Briefing Note

Optimizing EU Influence on Arctic Affairs

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The policy of the European Union (EU) is analyzed in accordance with its general goals as stated in the Global Strategy, the Joint Communication of April 2016 and other documents defining the EU’s approach towards the Arctic. Four intertwined areas in which the EU can have a greater impact have been identified: (1) International relations and geopolitics, (2) Economic and social policies, (3) Legal footprint and legislative processes, and (4) Scientific and business diplomacy. For each area, an analysis of the current situation and the potential scenario has been undertaken, taking into account the pitfalls and obstacles. As a result of this analysis, recommendations towards a more effective and efficient impact of the EU in the Arctic are proposed.

The Arctic is a region undergoing critical changes, with a variety of actors involved in designing the emerging structures of formal and informal governance there. Climate change in the Arctic will have an environmental, economic and diplomatic impact on the world at large. As the world order is under mutation and the Arctic is emerging as a crucial theatre for international relations, the European Union (EU) could play a key role in Arctic governance.1

The European External Action Service (EEAS) has already noted the growing importance of the Arctic and perceived that the EU has a role to play (Joint Communication, 2016),2 and a number of instruments have already been implemented in this regard. However, the Arctic is not a region in immediate crisis and it remains at the bottom of the EU priority list in Brussels, beyond a small circle of informed practitioners. There is a lack of political attention and knowledge about Arctic issues and some uncertainties regarding which strategies and instruments to put in place without antagonizing the Arctic states. There is also a lack of understanding that Arctic issues are interconnected with others and that the Arctic should not be an isolated item on the EU’s agenda.3 Finally, Arctic issues tend to be addressed topically, independently from each other, without a unified framework, by various departments and executive agencies.4 Altogether, the Arctic remains somewhat of a ‘blind spot’5 in the EU’s overall strategic outlook, even as the EU is in fact an Arctic actor, at least by virtue of its geography.6

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Specialized documents such as the Joint Communication prepared by the EEAS and others\(^7\) denote a sharp understanding of Arctic issues, with their domestic and international dimensions. They demonstrate that the EU is already engaged in the Arctic and laudably identify areas where its presence is wanting. However, their focus is rather narrow\(^7\) and the stated ambitions are modest, denoting a timid approach. Few substantial additions have been made to the EU Arctic policy since 2008, and in some regards ambitions have been lowered.\(^8\) The EU does not yet dare to define itself as an Arctic actor.\(^9\)

In accordance with its general goals as stated in the Global Strategy, the Joint Communication of April 2016 and other documents defining the EU’s approach towards the Arctic, we identified four dimensions in which the EU may have the ambition and the means to impact on Arctic developments, focusing on opportunities and pitfalls.

**Geopolitics and International Relations**

The EU purports to project itself as a central and credible geopolitical actor on the global stage. It claims to master the widest range of tools to do so.\(^10\) It claims to be an actor that *shapes* international relations rather than passively enduring them.\(^11\) In this regard the current EU Arctic stance is completely out of line with the general goals, especially considering the geopolitical importance of the Arctic. There are, however, some avenues and concrete instruments for the EU to be a full-fledged geopolitical actor in the Arctic - consistent with its global status and the ‘win-win’ approach stated in the Global Strategy.\(^12\)

International relations in the Arctic in the post-Cold War era can be characterized as both cooperative and competitive, but overwhelmingly peaceful – an equilibrium most recently tainted by the resurgence of geopolitical interpretations of the regional balance. The peaceful character of Arctic relations has densified over the past three decades\(^13\) - a process in which the EU has had a discrete if not minor role.\(^14\) The geopolitical or “militarization” discourse, informed by the Ukraine and subsequent crises, comes in superimpression to this dense framework of cooperation, and many informed experts see it as irrelevant. Because international relations in the Arctic are so actively institutionalized on ‘soft security’ bases, ‘hard security’ issues can certainly impact them exogenously and ex-post, but they have little impact on the foundations of the regional governance structure.

It is rather ironic that the EU, which projects itself as the ‘soft power’ incarnation of the Euro-Atlantic community\(^15\) and whose strength resides in its normative power – more specifically its ability to impose a liberal reading of international relations – still fails to participate in ‘soft security’ institutionalization processes in the Arctic and instead comes across negatively, as an actor whose participation risks bringing into the Arctic equation geopolitical tensions from other regions of the world.

