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Breaking the ice

The European Union and the Arctic

An accelerated path of climate change has tremendously increased the Arctic's profile over the last decade. Formerly remote and of little relevance, the region now attracts significant political and economic interest as melting ice opens possibilities for the exploitation of Arctic natural resources and access to new trade routes. Rising temperatures and sea level as a result of retreating snow and ice coverage also provoke global security concerns. Consequently, interested states increasingly link the Arctic more closely to their security and foreign policy strategies. In addition, existing territorial disputes combined with unsettled patterns of governance and actor constellations trigger regional developments with important implications for international legal and political systems.

As developments in the Arctic region project themselves globally, they will necessarily have certain repercussions for European countries and their citizens. It is reported that about half of the fish caught in polar waters are consumed in the European Union.¹ One quarter of the oil and gas extracted

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¹ European Environmental Agency, "Arctic environment: European perspectives—Why should Europe care?" *Environmental Issue Report* 38, 2004.

from the Arctic flows to the EU and contributes to its energy security.² Over the last decade, 200 million euros were generated from European funds (within the EU framework programs) for Arctic scientific research.³ As the largest trading block and in control of 40 percent of world commercial shipping, the EU also has a natural interest in securing nondiscriminatory access to the strategically important northern sea route and the Northwest Passage.⁴

Geography serves as an additional legitimating factor for the EU's concerns in the Arctic. Indeed, it is hard not to have a stake in the region when three of its member states—Finland, Denmark/Greenland, and Sweden—participate in the main governmental forum for circumpolar cooperation, the Arctic Council. Norway and Iceland are parties to the European economic area agreement, which links them closely to the EU's policies. More than that, prompted by severe financial crisis, Iceland is on its way towards EU membership, something that might upgrade the EU's leverage in the Arctic significantly. Finally, Canada, Russia, and the US belong to a vast group of the EU's strategic partners that are tied to the EU by a number of specific pacts.

Given the changing strategic importance of the region and a necessity to protect and promote its own interests and values, the EU has declared a clear intention to be more engaged in Arctic affairs and to develop its own Arctic policy. This motion also corresponds to a general objective of European governments to set up a more ambitious union foreign policy and to enhance its effectiveness, given the opportunities provided by the Lisbon treaty.⁵

This article provides a brief sketch of the development of the EU's Arctic policy, placing its institutions at the centre of the analysis. It starts with a short examination of the external and internal triggers that led to the call for a unified and coordinated Arctic policy and continues with a more detailed investigation of the preferences and institutional roles of the European Commission, the European parliament, and the EU Arctic Forum,

2 Sandra Cavalieri et al., "EU Arctic footprint and policy assessment: Final report," Ecologic Institute, Berlin, 2010.

3 Maria Soares, "Arctic research needs and the science-policy interface," speech delivered at Arctic futures symposium, Brussels, 14 October 2010.

4 "Report on a sustainable EU policy for the high north," European parliament, Brussels, 16 December 2010.

5 "Conclusions," European Council, Brussels, 16 September 2010.

as well as the member-states, in developing a common policy for the region. The article then turns to the current challenges and future prospects of EU Arctic policy, given that the policy itself is a work in progress. Finally, some concluding remarks are provided on the question of how to make the EU's Arctic policy successful.

MAPPING THE GROUND: OVERVIEW OF THE EU'S INITIAL INVOLVEMENT

The Arctic first became a target of attention of EU policymakers at the end of the 1980s, when a number of members of the European parliament started to question the commission about the state of the environment in the Arctic.⁶ With the EU's northern enlargement in the mid-90s, the region's salience grew even more. Drawing on a proposal from Finland, the EU adopted the northern dimension policy as a strategy of practical cooperation with the Baltic states, Russia, and the European economic area countries. Several projects in the fields of transport, environment, education, and crossborder cooperation, linking the Barents and Baltic sea regions, were implemented under the northern dimension policy. However, although the policy developed the concept of a so-called "Arctic window," the northern dimension did not really focus on the high north, including the Arctic Ocean, and never meant to do so.⁷

