

# Explaining Cooperation and Conflict in Marine Boundary Disputes Involving Energy Deposits

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*In 2010 Russia and Norway signed a treaty that ended a 40-year dispute by dividing territory in the Barents Sea. Why did this case end in a cooperative agreement rather than continue an on-going dispute? This article examines a number of possible explanations at the international, bilateral, and domestic politics levels to answer this question. Ultimately, it concludes that the 2010 Norway-Russia boundary delimitation agreement succeeded because both sides had a strong economic interest in it, benefitted from the use of international law, had a history of working together at the bilateral level, and were able to manage adroitly the impact of business-state relations and identity politics on the issue.*

Today there are prominent on-going disputes over maritime boundaries associated with resource-rich seabeds in locations as diverse as the South China Sea, the Caspian, the Eastern Mediterranean, the Persian Gulf, and surrounding the Falkland Islands. In some cases, the conflict parties have resorted to various levels of violence to assert their rights.<sup>1</sup> At the same time, there are numerous cases where cooperation has prevailed over conflict. Examples include the North Sea, the Persian Gulf, between Australia and East Timor, and most recently the 2010 agreement between Norway and Russia regulating their dispute in the Barents Sea.

This variation across time and space leads to our research question: When and why do states pursue escalatory policies in a bargaining process over undefined maritime boundaries involving oil and natural gas deposits? Under what conditions are they willing to pursue agreement?

We argue that explaining why bargaining works in some cases and fails in others requires taking into account changes in the international environment and legal regimes, the bilateral relations between the two disputants, and do-

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<sup>1</sup> Elizabeth Nyman, "Offshore Oil Development and Maritime Conflict in the 20th Century: A Statistical Analysis of International Trends," *Energy Research and Social Science* 6 (2015): 1–7.

mestic politics in both countries. Explaining the variation requires drawing the linkages between the international, bilateral, and domestic situations of the countries involved in each dispute.

This paper proceeds as follows: First, we offer a theoretical framework that identifies the plausible relevant factors in the international-relations environment, the bilateral relationship, and the domestic politics for maritime boundary disputes over hydrocarbon deposits. Second, we develop a case study of the 2010 Norwegian-Russian successful boundary delimitation. Finally, the conclusion ties together the theoretical considerations with the case study to show how this approach might work with other cases.

## Theoretical Framework

### *The International Environment*

To explain the causes of cooperation and conflict in marine-boundary disputes associated with deposits of oil and gas, it is necessary to take into account three key factors at the international level. First, we argue that economic interests dominate state motivations and are the driving factor in maritime-boundary disputes. Military concerns are frequently present, but are not a key driver. Second, under some conditions, international legal institutions can help facilitate cooperation. Third, institutionalized regional groupings of states also play a role in emerging cooperation.

First, while possession of islands and seabed rights remains important for strategic reasons in some cases, the primary benefit of possessing such territory is economic.<sup>2</sup> Access to oil and gas deposits makes it possible to support the development of a country's local economy and to export goods. Of course, such economic development enables the expansion of military capability, and efforts to cooperate can take a backseat to concerns about short-term revenue maximization, security, competition, and relative gain.<sup>3</sup> But, ultimately, energy investment and development requires peaceful relations. While there are numerous examples of licenses being granted and production beginning, in cases where there is not a full resolution of the boundary issues, such as off the coast of East Timor, parts of the Caspian,<sup>4</sup> the Falklands, Cyprus, and Kurdish territory in Iraq, efforts to develop resources involve a high degree of risk, and

<sup>2</sup> Heidi Kjærnet, "Azerbaijani-Russian Relations and the Economization of Foreign Policy," in *Caspian Energy Politics: Azerbaijan, Kazakhstan, and Turkmenistan*, ed. Indra Overland, Heidi Kjærnet, and Andrea Kendall-Taylor (London: Routledge, 2010), 150–61.

<sup>3</sup> F. Gregory Gause, *The International Relations of the Persian Gulf* (Cambridge: Cambridge University Press, 2010).