In order, then, for the EU to play a more constructive and visible role in structuring interstate relations and governance in the Arctic, EU policy-makers should focus on institutionalization processes, drawing parallels with EU integration processes and proposing an exchange of knowledge and best practices in this regard – downplaying the ‘geopolitical’ in favour of the ‘institutional’. They should claim a seat in Arctic governance fora, construing ‘the Arctic’ not as an issue of foreign policy but as the intersection between the domestic and foreign policy spheres.
This, however, would require that the EU, which is a hybrid entity with elements of statehood and of international organization\textsuperscript{16}, clarify its position in Arctic governance relative to its own member and associated states: the EU should not promote some disconnected interests or visions from Brussels, but be an Arctic player by virtue of its ‘Arcticness’\textsuperscript{17}. Brussels is not an Arctic capital, but Sweden’s and Finland’s Arctic regions are European regions, the Kingdom of Denmark is an Arctic state\textsuperscript{18} and many other European states are legitimate Arctic actors by virtue of their scientific activity in the region.\textsuperscript{19} It is unacceptable that EU activity in the Arctic should antagonize the EU’s own member and associated states.\textsuperscript{20} It should, on the contrary, federate them and promote their interests better than individual countries can do. This is, of course, a delicate exercise. The way in which the EU participates in United Nations (UN) work – and the debates about giving away France’s permanent seat in the Security Council (UNSC) to the EU – provide an example of how these questions are being tackled elsewhere.

**Economic and Social Dimension**

The Global Strategy stresses commitment to the UN Sustainable Development Goals and sustainable socio-economic development of the Arctic is outlined as a priority in the Joint Communication. Consistent with its soft power and transformative power aspirations, the EU should define measurable objectives and identify applicable instruments for the EU to contribute, substantially and visibly, to these sustainable development goals in the Arctic.

The socio-economic situation and development perspectives in the Arctic have a paradoxical character. While the circumpolar Arctic – and the European Arctic in particular – are perceived as very attractive in terms of natural resources and extractive industries,\textsuperscript{21} they are also among the most vulnerable regions on the planet in terms of human development, ecological fragility and sustainability of local socio-economic structures. Another paradox lies in the discrepancy between indicators at the national and regional/local levels: almost all Arctic states (except Russia) rank on top of global economic\textsuperscript{22} and development indexes (UNDP Human Development Report, 2016), yet Arctic populations in these prosperous states, as sub-groups, follow extremely different patterns which call for specific policy approaches.

The EU needs to address these paradoxes and avoid misplacing its efforts and resources, in order to contribute positively to socio-economic and human development in the Arctic – i.e., in the European Arctic, in the cross-border macro-regions and in the circumpolar Arctic as an interconnected socio-economic system. It should focus on fostering endogenous growth; financing technological innovation that meets Arctic requirements but can eventually be integrated into global production chains and foster technological progress beyond the Arctic; and participate in building a circumpolar network of sustainable, efficient, community-centered and connected infrastructure on which economic systems on various scales can thrive (Stępien & Koivurova, 2017). Comparatively less efforts need to be spent on support to exogenous growth brought by large-scale extractive industries (including fishing) and long-distance shipping, whose benefits rarely spillover onto local communities and regional or cross-regional socio-economic systems – and which even tend to capture resources and disrupt local dynamics.

The EU has noted that measures should take into account the challenges – notably technological – posed by the harsh climatic and geographic conditions of high latitudes. It supports, through various financial instruments, innovation and development of appropriate infrastructure for
populations and businesses. Space programs and targeted research projects of the EU contribute to the provision of maritime security by monitoring and monitoring the movement of ships and the state of ice, and providing navigation services. During the years 2007 - 2013 the EU spent €1.14 billion on the development of the economic, social and environmental potential of its Arctic regions, and taking into account the financing of individual countries, €1.98 billion (The Future Of The Arctic Region, 2014).

Despite past measures, serious demographic problems are noted in the region, e.g. the outflow of young people in southern directions, primarily to large cities against the backdrop of aging populations. The EU Arctic policy does not address directly the question of demographic challenges (Stępien & Koivurova, 2017) but there is a common understanding that there is a need to create comfortable conditions for living, education and work to attract residents. This dictates the need to create new innovative educational and workplaces that promote cross-border mobility of workforce and students.

Importantly, greater emphasis should be placed on traditional knowledge – including at the stage of policy-design - and on the variety of forms of traditional livelihoods (such as reindeer herding, fishing, and hunting) mixed with existing elements of modernity, connectivity and globalized economic structures in Arctic communities and community networks. Combined with the specifics of Finland, Sweden, Denmark and Iceland’s national economies – innovative, globalized, to a great extent service-based, and with high levels of human development indicators – these approaches highlight a potential for unique forms of “glocalized” development with an emphasis on “smart specialization strategies” (Stępien & Koivurova, 2017).