A tipping point for increasing EU concerns about Arctic developments was the dramatic rise in global warming. The 2004 Arctic climate impact assessment predicted an increase in average temperatures between four and seven degrees Celsius, with profound consequences for sea ice and snow coverage.⁸ The ice cap in 2007 was reported to be the lowest in the last 50 years.⁹ This allowed for the possibility of Arctic commercial shipping, and in 2009 two German cargo ships sailed from South Korea to the Russian port of Murmansk. By the same token, the 2008 US Geological Survey heated up geopolitical debates and became a standard reference point for those who aim to portray a future scramble for resources in the Arctic. The study

6 Andreas Maurer, "The Arctic region: Perspectives from member states and institutions of the EU," working paper FG 02, SWP Berlin, April 2010.

7 Clive Archer, "An EU Arctic policy?" paper presented at a conference of the University Association for Contemporary European Studies, Bruges, 6-8 September 2010. For the purposes of this article, the "high north" is a synonym for the Arctic.

8 Jim Berner, et al., *Arctic Climate Impact Assessment* (Cambridge: Cambridge University Press, 2004).

9 National Snow and Ice Data Center, <http://nsidc.org>.

allocated roughly a quarter of the world's undiscovered oil and gas to the area above the Polar circle.¹⁰

These trends were recognized in a seminal document entitled "Climate change and international security," which the high representative and the commission addressed to the European Council in March 2008. The paper, widely known as the Solana report, made an explicit reference to the Arctic region and started political debate in Brussels about the risks and opportunities in the high north. It is interesting to note that the report was dominated almost exclusively by security and geopolitical rhetoric that stressed the importance of interstate disputes, conflicts over natural resources, migration, and so on. As a result, Solana's report suggested that European governments should "develop an EU Arctic policy based on the evolving geo-strategy of the Arctic region, taking into account, inter alia, access to resources and the opening of new trade routes."¹¹ Similar security and economic reasoning featured in the commission's communication on "An integrated maritime policy for the European Union" published a year before. Here the commission highlighted its intention to present "a report on strategic issues relating to the Arctic Ocean" in the context of "the geopolitical implications of climate change."¹²

Thus, the EU has a longer history of involvement in the Arctic region than one might think. However, it was not until the commission's communication on "The European Union and the Arctic region" that the contours of systematic and coordinated strategy on the Arctic started to emerge.

ON SHAKY GROUND: THE EMERGING EU ARCTIC POLICY

Triggered by rapid external developments and addressed by the high representative, the European Commission established in December 2007 an interservice working group to develop a draft proposal. The group encompassed 20-25 policymakers from a number of concerned directorates general and European agencies such as the European economic area. The integrated maritime policy, with its overarching cross-sectoral and cross-level approach, was chosen as the model for a prospective EU line on the Arctic. Therefore, the maritime and fisheries directorate general found itself

10 US Geological Survey, 2008, www.usgs.gov.

11 "Climate change and international security," paper of the high representative and the European Commission to the European Council, S113/08, 14 March 2008.

12 Ibid.

in a leading role in the drafting process, accompanied by a former director general of external relations. Close involvement of the latter was intended to ensure a balanced and coordinated outcome.

As a result, the commission responded with a document that set out the EU's interests and proposal for actions under three large policy objectives: protecting and preserving the Arctic in unison with its population; promoting the sustainable use of resources; and contributing to enhanced Arctic multilateral governance.¹³ As in Solana's report, climate change was a starting point for commission deliberations. It is perceived as a threat multiplier that may have serious implications "for the life of European citizens for generations to come." Thus, climate change was framed so as to justify the EU's move to step into Arctic affairs with a reference to the EU's hobbyhorse as a leader "in fighting climate change and in promoting sustainable development."¹⁴ On the other hand, the commission recognized a reverse EU impact on the Arctic and proposed a range of policy actions in the areas of environment, energy, research, transport, and fisheries to deal with this.