<sup>4</sup> Paul Cleary, *Shakedown: Australia's Grab for Timor Oil* (Crows Nest, Australia: Allen and Unwin, 2007); Sebastien Peyrouse, *Turkmenistan: Strategies of Power, Dilemmas*

the lack of agreement can limit production, as is the case in some sections of the Caspian.<sup>5</sup> Corporations will invest in areas where they feel that sufficiently large profits offset the risks that they face. In other words, while there are some cases where oil makes states more likely to go to war,<sup>6</sup> reaping the benefits of energy production requires peaceful conflict resolution and provides an incentive for cooperation. Carl W. Dundas found that the settlement of disputes led to the development of petroleum deposits in the North Sea and Persian Gulf, while the failure to settle negatively affects investment for exploration and development.<sup>7</sup>

The dynamics of the energy markets have a strong impact on the economic incentives of the various parties to maritime-boundary disputes. Central factors include climate change, constantly changing price levels, and technological developments that make it possible to develop resources in areas where profitable extraction activities had not been possible in the past.<sup>8</sup> Advances in drilling platforms and liquefied natural gas production, combined with melting ice and high prices, make Arctic deposits attractive now, whereas production there had been neither feasible nor cost effective in the past. However, expanded production of shale gas and tight oil on land increases supplies and lowers prices, making high-cost Arctic energy deposits less attractive in the short term.<sup>9</sup> Of course, how these factors affect specific disputes is idiosyncratic to the disputes.

Second, international legal institutions can, in some circumstances, facilitate cooperation. International law provides a framework that parties to a conflict can use in resolving disputes. Different international law regimes naturally provide different incentives that structure the behavior of the states.

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*of Development* (Armonk, NY: M. E. Sharpe, 2012); Brenda Shaffer, *Energy Politics* (Philadelphia: University of Pennsylvania Press, 2009).

- <sup>5</sup> Julia Nanay, "Russia's Role in the Eurasian Energy Market: Seeking Control in the Face of Growing Challenges," in *Russian Energy Power and Foreign Relations: Implications for Conflict and Cooperation*, ed. Jeronim Perovic, Robert W. Orttung, and Andreas Wenger (London: Routledge, 2009), 109–31; Indra Overland and Stina Torjesen, "Just Good Friends: Kazakhstan's and Turkmenistan's Energy Relations with Russia," in Overland, Kjærnet, and Kendall-Taylor, *Caspian Energy Politics*, 136–49.
- <sup>6</sup> Jeff Colgan, *Petro-Aggression: When Oil Causes War* (Cambridge: Cambridge University Press, 2013).
- <sup>7</sup> Carl W. Dundas, "The Impact of Maritime Boundary Delimitation on the Development of Offshore Mineral Deposits," *Resources Policy* 20, no. 4 (1994): 273–79.
- <sup>8</sup> Charles Emmerson, "The Arctic: Promise or Peril?" in *Energy and Security: Strategies for a World in Transition*, 2nd ed., ed. Jan H. Kalicki and David L. Goldman (Washington: Woodrow Wilson Center Press, 2013), 205–20; Laurence C. Smith, *The World in 2050: Four Forces Shaping Civilization's Northern Future* (New York: Dutton, 2010).
- <sup>9</sup> Arild Moe, "Russian and Norwegian Petroleum Strategies in the Barents Sea," *Arctic Review on Law and Politics* 1, no. 2 (2010): 225–48.

Following World War II, states greatly extended their claims to the seabed and waters off their coast as technological advances increased the ability to produce oil and gas in deeper waters offshore. These new capabilities gave states the incentive to claim exclusive resource-extraction rights in maritime zones off their coasts, extending state authority and jurisdiction into what had previously been considered parts of the high seas.<sup>10</sup> These claims quickly became part of customary international law and were later codified into international treaty law, notably in the UN Convention on the Continental Shelf (1958/1964), which has now been supplanted by the more extensive UN Convention on the Law of the Sea (UNCLOS, 1982/1994).

