the decisions. Granting such status to the modest number of current new applicants is unlikely to detract significantly from the prominence of the Permanent Participants in the activities of the Arctic Council.

The promise of Asian involvement

Deeper involvement by Asian players has every potential to generate win–win situations. Much of the activity that gives rise to Arctic environmental challenges either occurs outside the region or falls under the jurisdiction of non-Arctic states. This is true for a majority of the persistent organic pollutants (POPs) and heavy metals that threaten to damage regional ecosystems, as well as the greenhouse gases that drive up Arctic temperatures. Shipping remains a high-seas freedom, also within the EEZs, although special rules can apply in ice-covered waters in accordance with the UNCLOS ‘ice article’ 234. Dealing effectively with these key Arctic challenges requires regulatory action in broader international institutions, typically global ones like the Stockholm POPs Convention, the UN-based climate regime, and the IMO.

Such regulatory action in relevant broader institutions is more likely if leading non-Arctic states, including Asian ones, can have a clear understanding of the Arctic dimension of global issues and firm ownership in the research that has substantiated that dimension. The Asian states now applying for status as permanent observers have significant and rising polar research programmes that can support the Council's core activities – knowledge-building and capacity enhancement. Consider for instance the cooperative assessments produced by the Arctic Council on how global change will affect regional opportunities and challenges, most recently the Arctic Marine Shipping Assessment. The political energy inherent in these assessments serves to raise the saliency of the Arctic dimension of broader problems and helps to mobilize political energy in the broader international institutions that have regulatory competence. Thus, by welcoming non-regional states into Arctic Council activities, the Arctic states may improve their ability to stimulate regulatory advances in broader institutions that are crucial to Arctic governance.

Such involvement makes excellent sense for Asian states as well – not only because of the geophysical climate interdependencies with their own countries, but also because the Arctic Council is the hub of several dense and enduring transnational networks of Arctic researchers, officials, and political decision-makers. Those who contribute to the research and other working group activities under the Council gain access to these networks and to potentially useful information on how Arctic states and other important players think and plan concerning regional developments. Even in areas where rule-making authority rests firmly with the coastal states, such as offshore energy development, non-Arctic companies may obtain lucrative roles if they can offer globally competitive technological solutions, equipment, or venture capital.

Conclusions

Thus we see that deeper Asian involvement in the work of the Arctic Council should be regarded as a promising development for Arctic governance. It poses no significant threat to the primacy of regional states or the prominence of indigenous concerns. The only potential influence conferred by observer status would be through persuasive arguments, which should always be welcome in international deliberations. Moreover, whereas the Council itself is gradually growing into a decision-shaping role, the Council can shape decisions in areas only where the Arctic states allow it in – and that will not happen in the many and politically salient issues where

international law confers exclusive management authority to the coastal state. Thus, the gains that Asian states can obtain from deeper involvement in the Arctic Council concern not primarily political influence, but access to the networks of research, business and governmental actors centred on the Council, providing information on plans, developments, and cooperative opportunities in the region. For the Arctic states, deeper Asian involvement in Council activities promises to strengthen the pool of knowledge that underpins the Council's own policy recommendations, as well as supporting the persuasiveness of those recommendations in a series of global governance institutions crucial to the Arctic in areas like shipping, climate change and environmental toxins.

¹ See David Pugliese, 'Polar Icebreaker Design Launched With Awarding of Contract to STX Canada', *Ottawa Citizen*, February 8, 2012, <http://blogs.ottawacitizen.com/2012/02/08/polar-icebreaker-design-launched-with-awarding-of-contract-to-stx-canada/> (accessed February 26, 2013).

² I would like to thank Jo Inge Bekkevold, Arild Moe, Tom Røseth and Njord Wegge for very helpful comments on this article.

³ On the International Northern Sea Route Programme, see Willy Østreng (editor-in-chief), *The Natural and Societal Challenges of the Northern Sea Route: A Reference Work*, Dordrecht, Kluwer Academic, 1999.

⁴ Iselin Stensdal, 'Asian Arctic Research: Harder, Better, Faster, Stronger', Lysaker, the Fridtjof Nansen Institute, forthcoming.

