

Finland's Arctic Council Chairmanship under the Trump Administration

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The Arctic is changing. The Arctic temperatures have warmed substantially in the last decades and the future rate is expected to exceed the global rate.¹ The ice sheets are melting, making the Arctic waters accessible for longer periods of time each year. This raises questions about territories and sea access, which may increase commercial traffic. The melting permafrost is a risk not only to the indigenous people in the region, but also to the global community as a whole. The human, environmental and, increasingly, military aspects of security need to be reconsidered in policy making and economic activities, in order to address the questions regarding the fulfilling of targets of the Paris agreement, evaluating the implications of the U.S. withdrawal from the Paris agreement² and cooperation in the Arctic.

The Arctic Council has been the main focal point of circumpolar inter-state cooperation after the Cold War. While the cooperation between the U.S. and Russia has been a slippery slope, the Arctic has remained isolated from clashes. However, Russia's annexation of Crimea and intervention in Syria, among other notable conflicts that concerns the U.S. and Russia has not benefited the current status-quo. The sanctions imposed on Russia have further increased tensions, complicated Arctic cooperation, and met with growing opposition, especially from European countries that have strong economic relations with Russia.

Arctic Council – the intergovernmental forum in the Arctic

After the end of the Cold War, the Arctic has been characterized as an example of multilateral cooperation, for instance through the establishment of the Arctic Council.³ The Arctic Council is an intergovernmental forum promoting cooperation, coordination and interaction in the Arctic, set by the Ottawa Declaration in 1996. The Arctic states Denmark [Greenland], Finland, Iceland, Norway, Russia, Sweden and the U.S. are members of the Arctic Council. Six organizations representing Arctic indigenous peoples have a permanent status in the council and thirteen non-Arctic states have been granted observer status.⁴

Although the inter-state tensions in the Arctic have been relatively low, increased global attention towards the Arctic, along with the challenges and possibilities posed by climate change, have

¹ Larsen, J.N., O.A. Anisimov, A. Constable, A.B. Hollowed, N. Maynard, P. Prestrud, T.D. Prowse, and J.M.R. Stone, 2014: Polar regions. In: Climate Change 2014: Impacts, Adaptation, and Vulnerability. Part B: Regional Aspects. Contribution of Working Group II to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Barros, V.R., C.B. Field, D.J. Dokken, M.D. Mastrandrea, K.J. Mach, T.E. Bilir, M. Chatterjee, K.L. Ebi, Y.O. Estrada, R.C. Genova,

B. Girma, E.S. Kissel, A.N. Levy, S. MacCracken, P.R. Mastrandrea, and L.L. White (eds.), 2014, p. 1567-1612.

² On June 1, 2017, the Trump administration announced the withdrawal of the U.S. from the widely approved Paris Climate Agreement.

³ The Arctic Council: A backgrounder, May 20, 2015 <https://www.arctic-council.org/index.php/en/about-us>.

⁴ Observers in the Arctic Council, May 7, 2015 <https://www.arctic-council.org/index.php/en/about-us/arctic-council/observers>.

increased the need for the Arctic states to re-think their Arctic policies. In the last decade, all Nordic countries have, subsequently, set their strategies for the Arctic region.⁵ Similarly, President Obama was the first sitting U.S. president to have visited the U.S. Arctic, symbolically marking the increasing importance of the region.

Other non-Arctic states or parties, such as the EU and China, have expressed more interest towards and have increased their activities in the Arctic. The EU's efforts to become a permanent member have, however, proceeded slowly. The EU's application was blocked by Canada due to the EU's 2008 decision to ban the trade of commercial seal products. The Comprehensive Economic and Trade Agreement (CETA) negotiations brought both parties together, and finally Canada lifted its veto at the Iqaluit ministerial meeting in 2015. However, Russia has been consistently opposing the granting of observer status to the EU, assumingly, due to geopolitical and geostrategic reasons, following the outbreak of the Ukraine crisis in 2014.⁶ This shows that the Arctic has become subject for high level political interest outside the region on inter-state and national levels.

While common security entails issues such as environmental disasters, piracy and terrorism with effects beyond national boundaries, military security is an aspect relevant for the Arctic security, where national interests of the Arctic states are discussed.⁷ Since the Arctic Council's mandate does not extend to military issues, the recently established Arctic Coast Guard Forum (ACGF) – a U.S. initiative – is perhaps an effort to try to avoid politicization within the Council while having the possibility to touch upon military security. Although the Forum is more about practical collaboration in the region, the Forum has potential for addressing military aspects, nonetheless because the eight member states Coast Guards are at least semi-military, with Canada as an exception.⁸

The Prospects of Finland's Chairmanship of the Arctic Council

Due to its geographic location and its long diplomatic history with Russia, Finland has a unique position between the East and the West. Finland shares the longest border, 1340 km (830 miles), in the EU, with Russia. In May this year, the chairmanship of the Arctic Council was passed on from the U.S. to Finland. The U.S. President's office announced a visit by President Niinistö to Washington on August 28th, making Niinistö the second Nordic head of state to have received such an invitation. Many challenges as well as possibilities undoubtedly lie ahead for Finland's chairmanship.