Even though UNCLOS is the most important legal development for dispute resolution, it does not provide specific requirements for resolving overlapping claims.<sup>11</sup> While UNCLOS requires cooperation when a deposit straddles a boundary, it does not necessitate a specific solution, leaving it up to the parties to decide.<sup>12</sup> The convention merely stipulates that the division of the seabed should be “equitable.” In practice, states often rely on the median line approach, drawing a line halfway between the two contesting countries, because it provides the most straightforward way to resolve disputes. International courts also favor this method. For example, in the 2009 case pitting Romania against Ukraine in resolving a Black Sea dispute, the International Court of Justice applied the median-line approach, adjusted to circumstances, as the basis for resolving the case.<sup>13</sup> To the extent that states make adjustments to the median line, they do so on the basis of geographical issues rather than taking into account other distinctions.<sup>14</sup>

In some situations, UNCLOS can also serve to make it more difficult to come to an agreement.<sup>15</sup> In fact, before UNCLOS was adopted, states in the North Sea and Persian Gulf were able to negotiate solutions to their boundary disputes. More recently, there has been a larger number of disputes despite the

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<sup>10</sup> R. P. Anand, *Origin and Development of the Law of the Sea: History of International Law Revisited* (The Hague: Martin Nijhoff, 1983), 162–63.

<sup>11</sup> Elizabeth Nyman, “Oceans of Conflict: Determining Potential Areas of Maritime Disputes,” *SAIS Review of International Affairs* 33, no. 2 (2013): 5–14.

<sup>12</sup> Peter D. Cameron, “The Rules of Engagement: Developing Cross-Border Petroleum Deposits in the North Sea and the Caribbean,” *International and Comparative Law Quarterly* 55, no. 3 (2006): 559–86.

<sup>13</sup> Arild Moe, Daniel Fjærtøft, and Indra Overland, “Space and Timing: Why Was the Barents Sea Delimitation Dispute Resolved in 2010?” *Polar Geography* 34, no. 3 (2011): 145–62; Pål Jakob Aasen, *The Law of Maritime Delimitation and the Russian–Norwegian Maritime Boundary Dispute*, Fridtjof Nansen Institute Report 1/2010 (Lysaker, Norway: Fridtjof Nansen Institute, 2010), available at <http://www.fni.no/pdf/FNI-R0110.pdf>, accessed 9 January 2016.

<sup>14</sup> Moe, Fjærtøft, and Overland, “Space and Timing.”

<sup>15</sup> James Manicom, “Maritime Boundary Disputes in East Asia: Lessons for the Arctic,” in *The Fast-Changing Arctic: Rethinking Arctic Security for a Warmer World*, ed. Barry Scott Zellen (Calgary: University of Calgary Press, 2013).

growth in the number of laws. By focusing attention on such technical issues as territorial sea baselines, navigational regimes, and exclusive economic zones (EEZs), UNCLOS creates new areas of dispute that limit its effectiveness.<sup>16</sup> In this sense, the maturation of international institutions such as UNCLOS could actually make some situations more conflictual. UNCLOS has a deadline that requires making claims of extending a country's shelf within ten years. In this sense, UNCLOS has an escalatory feature because it forces countries to maximize their claims. For example, Russia and Canada had to make formal claims to Arctic territory because of the deadline and, in this way, potentially created conflict.

In some cases, of course, one or more parties to a conflict may decide that appealing to international courts is not in their interest. In the dispute between East Timor and Australia over developing the East Timor Sea, Australia refused to recognize the jurisdiction of the international court to prevent East Timor from appealing to the court with a case that Australia assumed it would lose.<sup>17</sup> In this sense, UNCLOS requires a good bilateral relationship between the states as the basis for an agreement. At a minimum, the states need to agree on basic principles in order to find common ground. In this sense, UNCLOS could be a precursor to economic development.

Third, regional groupings of states also matter. Instead of the two camps that existed during the Cold War facing off against each other, currently there are multiple groupings of states, with a variety of different military, economic, and social/cultural resources that can assemble together or break apart across a wide range of issues. Examples of such organizations include the European Union, the North Atlantic Treaty Alliance, the Shanghai Cooperation Agreement,<sup>18</sup> the Gulf Cooperation Council (GCC), the African Union, the Association of Southeast Asian Nations, the Arab League, and the Arctic Council. Each of these organizations conceives of cooperation and security differently, so it is necessary to examine the way they understand their specific context to evaluate their role in resolving boundary disputes.<sup>19</sup> In the Persian Gulf, the GCC, with Saudi Arabia's leadership, played an important role in resolving the dispute between Bahrain and Qatar over the Hawar Islands.<sup>20</sup> In this case, ultimately both sides agreed to accept a ruling by the International Court of Justice, which allowed them to benefit from the development of major oil and

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<sup>16</sup> Sam Bateman, "UNCLOS and Its Limitations as the Foundation for a Regional Maritime Security Regime," *Korean Journal of Defense Analysis* 19, no. 3 (2007): 27–56.