⁵ Norway, Meld. St. 7 (2011–2012), 'Nordområdene. Visjon og virkemidler', p. 49. *Report to the Storting /White Paper*, Oslo, Ministry of Foreign Affairs.

⁶ Rakesh Sharma, 'ONGC in Talks with Rosneft, Novatek for Russia Energy Assets', *Wall Street Journal*, December 14, 2011, <http://online.wsj.com/article/SB10001424052970204026804577098203298699204.html> (accessed February 27, 2013); also Neil Gadihoke, 'Arctic Melt: The Outlook for India', *Maritime Affairs: Journal of the National Maritime Foundation of India* 8, 2012, pp. 1-12.

⁷ For an instructive analysis, see Michael Beckley, ‘China’s Century? Why America’s Edge Will Endure’, *International Security* 36, 2011/12, pp. 41–78.

⁸ According to the SIPRI Military Expenditure Database, China’s military spending (in constant US dollars) rose by 70 percent from 2006–2011, to a level that was roughly twice that of Russia; see <http://milexdata.sipri.org>.

⁹ Mikhail A. Alexseev and C. Richard Hofstetter, ‘Russia , China , and the Immigration Security Dilemma’, *Political Science Quarterly*, 121, 2006, pp. 1-32.

¹⁰ The first quote is from European Parliament, Doc. P6_TA(2008)0474. *Resolution of 9 October 2008 on Arctic Governance*, item 13,

[http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P6-TA-2008-](http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P6-TA-2008-0474&language=EN)

[0474&language=EN](http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P6-TA-2008-0474&language=EN); the last two are from Scott Borgerson, ‘Arctic Meltdown: the Economic and Security Implications of Global Warming’, *Foreign Affairs* 87 (2008): 63–77, at pp. 73, 71.

¹¹ Ilulissat Declaration, May 28, 2008;

http://oceanlaw.org/downloads/arctic/Ilulissat_Declaration.pdf (accessed February 26, 2013).

¹² For an in-depth discussion of Antarctic governance, including relationships between external (UN) interest and regional measures concerning science, resource management, tourism and environmental protection, see Olav Schram Stokke and Davor Vidas (eds.), *Governing the Antarctic: The Effectiveness and Legitimacy of the Antarctic Treaty System*, Cambridge University Press, 1996.

¹³ J. Juo, China News Service, March 5, 2010, translated and cited by Linda Jakobson and Jingchao Peng, ‘China’s Arctic Aspirations’, Stockholm: *SIPRI Policy Paper* 34, 2012, p. 15.

¹⁴ On those discourses, see Vijay Sakhuja, ‘India and the Changing Arctic’, presentation at the Arctic Frontiers conference in Tromsø, Norway, January 24, 2013; http://arctic-frontiers.com/index.php?option=com_docman&task=cat_view&gid=299&Itemid=433&lang=en (accessed February 26, 2013).

¹⁵ Uttam Sinha, ‘The Arctic: an Antithesis’, *Strategic Analysis* 37, 2013, pp. 34–39.

¹⁶ Guy Faulconbride, 'Russian Navy Boss Warns of China's Race for Arctic', *Reuters*, October 4, 2010; <http://www.reuters.com/article/2010/10/04/russia-arctic-idAFLDE6931GL20101004> (accessed February 26, 2013).

¹⁷ See Olav Schram Stokke, 'Regime Interplay in Arctic Shipping Governance: Explaining Regional Niche Selection', *International Environmental Agreements: Politics, Law and Economics* 13, 2013, pp. 65–85.

¹⁸ Leigh Phillips, 'Arctic Council Rejects EU's Observer Application', *EU Observer.com* April 30, 2009: <http://euobserver.com/885/28043> (accessed February 26, 2013).

¹⁹ See for instance the discussion in *Canada as an Arctic Power: Preparing for the Canadian Chairmanship of the Arctic Council*. Walter and Duncan Gordon Foundation, 2012, <http://www.gordonfoundation.ca/publication/531> (accessed February 26, 2013).

²⁰ Arctic Council Rules of Procedure, 1998, Article 5. www.arctic-council.org.

²¹ *Ibid.*, Article 38.