Finland has set environmental protection, connectivity, meteorological cooperation and education as the priorities for its chairmanship. The working paper by the Ministry of Foreign Affairs in Finland highlights that "putting into practice the commitments of the Paris Climate Agreement will be the

⁵ "Nordic Arctic Strategies in Overview," Nordic Co-operation, February 6, 2017 <http://norden.diva-portal.org/smash/record.jsf?pid=diva2%3A1071726&dswid=-7682#sthash.OBuChVsd.dpbs>.

⁶ Fernando Garcés de los Fayos, "The outcome of the ninth Arctic Council ministerial meeting," European Parliament, May 2015 [http://www.europarl.europa.eu/RegData/etudes/ATAG/2015/549036/EXPO_ATA\(2015\)549036_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/ATAG/2015/549036/EXPO_ATA(2015)549036_EN.pdf).

⁷ Pinar Akcayoz De Neve, Adam Heal, and Henry Lee, "Security of the Arctic - As the U.S. Takes Over the Arctic Council Leadership in 2015," Belfer Center, June 2015 <http://www.belfercenter.org/sites/default/files/legacy/files/Arctic%20Security%20Policy%20Brief.pdf>.

⁸ Andreas Østhagen, "The Arctic Coast Guard Forum: Big Tasks, Small Solutions," The Arctic Institute, November 2, 2015 <http://www.thearcticinstitute.org/the-arctic-coast-guard-forum-big-tasks/>.

most important contribution from the Member States in addressing climate change.”⁹ Whether or not the U.S. withdrawal will complicate the collaboration between the Arctic nations remains uncertain, but Rex Tillerson’s signature on the Fairbanks Declaration 2017 – Declaration of the Foreign Ministers of the Arctic States the Tenth Ministerial meeting of the Arctic Council¹⁰ – is a positive indication that there is room for further cooperation on environmental and climate change issues in the Arctic Council and that Finland will have some room to push its agenda.

The discussion around President Trump and President Niinistö’s press conference was, apart from the catastrophic floods in Texas and Louisiana, around Baltic military exercises and the Arctic. Regarding Finland’s role as an Arctic mediator, Niinistö expressed Finland’s support for enhancing the dialogue between Russia and NATO several times, although Trump himself stated that the U.S. relations with Russia are good enough.¹¹ The discussions also included the strategic and economic importance of the Arctic, notwithstanding environmental issues related to hydrocarbon, among other issues most likely initiated by Finland as a part of its Arctic chairmanship priorities.

President Niinistö skillfully changed a journalist’s question on climate change to the need for cleaning up old Soviet power plants that make up a big portion of the pollution in the Arctic, avoiding the criticism towards the U.S. latest decisions. Niinistö highlighted the idea about ”more electricity for less fuel,” opening up the discussion around business and how that can go hand in hand with preserving the environment. He seems to have been able to justify the Finnish goals well, making them acceptable for the Trump administration. During the press briefing in the White House, Trump himself added clean water and clean air as an important factor, which is an encouraging sign for future policies concerning the Arctic.

This meeting undoubtedly had a very crucial role to play concerning the Finnish chairmanship for the Arctic Council, putting Finland on Trump’s world map. Since the Chairmanship is the only institution that can propose comprehensive development plans to the Council,¹² the time is ripe for Finland to actively promote its priorities such as environmental protection.

Implications of a Trump presidency on the Paris agreement

The climate change agreement was signed by 197 parties. As of now, 160 parties have ratified the agreement.¹³ The rights and duties of the Paris agreement have been categorized based on the countries’ Gross National Income (GNI) per capita. The developing countries are the ones estimated to suffer the most from climate change, and will be contributing to carbon reduction to their capacity. The developed countries have committed to guide the developing countries e.g. by financing some of their transition to renewable energy – something that the Trump administration has opposed.

⁹ ”Finland’s Chairmanship Program for the Arctic Council 2017-2019,” Ministry for Foreign Affairs of Finland <http://formin.finland.fi/public/download.aspx?ID=168133&GUID={777C6FF8-CB36-426D-9430-62E8870A5640}>.