<sup>17</sup> Cleary, *Shakedown*, 61.

<sup>18</sup> Stephen Aris, *Eurasian Regionalism: The Shanghai Cooperation Organisation* (London: Palgrave Macmillan, 2011).

<sup>19</sup> Stephen Aris and Andreas Wenger, eds., *Regional Organisations and Security: Conceptions and Practices* (London: Routledge, 2014).

<sup>20</sup> Hossein Askari, *Conflicts in the Persian Gulf* (New York: Palgrave Macmillan, 2013), 103.

gas deposits in the area. However, such regional groups are not a panacea. For example, the GCC typically plays a reactive role rather than a proactive one in resolving disputes, and therefore its success has been limited.<sup>21</sup>

To summarize our argument so far, at the international level economic concerns are the overriding factor in shaping the ability of the parties to negotiate a marine-boundary dispute over energy deposits. Under certain conditions, international law and regional groupings of states can facilitate cooperative outcomes. We can measure these general hypotheses by looking at the economic stakes involved, the presence (or absence) of military force, the application/rejection of international law by one or more of the parties in resolving the dispute, and the ability of regional groupings to structure or mediate conflicts.

### ***The Bilateral Relationship Between Disputants***

A crucial factor in the bargaining between the parties to a dispute is the previous relationship between them. A history of compromise on important issues can provide the basis for reaching an agreement on the maritime boundary.

A favorable bilateral relationship can be expressed in a variety of ways. Key indicators that measure the relationship include: a reduction in the reliance on military hardware, increased bilateral trade, and participation in regional bilateral and multilateral organizations that facilitate political and economic interaction (as described above).

An important facilitator for reaching a maritime boundary agreement is a history of agreement in dealing with past issues. The distrust that emerges out of long-standing rivalries makes it difficult to reach an agreement of any kind. China and India, for example, have long sought to resolve the border dispute that divides these two Asian giants. But efforts at reaching an agreement have so far failed, resulting in the security dilemma that continues to define their relationship.<sup>22</sup> In this sense, the relationship between the two countries is defined by their inability to compromise, a situation which path-dependency analysis might argue greatly reduces the likelihood of success in signing a boundary agreement. By contrast, the negotiation process facilitates rule-based cooperation. Similarly, this process socializes the actors into accepting the give and take required for bargaining success, which allows for horse-trading in a flexible setting.<sup>23</sup> Such trust-building can help set the two countries on a path that leads to agreement. In the maritime context, one such issue of contention is often fishing rights. The ability of two states to work together to address fishing rights, for example, provides a strong basis for concluding a maritime agree-

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<sup>21</sup> Ibid., 114.

<sup>22</sup> C. Raja Mohan, *Samudra Manthan: Sino-Indian Rivalry in the Indo-Pacific* (Washington: Carnegie Endowment for International Peace, 2012).

<sup>23</sup> Manicom, "Maritime Boundary Disputes in East Asia."

ment.<sup>24</sup> The right to fish is closely related to national identity issues since it reflects a country's ability to feed its population, so issues surrounding fishing rights take on high salience.

In the context of maritime-boundary disputes, trade between the two countries has played a role in "containing, if not resolving," intractable territorial disputes in East Asia.<sup>25</sup> In other words, economic interdependence "has repeatedly prevented" sovereignty disputes from escalating into a full-scale military crisis. Such an outcome builds on the central tenet of the liberal school of international politics that the more two countries trade with each other, the less likely they are to come into conflict. Building on the early work of Thomas Paine, Immanuel Kant, and Norman Angell, contemporary political scientists have found empirical and additional theoretical support for this thesis across a range of situations.<sup>26</sup> To take but one example, China has no interest in alienating the US, which is one of its key customers. However, this happy connection between trade and peace is not universally acknowledged, as scholars have also identified key areas where trade and interdependence promote disagreement.<sup>27</sup> Most important for this analysis, the conflict-reducing benefits of trade do not appear to apply to energy transactions. Researchers have concluded that "what you trade matters" as they add nuance to our understanding of the connection between trade and conflict. In particular, while exchanges of manufactured goods generally lead to peaceful outcomes, the relationship is weaker for raw materials that are more easily appropriated by force.<sup>28</sup>

