

# The Race for the Arctic: the Arctic, the Five Powers, and the Realist and Idealist Incentives for Cooperation

Charles P. Kirchofer  
Webster University, Vienna  
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Dr. Eric Frey  
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The polar ice cap looks to melt more this year than any year in the past (Bryson). This brings with it new possibilities and challenges in the far north. The melting of the ice cap, coupled with high oil prices, advancing drilling technology, and national security interests related to energy dependence, all have made the estimated oil and natural gas resources in the north polar region increasingly attractive (Seidler, Dambeck). It is estimated that about 13% of the world's undiscovered (and drillable) oil and 30% of the world's undiscovered (and recoverable) natural gas can be found in the Arctic (USGS).

The situation is complicated, however, because much of the Arctic belongs to no one (Seidler, Dambeck). Even the areas of the Arctic that lie within the generally accepted 200 nautical mile Exclusive Economic Zones (EEZs) of the five Arctic powers (Canada, Denmark, Norway, Russia, and the United States) have borders that are not completely clear. All five powers now wish to maximize their territorial claims over the Arctic region. Most states are currently working toward doing so via the 1982 UN Law of the Sea treaty, which allows states to extend their territorial claims if the UN Commission on the Limits of the Continental Shelf determines that the countries' respective continental shelves extend beyond the standard 200nm boundary line (Merolli). The US has yet to ratify the treaty originally negotiated under former president Ronald Reagan (NEFTE Compass), although this is likely if the US does not want to be left out of the negotiations altogether.

In a realist world, where international institutions matter little, it would seem that we are headed toward a situation that could lead to war if not carefully managed. However, the UN is currently the only recognized authority for claims of territory or economic usage in areas that lie within international waters. This is therefore one situation in which the world's most universal international institutional, the UN, appears to have a good chance at mediating a large portion of the claims on Arctic territory. Issues over areas of territory that lie within the 200nm boundary line and

are still unclear, however, will have to be resolved bi- or multilaterally, and most likely outside of the meetings of the UN International Seabed Authority. Calls to make the Arctic, similar to the Antarctic, into an international zone for future generations are likely to go unheard as states race to lay claims on new territory (Seidler, Dambeck). Therefore realist and liberal views may both correctly predict future outcomes in specific aspects of the race for the Arctic.

Up until now, the Arctic has remained a region unclaimed by any state. A large portion of the Arctic is located in international waters, which have generally been international ice. The cold, the remoteness, low oil prices, and the lack of adequate technology for offshore drilling in deep waters made the Arctic an area generally ignored by most of the states of the world. Although US and Soviet (and later Russian) submarines often patrolled Arctic waters to send political messages along the borders of both countries (Bowermaster), neither country made moves to claim further territory.

This is all changing as the polar ice cap melts. High oil prices, new technologies, and melting ice mean that recovering oil and natural gas in the Arctic is becoming economically feasible (Seidler). As the ice cap melts more this year than any other year (Bryson), the five Arctic powers (Canada, Denmark, Norway, Russia, and the US) are all making moves to extend their countries' political and economic rights into the Arctic Ocean. Last year, a Russian submarine placed a (highly durable) titanium flag on the ocean floor at the North Pole (Chivers). Although generally viewed in the west as an "openly choreographed publicity stunt" (ibid), it also symbolizes the importance to the Kremlin of further territorial claims. As the North Pole lies closer to Greenland (territory of Denmark) than it does to Russia, Denmark may very well also attempt to claim the North Pole for itself when it turns in its research data to the UN Commission on the Limits of the Continental Shelf in 2014, five years after the Russians.

The five Arctic states also have interests beyond territorial claims into the Arctic Ocean. The

United States is particularly interested in energy security. Discovering resources in extended areas of US territory in the Arctic could increase US energy independence.

Canada wishes naturally to extend its territorial claims as far as possible. It also has a dispute with the US over an area of water near the border with Alaska. The US claims there is no established maritime boundary, and that the boundary should follow the median line between the two coastlines. Canada claims the boundary was set in a treaty between Great Britain and Russia in 1825 that stated the line between Alaska and the Yukon Territory was at 141°W longitude “as far as the frozen ocean” (IBRU). The two parties would have to reach an agreement on their own, as this does not fall under UN jurisdiction.