It is interesting to note that the security dimension is less prominent in the communication than in Solana's report. Indeed, it seems that the commission opted to make "low" politics (the environment, indigenous peoples, research) its focal point rather than focusing on areas of "high" politics (energy, transport and trade, security). Former Commissioner Vladimir Spidla, while presenting the commission's communication in the plenary debates, highlighted protection and preservation of the environment as "an absolute priority."¹⁵ On the issue of governance, the commission described Arctic governance as "fragmented" and "lacking effective instruments,"¹⁶ but, surprisingly perhaps, did not consider it necessary to replace it. As did Arctic Council member states, the commission declared its support for the existing governance system based on the United Nations convention on the law of the sea (UNCLOS). Importantly, the commission announced an intention to become a permanent observer in the Arctic Council.

¹³ "The European Union and the Arctic region," European Commission communication, Brussels, 20 November 2008.

¹⁴ Ibid.

¹⁵ "Arctic governance in a global world: Debates," European parliament, Brussels, 8 October 2008, www.europarl.europa.eu.

¹⁶ "The European Union and the Arctic region."

This position of the commission's was backed by EU member-states at the council of the European Union. The council at first took a short note just a month after the commission's communication was released and then elaborated on the subject in the end of 2009 during the Swedish presidency. It welcomed the formulation of the EU's Arctic policy, restating the EU's concerns and objectives in the region while, at the same time, "recognizing Member States' legitimate interests and rights in the Arctic."¹⁷ Interestingly, the last message resembles the typical rhetoric of the Arctic littoral states when they claim their sovereignty in the region, and most probably was pushed forward by Denmark.¹⁸ Member-states thus prefer to play a gatekeeping role in the gradual development of EU Arctic policy and, thereby, seek to avoid potential complications with the Arctic states as an ultimate result of this process.

As noted above, Finland, Sweden, and Denmark/Greenland are members of the Arctic Council. Intuitively, we should expect these three countries to push the Arctic agenda the most within the union and to strongly back the EU's objectives in international forums. In practice that is not the case, however. Finland is the most genuine and consistent in its lobbying for the EU's place in the Arctic club. It made EU observer status one of the objectives of its Arctic strategy.¹⁹ Denmark still remains rather cautious with regard to EU observer status in the Arctic Council, due to Greenland's opposition. This is true despite Denmark's inclusion of the EU issue in its recently released Arctic strategy and reassurances by the former minister of foreign affairs, Lene Espersen, to actively contribute to development of EU Arctic policy throughout the upcoming Danish EU presidency.²⁰ Sweden, until recently, was one of the most indifferent Arctic players and adopted its first Arctic strategy only months ago. One of the strategy's objectives is "to promote the EU as a relevant cooperation partner in the High North."²¹ The Swedish chairmanship of the Arctic Council, which commenced in May 2011, promises to be a test of its commitment.

17 "Council conclusions on Arctic issues," foreign affairs council meeting, Brussels, 8 December 2009.

18 See, for example, the Ilulissat declaration of the five Arctic states, 28 May 2008.

19 "Finland's strategy for the Arctic region," <http://formin.finland.fi>.

20 Statements by Lene Espersen, minister for foreign affairs, at a reception for the diplomatic corps, Copenhagen, 14 June 2011, <http://um.dk>.

21 "Sweden's strategy for the Arctic region," www.sweden.gov.se.

In the course of emerging EU Arctic policy, the European parliament seems to stand out as the EU venue with the most intense discussions on the topic. In the last three years members of the parliament, topping the agenda, held four plenary debates on the Arctic. In comparison, the Republic of Moldova, though a frontrunner of European parliament-induced reforms and the site of a frozen conflict, was targeted by parliamentary members only three times in plenary debates during the same period, 2008-11. Parliamentarians questioned the commission on various aspects of Arctic affairs extensively so as to attract more attention to the region. One of these questions, by Diana Wallis, a British member, in early September 2008, led to a first-ever European parliament resolution on Arctic governance.²² The resolution highlighted the significance of the Arctic for Europe's climate change, energy, and maritime transport policy and tabled a proposal to establish a new governance regime for the region and an international treaty for the protection of the Arctic. The idea of an Arctic treaty caused a controversy and, in the face of significant opposition from the commission and some member-states, was eventually abandoned.