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<sup>24</sup> James Manicom, *Bridging Troubled Waters: China, Japan, and Maritime Order in the East China Sea* (Washington: Georgetown University Press, 2014).

<sup>25</sup> Min Gyo Koo, *Island Disputes and Maritime Regime Building in East Asia: Between a Rock and a Hard Place* (New York: Springer, 2010).

<sup>26</sup> Bruce Russett and John Oneal, *Triangulating Peace: Democracy, Interdependence, and International Organizations* (New York: W. W. Norton and Company, 2001); Solomon W. Polachek, "Conflict and Trade," *Journal of Conflict Resolution* 24, no. 1 (1980): 57–78; Richard Rosecrance, *The Rise of the Trading State: Commerce and Conquest in the Modern World* (New York: Basic Books, 1986); Michael D. Ward and Peter D. Hoff, "Persistent Patterns of International Commerce," *Journal of Peace Research* 44, no. 2 (2007): 157–75.

<sup>27</sup> Mark J. Gasiorowski, "Economic Interdependence and International Conflict: Some Cross-National Evidence," *International Studies Quarterly* 30, no. 1 (1986): 23–38; David L. Rousseau and Thomas C. Walker, "Liberalism," in *The Routledge Handbook of Security Studies*, ed. Myriam Dunn Cavelty and Victor Mauer (London: Routledge, 2010); Katherine Barbieri and Gerald Schneider, "Globalization and Trade: Assessing New Directions in the Study of Trade and Conflict," *Journal of Peace Research* 36, no. 4 (1999): 387–404.

<sup>28</sup> Hans Dorussen, "Heterogeneous Trade Interests and Conflict: What You Trade Matters," *The Journal of Conflict Resolution* 50, no. 1 (2006): 87–107.

### ***The Pattern of Domestic Politics***

The institutional setting and patterns of the domestic political processes in the two disputant states is the third key factor that has a major impact affecting whether states choose to resolve their boundary issues through conflictive or cooperative approaches.<sup>29</sup> The nature of domestic politics influences the preference formation of the country's leaders.<sup>30</sup> In particular, we emphasize the nature of state-firm relations and identity issues.

For state-firm relations, the first consideration is whether the companies affiliated with one or the other disputants are interested in developing the resources either known or assumed to be at stake. If the firms are interested in beginning development, they would presumably pressure their government to move forward with a boundary delimitation. However, if the country's own oil and gas companies are more interested in developing other, more cost effective deposits located elsewhere rather than those affected by the delimitation agreement, or lack the technology for effective off-shore development projects, then there is likely to be little corporate pressure toward an agreement, leaving the politicians more free to go ahead (or not) depending on their own calculations and preferences.

In resolving maritime boundary disputes, questions of national identity can play a major role and depend crucially on state-society relations. Territorial nationalism can push states toward more assertive foreign policies which make boundary-dispute resolutions more difficult. Nationalist groups can exert pressure on the government through a variety of mechanisms. Domestic groups can advocate for more assertive measures in protecting what they consider to be "homeland" territory while opposing any moves that would allow the ceding of territory to a different country. Alternatively, elites who fear that they are losing a strong claim on their legitimacy can use identity politics as a mobilizational tool to stay in office.<sup>31</sup> Once these identity issues are invoked, possibilities for compromise become more remote and the likelihood of employing coercive means increases. To the extent that politicians who seek an agreement for mutual economic advantage with the hope of minimizing the impact of nationalist groups can act autonomously of their societies and/or exercise leadership in the resolution of the boundary dispute, they can make progress, perhaps by conducting negotiations in secret to prevent interference. However, politicians often feel that boundary negotiations are particularly perilous. As the prime minister of East Timor remarked, "The issue above all

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<sup>29</sup> Robert Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games," *International Organization* 42 (1988): 427–60; James Manicom, "The Domestic Politics of Disputed Arctic Boundaries: The Canadian Case," *Polar Record* 50, no. 2 (2013): 165–75.