Legal and Legislative Footprint

EU laws but also law-making processes inform the EU’s position in the Arctic, its legitimacy as perceived by other actors and, in the end, its potential as an actor of Arctic governance. EU legislation already affects the Arctic, sometimes in highly controversial ways. The EU’s legislative footprint in the Arctic – considering both soft and hard law – can be measured in terms of, first, its participation in fora and organizations that directly produce rules in the Arctic; second, its participation in international treaties and conventions that apply to the Arctic; and third, its domestic and sectoral policies.

Although the Arctic Council (AC) does not have a legal character itself, it has increasingly had a legislative impact on Arctic affairs, at least as the forum for negotiation of three legally binding multilateral agreements, for iterating customary international law and arguably for producing soft law as well as indirectly impacting national legislations and regulations through the activity of its Working Groups. The EU has sat as an ad hoc observer at the AC’s Senior Arctic Officials (SAO) meetings since 2009, but its application to become a full, permanent observer in the AC is still pending. EU-AC relations have been difficult, due to a lack of sensitivity on the EU’s part towards the specificities of Arctic governance and the needs of Arctic communities which alienated several Arctic states (Depledge, 2017). While Canada, who most vehemently opposed deeper EU involvement in the AC following the row over the controversial EU ban on seal products imports in 2009, has become more accommodating in recent years, there is still no impetus for the EU to be accepted as a permanent observer, and Russia has opposed it with renewed energy since the adoption of EU sanctions after the Ukraine crisis. In short, the EU retains a reputation of outsider, if not even of troublemaker, in relation to the AC. If the AC is
to evolve further into an institution with lawmaking competence, it will be in the EU’s interest to readjust this position and make greater efforts to showcase its understanding of Arctic affairs and its sensitivity, both to Arctic states’ concerns about sovereignty and to the needs of Arctic populations.

Outside of the strictly Arctic framework, the EU is involved in nearly all the treaties and conventions that inform or impact the international legal regime in the Arctic, including international (e.g., UNCLOS, arguably the Paris Agreement) and multilateral (e.g. OSPAR) agreements. As an ‘enhanced observer’ in the UN since 2011 (Phillips, 2017), (simple observer since 1974) it has impacted and meaningfully participated in UN processes. EU participation in the UN institutions and bodies, including the General Assembly (UNGA) and International Maritime Organization (IMO), is constantly evolving. In those contexts, the EU has demonstrated an outstanding ability to converge with its member states and to streamline international legislation and implementation processes both in relation to its member states and to other states (Paasivirta, 2015).

Reflecting the centrality of fishery management, conservation and custom issues in the very genesis of the Union, the European Economic Community (EEC) and later the EU have been tightly involved in the birth, further development and implementation of the United Convention of the Law of the Sea (UNCLOS), the most central piece of international law in Arctic relations (Paasivirta, 2015). But reflecting the fact that shipping, maritime safety, prevention of pollution and a fortiori delimitation of continental shelves, do not fall within exclusive Union competence, the EU has dedicated much less attention to these issues than to provisions concerning fisheries management. Having demonstrated its legitimacy as a right holder and an arbitrator within the UNCLOS framework about fisheries (Paasivirta, 2015), the EU could consider extending this constructive role to other contentious or pressing issues covered by UNCLOS.

The most problematic point, thus, remains EU internal legislation, regulations and sectoral policies, which now and then continue to antagonize both member states, associate states and third parties. These contentious cases, as rare as they may be, tend to undermine EU legitimacy and prevent its further political involvement in Arctic governance. While it is true that attention may naturally tend to focus on contentious issues and fail to give the EU credit for ‘what goes well,’ it does not make it less important for the EU to minimize these contentious occurrences and develop a comprehensive and coherent legal framework, taking into the specificities of Arctic political, economic and ecological systems.

**Scientific and Business Diplomacy**

The EU is strongly connected to Arctic through history, culture, economy, and science. The Joint Communication stresses the EU’s role in scientific research in the Arctic, with large sums invested or earmarked under various collaborative structures.

As part of promoting sustainable management of Arctic natural resources, the EU emphasizes the utilization of new technology and the creation of a knowledge base so that opportunities do not come at the expense of observing the highest environmental standards; in other words, any activity to be initiated must be based upon the best scientific findings available (Hossain, 2015). Recently an important new coordination action was established - EU-PolarNet. This consortium is the world’s largest in expertise and infrastructure for polar research has been called upon to

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assist the EC in giving advice in polar related questions, coordinating polar research and infrastructures in Europe and in identifying the highest priority research topics. Science-informed decision making is considered to be a key to safeguarding the fragile ecosystems of the north (Ibid.), to limit risks and to enable adaptation of local communities (The EU and the Arctic, 2006).