Finding itself at odds with the commission and the council and exposed to international criticism, not least from Arctic actors, the European parliament risked marginalization in an emerging EU Arctic policy.²³ Following an initiative led by politicians and advisors with a broader view of the Arctic and based on political changes after the European parliament's June 2009 elections, the committee on foreign affairs appointed German member Michael Gahler from the European People's Party as the rapporteur of a report on the EU's policy on the high north. The intention was to reassert the parliament's stance by way of a holistic and more focused EU policy, based on a realistic assessment of the state of the Arctic as well as of the EU's interests in the region, and leading to the formulation of the means to pursue them. The initiative came at a propitious time, given the first western commercial sailing along the northeast passage in summer 2009 and the Russo-Ukrainian energy dispute the following winter.²⁴

22 "Resolution on Arctic governance," European parliament, Brussels, 9 October 2008, www.europarl.europa.eu.

23 "MEPs adopt strict conditions for the placing on the market of seal products in the European Union," European parliament press release, 5 May 2009, www.europarl.europa.eu.

24 Thomas Nilsen, "First through northeast passage," *Barents Observer*, 9 September 2009, www.barentsobserver.com.

The rapporteur and the responsible adviser on the Arctic report considered it essential to consult with as many stakeholders as possible. The drafting process was facilitated by the work of the EU Arctic Forum, which was established at the beginning of 2010 as a cross-party, cross-issue platform for the introduction and discussion of the knowledge and experience of relevant scientific, political, and business Arctic players, and with a focus on developing a common understanding of Arctic issues among political decision-makers in Brussels.

The forum became a regular meeting point of the rapporteur, shadow rapporteurs, committee chairs, other relevant members of the European parliament, and representatives of other European institutions. As a result of increased awareness on the Arctic and the attention paid to the report, 174 amendments from 28 members were generated after its October 2010 presentation in the foreign affairs committee. Due to a broad consensus and the initial support of all key political groups, achieved by and large through the work of the EU Arctic Forum, the report secured overwhelming support in the committee, without a single vote against but 47 votes in favour and seven abstentions, and was subsequently adopted in the plenary in January 2011.

While maintaining a focus on climate change mitigation and environmental protection, parliamentarians were more ambitious about economic opportunities in the high north. They clearly asserted that “Europe does not only bear a certain responsibility...but also a particular interest in the Arctic.”²⁵ The strategic importance of the Arctic for Europe’s energy security and core industries was also one reason that a call for a deep-sea drilling moratorium was watered down twice in the plenary, despite post-Deepwater Horizon caution.²⁶ By striking a balance among various policy issues, the parliament attempted to contribute to a holistic and strategic vision of EU Arctic policy. Similarly, parliamentarians took a different stance on the governance issue, setting aside the contentious idea of an Arctic treaty,

25 “Report on a sustainable EU policy for the high north,” European parliament, Brussels, 16 December 2010.

26 “Parliament calls for EU to plug gaps in oil exploration rules,” European parliament press release, 7 October 2010; “Offshore drilling: Compulsory emergency plans for all operations,” European parliament press release, 13 September 2011, www.europarl.europa.eu.

which was rejected clearly and several times by the Arctic states and thus led to an uneasy perception of a neocolonial Europe prior to the parliament's report. The recognition of the UNCLOS-based legal system alongside political realities in the region brought the parliament more in line with the commission and EU member-state positions. Finally, the report requested that the commission work on several aspects of a European contribution to sustainable development, and, in addition, outlined the prospects for a more determined EU Arctic approach calling for institutional mobilization within the commission and the European external action service.