<sup>30</sup> Colgan, *Petro-Aggression*.

<sup>31</sup> Koo, *Island Disputes and Maritime Regime Building*.



for me is domestic politics.... If immediately after [we sign this agreement] they find another resource, it is the end of this government."<sup>32</sup>

While the nature of state-firm relations and identity issues differ across democratic and authoritarian regimes, both issues are important in both contexts. We can measure the impact of each by examining how the various corporations interact with their states (whether corporations drive state policy or must take a back seat to other concerns) and how the states, in turn, manage identity issues (particularly, whether they are able to limit the space for nationalist calls that prevent lucrative cooperation). One crucial indicator in assessing these relationships is whether the states involved can come up with coherent development plans for the resources that include all of the relevant parties and address environmental concerns.

To summarize, this section laid out a number of theoretical factors at the international, bilateral, and domestic-politics level that can shape the ability of two states to come to a peaceful resolution of a boundary dispute that includes energy resources. In the following section, we provide a single case study to examine whether the theoretical claims listed here actually worked in the case of the peaceful resolution of the Norway-Russian border dispute.

### **Case Study: Norway-Russia 2010 Boundary Delimitation Agreement**

In the following section, we apply the above theoretical considerations to examine the case of the 2010 Norway-Russia maritime delimitation treaty.

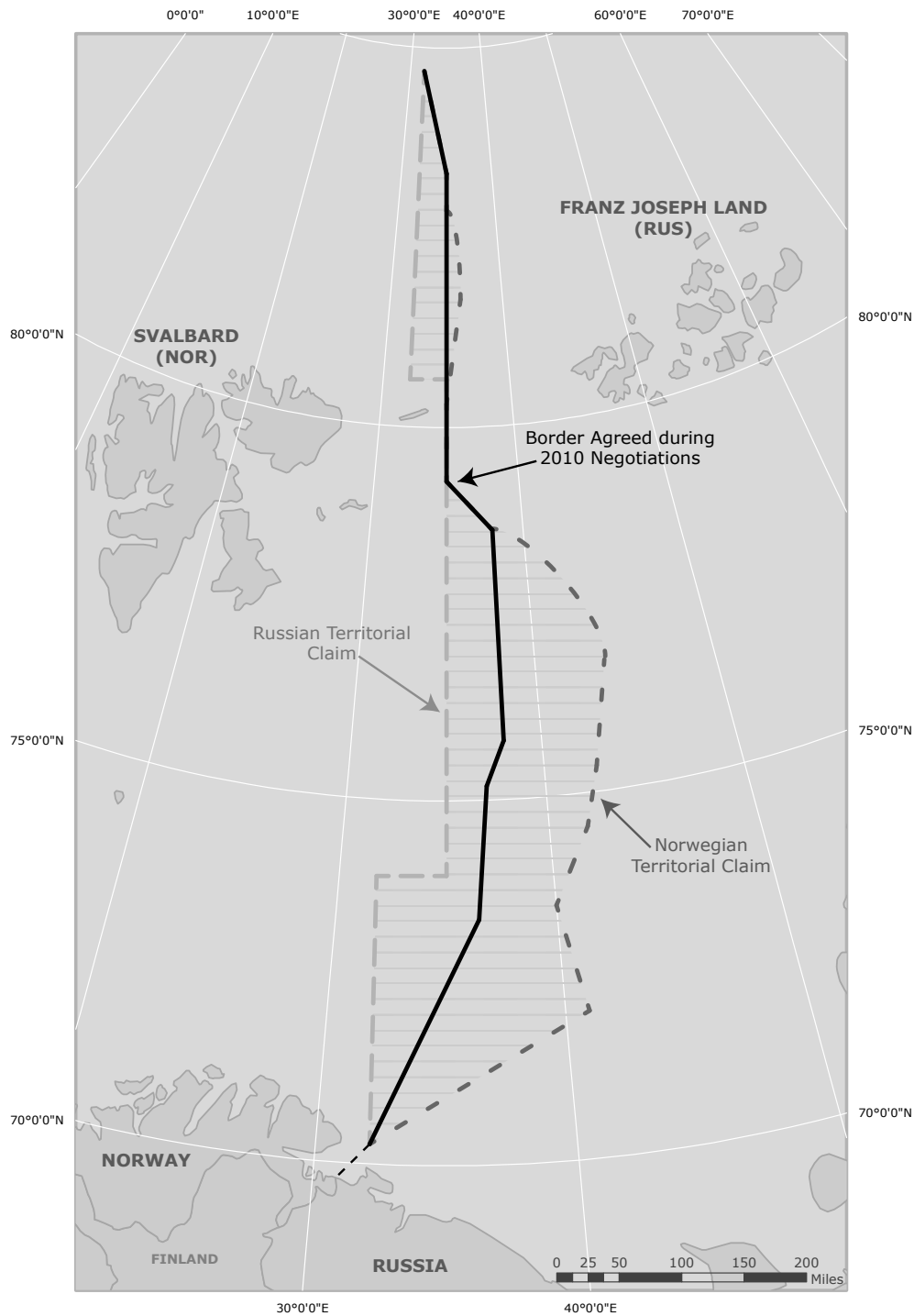
#### ***The Norway-Russia Case—A Brief Overview***