¹⁰ Fairbanks Declaration 2017: ”On the Occasion of the Tenth Ministerial Meeting of the Arctic Council,” U.S. Department of State, May 11, 2017 <https://www.state.gov/e/oes/rls/other/2017/270802.htm>.

¹¹ See full press conference <https://www.whitehouse.gov/featured-videos/video/2017/08/28/president-trump-holds-joint-press-conference-president-niinisto>.

¹² Timo Koivurova, Małgorzata Śmieszek, Adam Stepień, Harri Mikkola, Juha Käpylä ja Paula Kankaanpää, ”Suomen puheenjohtajuus Arktisessa neuvostossa (2017-2019) muutoksen ja epävarmuuden aikakaudella,” Prime Minister’s Office, February 2, 2017.

¹³ ”Paris Agreement - Status of Ratification,” United Nations Framework Convention on Climate Change http://unfccc.int/paris_agreement/items/9444.php.

Within the developed countries, however, the Arctic still deviates far from the general standards and remains the most vulnerable region to climate change. Human and food security are not the only social issues challenging the future of the people living in the Arctic: One in four Alaska natives live in poverty.¹⁴ The suicide rate in Greenland is five times higher than the global average.¹⁵ The human health implications of food contamination is alarmingly high.¹⁶ The life expectancy rate is as low as 58 years in some, mainly Russian, Arctic regions - far below the national average.¹⁷ Therefore, the issue around climate change and the well-being of the population are very much relevant to the discussion on Arctic cooperation. Climate change knows no borders even if Arctic cooperation does.

The wide ratification of the Paris agreement is a step forward, but without complying with the targets set in the agreement, much will not change. According to the SWIPA 2017 assessment report a "scenario roughly consistent with the Paris Agreement would reduce end-of-century sea-level rise by 43% compared to projected level under a business-as-usual emissions scenario." The U.S. withdrawal from the agreement was a hard blow to the accomplishments achieved by the international community, and will require other countries to fill the vacuum left by the U.S. Arctic in the near-future will be different from the Arctic we know today. This requires planning and adaptation for local communities and a far sighted risk reduction plan for the global impacts.

It is important to continuously involve the indigenous people in decision making, in order to address future challenges in the best way. This has been well addressed in the policy framework for the Finnish Chairmanship. There is a fine line between protecting the rights and interests of the indigenous people and ensuring sufficient economic activities to support the means for living or national growth, which may end up in direct opposition - as could be seen with the Standing Rock Sioux tribe's protests against the Dakota pipeline earlier this year.¹⁸ The risks associated with hydrocarbon exploration are enormous. Increased human activities in the Arctic have led to "accumulation of pollutants and hazardous substances" affecting human health.¹⁹

14 Jens Manuel Krogstad, "One-in-four Native Americans and Alaska Natives are living in poverty," Pew Research, June 13, 2014 <http://www.pewresearch.org/fact-tank/2014/06/13/1-in-4-native-americans-and-alaska-natives-are-living-in-poverty/#comments>.

15 Mieke Coppes, "Mental Health and Suicide in Canada and Greenland," The Polar Connection, November 20, 2016 <http://polarconnection.org/mental-health-suicide-canada-greenland/>.

16 Larsen, J.N., O.A. Anisimov, A. Constable, A.B. Hollowed, N. Maynard, P. Prestrud, T.D. Prowse, and J.M.R. Stone, 2014: Polar regions. In: Climate Change 2014: Impacts, Adaptation, and Vulnerability. Part B: Regional Aspects. Contribution of Working Group II to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Barros, V.R., C.B. Field, D.J. Dokken, M.D. Mastrandrea, K.J. Mach, T.E. Bilir, M. Chatterjee, K.L. Ebi, Y.O. Estrada, R.C. Genova, B. Girma, E.S. Kissel, A.N. Levy, S. MacCracken, P.R. Mastrandrea, and L.L. White (eds.), 2014, p. 1567-1612.

17 Timothy Heleniak, "Arctic Populations and Migration," Nordregio, October 7, 2015 <https://www.norden.org/sv/nordiska-ministerraadet/samarbetsministrarna-mr-sam/norden-i-fokus/norden-i-fokus-i-koebenhavn-1/201dtaking-the-temperature-on-the-arctic201d/heleniak-ahdr-presentation-to-ncm-october-7-2015.pdf>.

18 Lauren Gambino, "Native Americans take Dakota Access pipeline protest to Washington," The Guardian, March 15, 2017 <https://www.theguardian.com/us-news/2017/mar/10/native-nations-march-washington-dakota-access-pipeline>.