Thus, all the EU institutions expressed their view on Arctic risks and opportunities and the way to effectively manage them. All three institutions share a common vision of the EU as having legitimate interests in the region and a need for a coordinated strategy to protect them. While security was a starting point in the Arctic discourse, Brussels policymakers seem ultimately to have evolved towards softer policy thinking, with the parliament's report attempting to strike a fair balance between environmental protection and socioeconomic development. It is interesting to note that the parliament is the only institution that experienced a radical u-turn in shaping EU Arctic policy. Not only did parliamentarians abandon conservative proposals on the Arctic moratorium, but they featured an emerging EU Arctic strategy with more ambitious goals and proactive instruments. The supranational commission, in contrast, seems to pursue a lower profile. Certainly, continuous inter-institutional dialogue and coordination will be critical for achieving and implementing a coherent EU Arctic policy.

THE EU ARCTIC POLICY IN DEVELOPMENT: CHALLENGES AND FUTURE PROSPECTS
Internal developments in EU policymaking are as important as its external reflections. On the international level the EU has recognized the Arctic Council as a key regional actor for Arctic deliberations and has pledged to seek permanent observer status with it. At the same time, it does not consider the current governance system to be sufficient to deal with the new challenges and has proposed several options to enhance multilateral dialogue and cooperation. Some non-EU Arctic states project the Arctic as a territory where short-term national interests clash with long-term global considerations. While Nordic countries Norway and Iceland welcomed the formulation of an EU Arctic policy and largely supported the union's bid for Arctic Council observer status, Canada and Russia sometimes perceived it as a threat to their sovereignty. Both countries refer to the "sensitivity" of the region and Canada did not hesitate to hide its irritation over the EU seal

trade ban.²⁷ Nevertheless, having the EU on board could bring additional expertise and technology and reinforce the commitment of the Arctic players to multilateral engagement.

Since the Arctic Council is to a great extent in flux, it is hard to predict whether the organization will be transformed into an inclusive club that is open to outside parties.²⁸ Even if the EU were to join as an observer, the question about the council's nonbinding status and the informal meetings of Arctic littoral states (the Arctic five) is still open. Finally, at the Nuuk ministerial meeting of the council in May 2011 it was agreed that a potential observer must "recognize the Arctic State's sovereignty, sovereign rights and jurisdiction in the Arctic."²⁹ What implications might this have for the pursuit of the EU's objectives in the Arctic? How tied will the EU find itself after complying with such criteria? These are the questions that need to be carefully examined by EU policymakers and weighed against the EU's strategic interest.

Having taken stock of internal and external challenges to the development of the EU's Arctic policy, it is worth focusing on its future prospects. The European commission progress report on the Arctic was expected to be released in June 2011, but due to undeclared circumstances it was delayed, a fact that has already attracted criticism from the parliament.³⁰ Timing, however, is not always as important as substance.

Drawing on the progress report on strategic partnerships delivered to the European Council by High Representative Catherine Ashton, the principle of "fewer priorities, greater coherence, and more results" might be equally applicable to the EU's strategy on the Arctic.³¹ Indeed, in its last communication the commission identified 49 priorities ("proposals for action"), which ultimately raise concerns about the feasibility of the plan. With a stronger political focus as suggested by the European parliament's report resulting in fewer items on the agenda, the commission and the

27 Adele Airoidi, "The European Union and the Arctic: Main developments July 2008-July 2010," Nordic Council of Ministers, Copenhagen.

28 Timo Koivurova, "Limits and possibilities of the Arctic Council in a rapidly changing scene of Arctic governance," *Polar Record* 46 (2010): 146-56.

29 "Report to ministers," senior Arctic officials, Nuuk, Greenland, May 2011.

30 See Andrew Willis, "The eyes of the EU remain fixed on Arctic skies, despite setbacks," Norden, www.norden.org.

31 "Progress report to the European Council, strategic partners, 16-17 December 2010, www.europolitique.info.

external action service could focus on pressing issues and implement them more effectively.