Another important interest for Canada is the sovereign control of the waters of its archipelago. Canada claims these are internal waters and that foreign ships must first request clearance from the Canadian government before passing into them. Many European countries, but particularly the US, claim the waters within the Canadian archipelago qualify as international waters for shipping under part III of UNCLOS (United Nations Convention on the Law of the Sea) (IBRU), which states that in waters forming straits for international shipping “all ships and aircraft enjoy the right of transit passage, which shall not be impeded” (UNCLOS). The legal aspects of these assertions are not completely clear, and it is not within the scope of this paper to discuss who is right. What is important, however, is that there is disagreement about shipping passage through the Canadian archipelago.

Another state that has significant issues with unresolved territorial claims is Norway. An entire area along the border between Norwegian and Russian waters is still not clearly defined. As these waters are important for fishing (IBRU) and may be important for oil and natural gas recovery, it is in Norway's interests to secure as much of this territory as possible.

Denmark and Russia may end up squabbling over the North Pole, which, regardless of

whose flags are located on it, is still unclaimed territory. Though probably insignificant with regard to oil and natural gas resources (USGS), the Pole has an important symbolic meaning for Arctic dominance. This symbolism seems most important to Russia.

Russia seems to be pushing forward hardest on issues of Arctic territorial claims. It seems Russia is not only interested in the Arctic for economic reasons, but also as a show of strength and dominance (hence the planting of the flag at the Pole). Many realists would look to this dominant posturing as proof that we are still living in a completely state-centered world, where international institutions don't really matter. There is one other state whose hitherto unilateral actions also seem to indicate a realist world: the United States. Not only has the US yet to sign the Law of the Sea treaty, it has also sent ships into waters claimed by Canada without Canada's approval.

So it would seem we are living in a realist world where the two biggest powers are ignoring all the others. But there are also quite a few areas of cooperation. One example: no country has yet tried to lay claim to territory in what are currently international waters in any other way than through the UN. The only country not using the UN, the United States, has also yet to lay claim to any territory due to a lack of a legitimate way to do so. Furthermore, even in cases where the UN is not the generally recognized authority, countries have not yet begun a war or moved toward aggression. In addition, I feel such attacks will also remain unlikely in the future, but I would argue that has less to do with the UN and more to do with the involved countries' abilities and alliances. In this way, both institutions like the UN and NATO, as well as realist power, are maintaining order in the race for the Arctic.

I will look at a few possible areas for dispute (whether they are terribly likely or not), to begin to test the outcomes of realist and liberal institutionalist configurations. I will first focus on the United States. What options and roles would the US have if it continued to remain outside of the Law of the Sea Treaty? What other negative effects would this have besides being unable to make

further territorial claims, what areas would it *not* affect, and are there any possible benefits to not signing?

The US would be left out of much of the internal UN discussions on Arctic territory, but the powers involved have already begun to meet separately to discuss Arctic issues. The Treaty would also have no direct effects on US negotiations with Canada on territory. One indirect negative effect would be a loss in negotiating power for the United States. For example, the US could potentially agree to support Canada within the international community in its assertions of sovereignty over the waters of its northern archipelago in exchange for a favorable resolution to the two nations' territorial disputes. Being able to argue this as a member of the treaty before the International Court of Justice would strengthen this claim, as the US would be unable to do so as a non-member. The only potential benefit of *not* joining the treaty is that there would be no resulting loss of sovereignty. This issue seems moot because I fail to see how the Law of the Sea Treaty would impact US sovereignty, as it would make no changes to currently agreed upon US waters to the US's deficit; it could only serve to expand US territory.

In sum, the benefits to joining the treaty – extended territorial claims, increased bargaining power – far outweigh its costs, which are next to zero. Is there any possibility that the US will strike out on its own anyway? As far as the Treaty is concerned, no certain predictions can be made, though it seems likely that Congress will ratify it, especially if the democrats win the presidency and expand their control over the Congress in 2009. This still would not guarantee multilateral US action, though it would increase incentives for such actions. The US is still very unlikely to act unilaterally because it would mean conflict with other states. That the US would attack other western NATO democracies is essentially inconceivable due to the myriad mutual interests between the countries and simply the feeling of friendship between them (liberal institutionalist reasons). A US attack on Russia over the Arctic is also extremely unlikely, this time for more realist

considerations. Russia is a very powerful country, militarily, economically (it is a large energy supplier to US allies in Europe), and politically (it has a security council veto and enjoys good diplomatic relations with many countries that would be useful to the US). For this reason, a US attack on Russia would be suicide, especially if unprovoked, meaning the US had no support from the international community. In this way we see that the incentives built up for the US for cooperation are considerable, and that these would motivate both realists and idealists to cooperate. Of course it should be noted that a realist might later withdraw from the treaty if staying in were no longer in the interests of the United States.