On 15 September 2010 in a small conference room in the city of Murmansk, Russia and Norway signed a treaty delimiting the Barents Sea culminating forty years of negotiations. At dispute was a plot of ocean territory measuring 175,211 km<sup>2</sup>. Norway's mainland with coastal islands, by comparison, has an area of about 324,000 km<sup>2</sup>.<sup>33</sup> The treaty included a unitization requirement, according to which any resources straddling the border would be developed by a single operator, with the proceeds to be shared by the two parties, a common solution that is considered to be the most efficient (See Figure 1 on page 84). Developing such a field would require extensive cooperation between Russia and Norway. Finding out how much oil and gas actually lie under the field will not be clear until companies begin drilling following the issue of licenses

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<sup>32</sup> Cleary, *Shakedown*, 209.

<sup>33</sup> Bjørn Geirr Harsson and George Preiss, "Norwegian Baselines, Maritime Boundaries, and the UN Convention on the Law of the Sea," *Arctic Review on Law and Politics* 3, no. 1 (2012): 108–29.



**Figure 1.** Map of the 2010 Norway-Russia Maritime Boundary Agreement

Sources: Natural Earth, Norwegian Ministry of Foreign Affairs, BBC News (<http://www.bbc.com/news/business-11316430>, accessed 9 January 2016).

Note: Marine regions territorial claim lines are approximated.

Map Author: Luis Suter

from Norway.<sup>34</sup> Russia is not planning development of this offshore area in the foreseeable future.

Negotiations over the border began in the 1970s. Norway sought a median line between Svalbard and Novaia Zemlia and the Franz Josef Land archipelago; Russia claimed special circumstances due to a 1926 decree that provided for sectors from Russian territory to the North Pole.<sup>35</sup> In order not to aggravate the disagreement between the two parties, they imposed a moratorium on drilling in the area from the early 1980s. Although Norway and Russia experienced some rocky moments, they had developed a history of working together on fishing rights, and this history of cooperation provided a positive background environment for the negotiations on the boundary.

How did the agreement come about? An analysis by leading Norwegian scholars concludes that “an explanation of the timing of the 2010 agreement resolving the marine delimitation dispute between Norway and Russia in the Barents Sea must be sought mainly on the Russian side.”<sup>36</sup> These scholars argued that under President Dmitrii Medvedev (whose term ran 2008–12), Russia was trying to become a more constructive international player and therefore was willing to accept Norway’s position in regard to the boundary. Roman Kolodkin, the head of the Russian delegation to the talks on the boundary delimitation, in contrast, argued that both sides had made concessions.<sup>37</sup> The Russian side moved away from its sectoral line position and acknowledged that its 1926 claim had no basis in international law. Norway accepted that its median line approach had to be corrected for geographic characteristics, specifically the configuration and length of the shoreline. A careful legal analysis by two Norwegian scholars concluded that indeed both sides had made concessions.<sup>38</sup> Kolodkin firmly stated that the legal clarity provided by the treaty would serve Russia’s territorial interests and bolster its claims to the continental shelf (a separate tract of maritime territory north of Russia), which it had filed with the United Nations Commission on the Limits of the Continental Shelf.