The EU already supports transnational access to research infrastructure in the Arctic (research stations and ships, satellite observations) and open access to information resources. It also has ambitions to engage more substantially with stakeholders from the business, scientific and academic spheres.

Over the past decade, the European Union has become one of the largest funders of Arctic research through numerous collaborative projects, coordination activities and support to infrastructures. This has established a rewarding interplay between the scientific community and European policy makers. A lot of instruments appeared and scientific interactions, unlike business ones, continue despite political contradictions. Scientists are free to demonstrate the actual status of research results in all priority spheres. The abovementioned shows the high scientific and stakeholder-engagement footprint of the EU in the Arctic, but the sums and efforts and results of all investments in terms of scientific and business diplomacy, if they are to manifest themselves, should appear in the near future.

Conclusions

These four dimensions are artificial categories, separated for analytical purposes but obviously interconnected in reality. The first, and primordial recommendation, is that the EU should prioritize Arctic issues not only at the bureaucratic but also at the political level, and have a structured, comprehensive and coordinated approach to the region, in a domestic-to-foreign policy continuum.

While the EU is strong in terms of stakeholder engagement and scientific diplomacy, it still needs to define its role as an actor in the institutionalization of international relations in the Arctic. In this regard, it needs to address its own tendency to antagonize other Arctic states, whose legitimacy in Arctic affairs is more solidly established. This tendency may not be accidental and bears witness to deeper, structural problems in the EU approach to Arctic affairs.

The EU has an unfulfilled potential to become a ‘soft power’ not nominally but because it has a great advantage in the field of science and socio-economic development – e.g., human capital development in EU Arctic countries. The idea of implementing a science-informed decision making process would work towards everyone’s benefit, because Arctic is a specific region in all manners. The EU should use its strengths, such as good scientific cooperation within the community and established contacts, and spread good practices to other fields ‘from the bottom to the top.’

Notes

1. In this limited space and for reasons of clarity, we limit ourselves to an analysis at the Union level, leaving out the agency of individual member states and European regions.

2. Joint Communication 27/04/2016, op. cit. p. 2; see also Council conclusions on the

3. Almost all of the Principles and Priorities outlined in the Global Strategy directly apply to the Arctic, yet the Arctic is treated in a separate and rather disconnected section Global Strategy pp. 38-39.

4. This has advantages in terms of efficiency in limited, topically delimited areas, but also drawbacks in terms of coordination as well as overall traceability and visibility. One practitioner noted that “the coordination of the EU’s Arctic policy is the responsibility of the [EEAS], and rightly so. However ... the EU does have an equally important role to play through its domestic instruments – notably through sectoral policies and the regional development instruments.” Schurich-Rey, Amelie (10/11/2016) “The EU and the Arctic: take responsibility; seize opportunities?”, WeBuildEurope.eu, retrieved from, http://webuild europe.eu/the-eu-and-the-arctic-take-responsibility-seize-opportunities.

We note that the EEAS’ work is greatly complicated by the need to ‘satisfy everyone’ and not to impose Arctic issues to political decision-makers who do not deem it important. The question of how internal and institutional processes in the EU hamper its capacity to project influence in the Arctic is a very interesting one in itself.

5. We are indebted to Nikolas Sellheim for this pertinent expression, which he made the title of his dissertation (2016, “Legislating the Blind Spot: the EU seal regime and the Newfoundland seal hunt”, Acta Universitatis Lapponiensis 326).

6. For the EU, the Arctic is at the intersection of the domestic and the international dimensions for the EU - there a ‘European Arctic’ and the Arctic as a meta-region - as acknowledged in the Joint Communication, 27/04/2016 op. cit.

7. “EU Arctic policy in regional context” EU Policy Department, Directorate-General for External Policies, op. cit.