How about Russia, the other state that does not shy away from unilateral displays of power? Thus far, Russia has cooperated with the UN to legitimize its territorial claims. It is unlikely to attack the US for virtually the same reasons the US is unlikely to attack Russia. It is also unlikely to attack any of the other powers, as they are members of NATO and otherwise allied, and attacking them would bring trouble with the United States. Russia's posturing seems to be just that: posturing. It is hoping by looking tough that it might scare the other parties into a better deal, particularly ones it has direct disputes with (Norway in particular, and later possibly Denmark).

In fact, that Russia could be feeling somewhat insecure and in need of scare tactics makes sense in light of the countries it is going up against (all members of NATO and countries otherwise sympathetic to each other because of their shared history and liberal democratic systems of government). This also means that the four other powers have good odds of getting things to turn out more in their favor in the Arctic, assuming they agree with each other. This would be another possibility for Russia: divide and conquer. If the other countries are fighting among themselves, Russia might have better chances.

So what policies should states follow? As I've pointed out, Russia is actually in a relatively

weak position to solidify its claims outside of the UN. At the same time, other states would also find it difficult to assert claims on territory without the UN. This is the (quite realist) reason the US should sign the Law of the Sea Treaty.

But what about individual territorial disputes, such as the one between Norway and Russia? Some of these disputes may also be resolved through the UN, such as ones regarding areas where expanded continental shelf regions of one country extend into the other's EEZ. Some of these issues, however, will likely have to be resolved bilaterally. This is where traditional realist strategies come into play. Although the likelihood of Russia attacking Norway is slim, diplomacy can also be used aggressively and will rely on states' power to back it up. For this reason, the democratic states, expected to line up if things get tricky, *should* line up together if things get tricky.

This does not mean, however, that the democratic states should all join together against Russia from the outset. At the moment, Russia is cooperative, but also suspicious and insecure. There is no reason to push Russia into less cooperation by confirming its fears, namely that the NATO countries are all against it. "Tit for tat" should be the strategy employed in this case. As long as Russia cooperates, so should everyone else. Russia has every reason to cooperate because it can probably gain the most that way. The other states can also make the best and easiest gains in this way, and they also have the comfort of plan B: knowing they should be able to count on one another's support in case of conflict.

For these reasons, it is important that all the countries make plans to work together. In addition, states like Canada and the United States should see that they are not pulled apart by their own issues. Both states should consider their interests and work towards finding an agreement on the border and seaway disputes as soon as possible, as cooperation may later be necessary to benefit both of them. Canada seems to have a central interest in maintaining sole sovereignty over its northern archipelago. The US's and other states' interests here seem mostly monetary (they are

afraid of having to pay transfer fees), and perhaps for bargaining leverage (particularly in the case of the US). If Canada's main concern is sovereignty, environment, and respect, it may not be so interested in charging fees for the usage of the Northwest Passage. In this case it could make a multilateral agreement with the countries that wish to see the passage opened internationally not to charge those countries if they back Canada's claims and respect Canada's rights in the region. Most countries would be liable to drop the charge to internationalize the passage if they saw that it was secure and free of charge. As mentioned before, the US might consider offering to help Canada to secure its archipelago within its sovereignty in exchange for Canadian acceptance of the US's definition of its and Canada's border. These are all possible resolution configurations, and the countries have enough common ground to make amicable decisions. Cooperation is good here not only for idealist reasons (cooperation with other friendly democracies is intrinsically good), but also for realist reasons (cooperation is the least risky strategy and will probably bring the most benefit at the lowest cost).

With US policy specifically, things get a little interesting. According to the USGS, most of the oil and gas reserves in the arctic lie buried on the continental shelves. This means most of the recoverable resources already lie within the states' respective territories (Seidler). Much of the oil is estimated to be off the coasts of Alaska, Canada, and Greenland. Much of the natural gas is located off the coasts of Russia, Norway, and Alaska (ibid). This means the US and Canada would have access to a large portion of the available oil already and makes Russia's race to claim the north pole all the more clearly a gesture of dominance rather than well considered geopolitics. So how should the US argue things be resolved?