Second, the commission should address the challenge of horizontal coherence, integrating Arctic considerations into wider EU policies and debates. A holistic and coherent EU Arctic policy will be achieved with a mixture of policies—foreign, environment, research, industry and technology, energy and resources, transport and fisheries, and so on. At the same time, specific cooperation and coordination between EU institutions and member-states' Arctic strategies in relevant fields is also a necessity. This may be attained institutionally via the creation of a specific committee consisting of delegates from the commission, external action service, and nine member-states, as well as members of and observers to the Arctic Council. Such vertical coherence would create a synergy in EU and member-states' external relations in the high north.

Finally, results will depend not least on the political will and ability of the commission and the external action service to mobilize sufficient institutional resources and to take a proactive role in the implementation of EU Arctic policy. Clearly, the EU needs effective diplomacy. Following the parliament's request, the external action service should establish an Arctic unit within its structure, which, alongside the interservice working group in the commission, would assume leadership in promoting EU Arctic policy aims externally. While remaining committed to the principles of multilateral cooperation, the EU needs strong bilateral diplomacy with Arctic littoral states. Arctic issues should feature prominently in strategic partnerships with Russia, Norway, Canada, and the US, with Arctic discussions held as a part of annual bilateral summits. Fundamentally, in developing its Arctic policy the EU must cooperate closely with Iceland as a potential EU member state, Norway as a key actor and member in the European economic and Schengen agreements, and, not least, Russia with the largest share of the Arctic.

Additional tools, such as those successfully developed by the EU Arctic Forum as one well-informed but neutral interlocutor and facilitator, should be solicited and put to use—most particularly by the EU, an actor that is not a classic member-state in the Arctic club.

CONCLUSIONS

The European Union and the Arctic are experiencing a challenging time. The block of 27 member-states is in the process of restructuring its external relations in terms of a clear identification of interests and objectives, as well

as strengthening its global role. The Arctic, on the other hand, is facing the consequences not only of global warming but also of changes in the global economic and political balance, with the subsequent evolution of governance, economic life, and social and cultural patterns. The European Union and the high north share a wide range of linkages and such interdependence could be mutually beneficial. Not only is the Arctic important to Europe and EU member-states, given their legitimate interests and responsibilities in the region, but the EU and certain member-states are already relevant actors in important fields with regard to the Arctic and thus could play a vital role and contribute to the sustainable development of the region.

The European Commission, the European parliament, and the member-states in the Council of the European Union all deliberated on the opportunities and risks associated with the high north. In doing so, the EU institutions managed to establish pillars of the EU Arctic policy architecture. Certainly, the institutional dynamics of policymaking were distinct. As shown in the analysis, the commission found itself in accord with the council, both cautious about the EU's involvement in the region. The parliament has seemed to pursue a more ambitious agenda, based on a holistic view and a realistic assessment underscoring the EU's interests in the region and the means to protect them.

Whatever trajectory and shape EU Arctic policy take in the future, it is clear that its success will depend on a number of factors. First, EU policymakers need to ensure a high level of inter-institutional coordination and dialogue to achieve a holistic policy. Apart from the commission, a prominent role in this process could be played by the external action service. Second, Arctic considerations need to be integrated into a range of wider EU policies and negotiations, thus addressing the problem of horizontal coherence. This in its turn requires political awareness, understanding, and political will.

Third, a certain level of coordination between Arctic-relevant member-states and the European level of policymaking in important fields must be achieved. And last but not least, the EU must build and secure its perception as a positive and reliable partner in the Arctic. Essential in dealing with this issue will be further development of a well-informed, balanced dialogue facilitator, such as the EU Arctic Forum, which has an established track record of acting as the main interlocutor between major European and Arctic politicians, scientists, and businesspeople while successfully producing a basis for the formulation and the implementation of EU Arctic policy.