19 "Finland's Chairmanship Program for the Arctic Council 2017-2019," Ministry for Foreign Affairs of Finland <http://formin.finland.fi/public/download.aspx?ID=168133&GUID={777C6FF8-CB36-426D-9430-62E8870A5640}>.

Meanwhile, "one-third of all jobs in Alaska are directly or indirectly related to the oil and gas industry, which accounts for about 2,000 jobs."²⁰

More than 23 billion barrels of oil and 108 trillion cubic feet of gas are estimated to lie in the Outer Continental Shelf (OCS) of the Beaufort and Chukchi Seas, but would require an excessive amount of investments in infrastructure.²¹ Although the low prices for oil at 50 USD per barrel have reduced the interest in extraction of oil in the Arctic, both the Arctic Council and Arctic nations need to be prepared for an increase in oil prices and subsequently an increased interest in oil drilling, exploration and projects.

The ratification of the "Agreement on Cooperation on Marine Oil Pollution Preparedness and Response in the Arctic" is a welcome and necessary development. As a result of increased economic activities under the agreement, the Arctic nations are working to mitigate risks and ensure safe, secure and environmentally responsible activities in the Arctic.²² The first exercise under the Agreement was hosted by Canada in 2014, followed by a preparatory exercise at the U.S. Coast Guard Headquarters. Further exercises are expected to take place under Finland's chairmanship. Finland can further highlight the need for careful review of environmental risks with oil extraction.

President Obama banned oil extraction in the Arctic oceans for a five-year period starting in 2017. This decision which was cheered for by environmentalists but was widely criticized by Alaska's senator Lisa Murkowski among others. If Trump is to reverse the ban and open up the Arctic seas for extraction, he will have to get involved in a long process that could extend for several years, something that might not be on the top of his agenda.

Russian Arctic activities a reason for caution?

Russia has expressed support for cooperative initiatives, especially within Arctic research. The fight around geopolitics itself is not the main question around power. It is, instead, circling around energy resources. Russia's interest in the Arctic is, and has been, a central part of its strategy for many years. It mainly stems from both the potential lucrative natural resources and the military development. The border areas Russia wants to protect in the melting Arctic will only increase as the ice melts.²³ Consequently, it has been stepping up its capabilities.

Russia gets a fifth of its Gross National Product (GNP) from the Arctic region; 95 % of its natural gas reserves and 75 % of its oil reserves are located in the Arctic or sub-Arctic area.²⁴ It will continue requiring Arctic know-how and financing for its future projects. However, Western sanctions imposed on Russia during the course of the Ukraine crisis have a negative impact on bilateral

²⁰ AMAP, 2017, "Adaptation Actions for a Changing Arctic (AACA) – Bering/Chukchi/Beaufort Region Overview Report," Arctic Monitoring and Assessment Programme, AMAP, April 25, 2017 <https://www.amap.no/documents/doc/Adaptation-Actions-for-a-Changing-Arctic-AA-CA-BeringChukchiBeaufort-Region-Overview-report/1531>.

²¹ Managing for the Future in a Rapidly Changing Arctic 2013, p. 16.

²² EPPR, 2016, After-action report 2016: Agreement on Cooperation on Marine Oil Pollution Preparedness and Response (MOSPA) Table Top Exercise <https://oarchive.arctic-council.org/bitstream/handle/11374/1959/2017-05-04-EPPR-MOSPA-TTX-after-action-report-complete-letter-size-DIGITAL.pdf?sequence=1&isAllowed=y>.

²³ Isabelle Facon, "Russia's national security strategy and military doctrine and their implications for the EU," February 1, 2017, p. 7, European Parliament Policy Department

²⁴ Laruelle 2014: xxi

collaboration in the Arctic in a number of sectors, particularly energy development and security-related issues.

Russia's military activities have demonstrated more worryingly an aggressive behavior towards the other Arctic actors. Some ascribe the Russian Arctic strategy as a part of its neo-imperialist agenda, in accordance to the annexation of Crimea. Military exercises, including those in the Baltic Sea, have reflected a muscle flexing position from Russia's end, leading to an increased need for national military preparedness among the other Arctic nations.

Russia has increased its activities and opened several former military bases, e.g. near the border of Finland in the town of Alakurtti. However, in contrast to the U.S., Russia's domestic and security policies have included the Arctic, for a long period of time and has already made considerable investments for decades. Therefore, it makes sense to interpret Russian actions as defensive in nature "given the Arctic's importance for Russia's energy infrastructure, its nuclear deterrence strategy, its Northern Fleet, and the role a northern identity plays in Russian national pride."²⁵

While some armed forces officials have seen issues with having a military to military dialogue with Russia on issues about Ukraine, U.S. Coast Guard Chief Adm. Zukunft has said the cooperation with Russia's Federal Border Service has not been undermined by the tensions elsewhere in government.²⁶ The upcoming "Arctic Guardian" combined search and rescue operative exercise in September is first of its kind for the Forum, and will be indicative of how successful the cooperation was between the two world powers.