In my view, the most sensible thing for the US to do would be to go along with idealists' views on this case, but for realist reasons. The US should sign the treaty and argue that as much of the Arctic as possible should remain international waters and under international control. In this

way, the US can at least keep the door open for US oil and gas companies to drill in the Arctic if it becomes economically feasible and politically desirable. The more the Arctic gets divided up, the less influence the US would have over it, since its claims to Arctic territory are comparatively small, even if extended to their theoretical maximums. In my opinion, it would possibly even be better for the US to forswear expansion of its own territorial claims if this would increase the amount of Arctic territory that remained in international hands, as the overall benefit to the US (not to mention to the international community at large) could be higher. Realists might also consider the relative loss to Russia (and the other Arctic Powers) in this case, preferring to cause the US a small absolute loss in exchange for a larger relative loss for Russia and the others, which have more to lose if the Arctic remains internationally controlled. Of course, a more accurate investigation into the resources the US might stand to lose with such a sacrifice should be performed before giving up on any claims.

In addition, the US should seek cooperation with all other parties, including self-confidently but non-threateningly seeking cooperation with Russia. Although the NATO powers have somewhat of an advantage in the Arctic, it is still advantageous for all if Russia does not see itself backed into a corner. After all, the Arctic question does not exist in a vacuum, and Russia could turn to using leverage along its southern border (e.g. Georgia), or in other international disputes where it enjoys considerable leverage, as a proxy for a less plausible conflict with any of the NATO powers. As long as the question of NATO expansion is unresolved, this could turn out to be extremely problematic. For this reason and others, the US should clarify its relationship with Georgia and the Ukraine, being careful to demonstrate the ability to back up any claims made.

The race for the Arctic is complicated by a lack of territorial ownership, the presence of large amounts of natural resources, melting seaways, and steadily changing economic conditions. In

the latter case, the current fall in commodity prices could, at least temporarily, make drilling for oil in the Arctic again economically unfeasible, for instance.

In centuries past, before the existence of international institutions like the UN, countries would likely have resolved control of the Arctic by sending war ships to all four corners of that ocean to stake claims. This is not the case today because of UN legitimacy in deciding the usage and territorial rights of areas currently designated international waters. The UN has this authority, however, because others accept that it does and have the power to back up this acceptance. In the end, it is unlikely that Russia would regard UN decisions if Norway, Denmark, Canada, and the United States were all completely weak countries. Countries accept UN authority because not accepting it would bear consequences with *other* countries in the UN, not because the UN itself has any sort of real ability to punish them effectively.

Although the push to lay claim to the Arctic has made some nervous, there is no reason it should create real problems, if only by virtue of the location of the resources and the feasibility of drilling in cold, deep waters. The majority of the drilling is likely to take place in areas within the current 200nm EEZs of the countries in question. Resources beyond that zone become increasingly thin and, as the depth of the water generally increases, increasingly difficult and unfeasible for drilling. In addition, some countries (the United States) have still not decided if they even wish to expand offshore drilling. The issue, of course, is that questions of economic feasibility and political will may change in the coming years. Hopefully by then, territorial questions will have been resolved.

In the meantime, countries should continue UN cooperation. This includes the United States, whether the next leaders of the US do so because they feel it's the right thing to do or because they see they can maximize US claims in that way. This is one instance where realists and liberal institutionalists ought to agree on UN cooperation. As Russia is cooperating with the UN, other

states should avoid direct conflict with Russia and continue to resolve disputes via the UN. Any disputes that cannot be resolved this way should be resolved bilaterally, or possibly multilaterally, with further meetings of the five Arctic Powers. Here, the NATO powers should use their alliance only as a last resort (and obviously not coupled with the threat of military action), because Russia's response to coercion is likely to be less favorable than a cooperative Russia. In addition, it would be advantageous if other disputes with Russia (e.g. Georgia) could be resolved first. For this purpose, it may make sense to invite Germany to some of the Arctic Five meetings because Germany's pipeline plans with Russia could lead to a difference of opinion within NATO on how to move forward. In addition, Germany is also involved via NATO in the Russia-Georgia conflict. All in all, however, this is one dispute where international cooperation via the UN seems almost assured. As mentioned, however, this is as much for realist reasons as it is for idealist ones.

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