8. This is especially true for the Joint Communication.


10. Surely it is not encouraged to do so by the Arctic states, some of which have expressly opposed greater EU participation in Arctic governance. About general view of EU bilateral relations with Arctic, see: Stang Gerald (2016) “EU Arctic policy in regional context” EU Policy Department, Directorate-General for External Policies, retrieved from, http://www.europarl.europa.eu/RegData/etudes/STUD/2016/578017/EXPO_STU(2016)578017_EN.pdf. See also: Depledge, Duncan (2015) “The EU and the Arctic Council”, ECFR's Wider Europe Forum, retrieved from,

11. The Global strategy states that “‘Global’ is not just intended in a geographical sense: it also refers to the wide array of policies and instruments the Strategy promotes”; that “The European Union has always prided itself on its soft power – and it will keep doing so, because we are the best in this field”; and that “soft and hard power go hand in hand.” op. cit. p.4, in line with the tradition initiated with the Helsinki Accords of 2015 and continued with the ESS 2003.


14. Among other milestones, we can mention Gorbatchev’s 1987 Murmansk speech, the ratification of the 1982 United Nations Convention on the Law of the Sea (UNCLOS) but all Arctic states but the US between 1985 and 2004, the creation of the Arctic Council (AC) in 1996 and its progressive institutional development to this day, a host of multilateral declarations and the myriad of Arctic-related conferences at top and lower levels that happen each year, involving policy makers, scientists across disciplines, commercial stakeholders, indigenous representatives, environmental activists, artists and so on. The language used in these speeches, declarations, normative acts and gatherings is very persistent, as illustrated by the most recent international forum in Arkhangelsk – “The Arctic, Territory of Dialogue” (2017, http://forumarctica.ru/en/). For an interesting historical perspective on the development of this narrative and the institutional framework that derived, see Dawn A. & Berry, N. (2016) (Eds.) Governing the North American Arctic Sovereignty, Security, and Institutions. Palgrave MacMillan, especially chapter 10 by John English, “The Emergence of an Arctic Council”, (pp. 217-230).

15. The Barents Euro-Arctic Council and the Northern Dimension are the two main institutional vectors of EU activity in the Arctic.

17. Whether this situation is transitional (a stage on the path towards a truly supranational and ever-expanding EU, or on the contrary back towards an association of sovereign states) or stable, does not affect the present argument.


20. Notably France, Germany, Italy, the Netherland, Poland and Spain, whose status of observers at the Arctic Council is a sign of recognition. We could also mention the integrated character of the North Calotte region covering the North of Norway, Sweden and Finland, which ”can be described as “Arctic Europe”, an integral and indispensable part of the socio-economic landscape of the European Union and the European Economic Area” (Stępień Adam & Koivurova Timo (2017). Arctic Europe: Bringing together the EU Arctic Policy and Nordic cooperation. Publication series of the Government’s analysis, assessment and research activities 15/2017, retrieved from, http://tietokayttoon.fi/documents/10616/3866814/15_Arctic+Europe_Bringing+together+the+EU+Arctic+Policy.pdf/761dc7e8-ad2d-4d9a-a2f2-f0436efdf063?version=1.0=.

21. For a most recent example, see “EU-Norway crab row could fuel oil tensions in Arctic”, Agence France Presse, 09/07/2017.


23. EU Arctic countries are ranking top-30 for GDP based on purchasing-power-parity (PPP) per capita and top-45 for Gross domestic product, nominal (except Iceland that takes 109th place).


27. See also Lasserre, Frédéric, La géopolitique de l’Arctique: sous le signe de la coopération, CERISCOPE Environnement, 2014, http://www.ceriscope.sciences-po.fr/environnement/content/part5/la-geopolitique-de-l-arctique-sous-le-signe-de-la-cooperation.


30. In 2014 - 2020 years program “Kolarctic ENPI (Instrument of European Neighborhood,
Partnerships and Cross Border Cooperation” “Northern Periphery”, “INTERREG NORD”, Northern Dimension, EU Framework Program for Scientific, Technological and Innovation Development “Horizon 2020” give significant funding donors for Projects implemented in high-latitude territories. E.g. a maintenance of the current level of research funding in the region within the framework of the Horizon2020 Program will be allocated an average of 20 million euros per year. About 40 million euros for 2016 - 2017 years are designed for projects to monitor weather conditions, climate change in the northern hemisphere, permafrost and their social and economic consequences. In addition, European Structural and Investment Funds programs also provide funding for research and innovation in climate change and the environment in the Arctic. Their contribution to research and innovation, support of small business and clean energy will be about 1 billion euros for 2014-2020.

31. In recent decades, a number of Arctic-specific cooperation forums have been set up (e.g. Arctic Council (AC), Barents Euro-Arctic Council (BEAC), Northern Dimension (ND) policy framework etc.). Furthermore, a number of international forums address wider issues which impact on the Arctic but are not Arctic-specific per se. A key example of this is the UN Framework Convention on Climate Change.

References


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