The China factor

Another world power, China, became an observer to the Arctic Council in 2013. With the Paris Agreement and its investments in renewable energy, China has taken a more visible role in climate change action. China is said to be filling the vacuum caused by the U.S. withdrawal from the agreement, which might give it an upper hand in climate change negotiations and further legitimacy in Arctic scientific research. The interest in the Arctic is linked not only to China's perception of itself as a world power but also to the vast amount of potential natural resources in mind. With its massive need for natural resources and the potential for a shorter sea route to Europe, China wants to be involved in observing the Arctic environment – but is not limited to that.

In 2016, China's proposal to buy an abandoned naval base, Grønødal, in Greenland, established by the U.S. in 1942 but taken over by Denmark in 1951, was rejected by an overwhelming majority of the Danish and Greenlandic parliamentarians.²⁷ Speculation around the reasons for this rejection included to avoid a potential conflict between two world powers, the U.S. and China.

²⁵ Duncan Depledge, "The EU and the Arctic Council," European Council on Foreign Relations, April 20, 2015 http://www.ecfr.eu/article/commentary_the_eu_and_the_arctic_council3005

²⁶ CSIS event "On America's Arctic Frontline: A Conversation with Admiral Paul F. Zukunft, Commandant, U.S. Coast Guard" <https://www.csis.org/events/americas-arctic-frontline-conversation-admiral-paul-f-zukunft-commandant-us-coast-guard>

²⁷ Erik Matzen, Denmark spurned Chinese offer for Greenland base over security: sources, Reuters, April 6, 2017 <http://www.reuters.com/article/us-denmark-china-greenland-base-idUSKBN1782EE>.

One of the direct consequences of the increasing tensions between Russia and the West is the Sino-Russian partnership. Russia and China signed a roadmap for military cooperation on June 7, 2017²⁸ and have had naval exercises in the Baltic Sea, not only once but twice this summer. Their latest military exercise "Joint Sea-2017" took place in July 2017 and indicated a new era of Chinese increased involvement in the High North.^{29 30}

Adm. Paul Zukunft has suggested that the U.S. ratification of the United Nations Convention on the Law of the Sea (UNCLOS) is necessary to ward off a stronger Chinese and Russian presence in the Arctic, but no further plans on ratification has been voiced by the Trump administration. UNCLOS defines "the rights and responsibilities of nations regarding their use of the world's oceans" and sets the breadth of the exclusive economic zone to "200 nautical miles from the baselines from which the breadth of the territorial sea is measured."

Currently Russia has the upper hand in the military capacity in the Arctic, but there are plans in the U.S. to build more ice breakers to increase the American Arctic capabilities. If there could be amendments for the regulations regarding cooperation and building of the icebreakers, the U.S. could speed up its production and benefit from the technological know-how that Finland and other Arctic nations have to provide.^w

Conclusion

Climate change will affect the Arctic region for decades to come. The melting of the sea ice will open up new routes for maritime transport and increase human activities in the region. This puts environmental security at risk and raises the question about the rights of the people living in the region. Although the Arctic has stayed relatively isolated from the geopolitical turbulences, the increased militarization of the region has to be addressed in intergovernmental forums, whether it is the Arctic Council or the Arctic Coast Guard Forum. New working groups and agreements are some of the welcome initiatives taken in the Council that have increased inter-state cooperation, but their successfulness is yet to be evaluated. An active Finnish Chairmanship will be crucial to safeguard the fragile Arctic environment, while enhancing economic and political cooperation. This would better ensure the continuation of those policies for the subsequent Icelandic Chairmanship.

28 DD Wu, "China and Russia Sign Military Cooperation Roadmap," The Diplomat, June 30, 2017 <http://thediplomat.com/2017/06/china-and-russia-sign-military-cooperation-roadmap/>.

29 Tom O'Connor, Russia and NATO War Games in Europe See a New Player: China, Newsweek, July 1, 2017 <http://www.newsweek.com/russia-nato-war-games-europe-player-china-630940>.

30 Li Jiayao, "Chinese naval fleet arrives in Helsinki after joint drill with Russia," 81, August 2, 2017 http://www.81.cn/jwywpc/2017-08/02/content_7701473.htm.

31 U.S. Law requires military equipment to be manufactured and built in the U.S.