Using these excellent analyses as a starting point, we seek to provide a more comprehensive explanation that will make it possible to place the 2010 Norway-Russia agreement in a broader comparative context. Our explanation draws on the theoretical analysis laid out above.

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<sup>34</sup> James Henderson and Julia Loe, “The Prospects and Challenges for Arctic Oil Development,” *Oxford Institute for Energy Studies Paper* (2014).

<sup>35</sup> Marlene Laruelle, *Russia’s Arctic Strategies and the Future of the Far North* (Armonk, NY: M. E. Sharpe, 2014), 105.

<sup>36</sup> Moe, Fjærtøft, and Overland, “Space and Timing,” 145–62.

<sup>37</sup> R. Kolodkin, “The Russian-Norwegian Treaty: Delimitation for Cooperation,” *International Affairs* 57, no. 2 (2011): 116–31.

<sup>38</sup> Tore Henriksen and Geir Ulfstein, “Maritime Delimitation in the Arctic: The Barents Sea Treaty,” *Ocean Development and International Law* 42, no. 1 (2011): 1–21.

### ***International Relations Environment***

The boundary between Norway and Russia long marked a line which separated the two blocs in the bipolar Cold War struggle between east and west. The end of the military confrontation gave greater prominence to economic issues, broke down bloc politics, and led to the increasing importance of additional players in the system, such as the European Union and the rapidly growing Asian states, with China foremost among them.

Climate change gave the EU and China, in particular, a strong incentive to increase economic activities in the Arctic.<sup>39</sup> The melting ice cap has opened the Arctic waters up to greater possibilities for oil and gas development and opportunities for increased maritime traffic. Both of these issues are significant for the economic development of the EU and China.

Outside powers can have a variety of impacts on the two parties seeking to resolve a marine-boundary dispute. In the South China Sea dispute between China and Vietnam, for instance, the Vietnamese welcome the increased participation of the US since American muscle helps Vietnam balance China's power, while the Chinese prefer to keep the US involvement to a minimum so that they are in a stronger position vis-à-vis Vietnam. Naturally, how the addition of a third party affects a balance of power is difficult to measure, and the consequences for dispute management if one or both sides adds an ally are not clear cut. The level of uncertainty about the strength of the alliance with the outside power would have a major effect on the chance of conflict.<sup>40</sup>

In cases where both of the claimant states want to prevent outside powers from becoming involved, both sides can work together to block other powers from engaging in the conflict-resolution process and potentially claiming access to the resources that are at stake. In such a case, the threat of outside powers would help improve the bilateral relationship of the two disputant powers, since they would have an interest in working together to keep the other players out so that they can promote their own economic interests without the additional external competition. Such considerations facilitated cooperation between Russia and Norway. Both sides wanted to limit the role of the European Union and other external players,<sup>41</sup> making it possible for the Arctic states to maintain exclusive control over the resources. In this sense, the fact that both the EU and China were paying increased attention to the Arctic most likely helped to facilitate the accord between Norway and Russia.

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<sup>39</sup> Elana Wilson Rowe, "Arctic Hierarchies? Norway, Status, and the High North," *Polar Record* 50 (2014): 72–79; Manicom, "Maritime Boundary Disputes in East Asia."

<sup>40</sup> Sarah Raine and Christian Le Miere, *Regional Disorder: The South China Sea Disputes* (London: Routledge, 2013), 22.

<sup>41</sup> Oran R. Young, "Arctic Futures: The Politics of Transformation," in *Arctic Security in an Age of Climate Change*, ed. James Kraska (Cambridge: Cambridge University Press, 2011), xxi–xxvii; Moe, Fjærtøft, and Overland, "Space and Timing," 145–62.

But, while Russia wanted to limit the role of the EU and China in the Arctic, it has a strong interest in cooperating with Western firms in energy development. Russia restricts development of the oil and gas resources on the Arctic shelf to the state-controlled firms Rosneft and Gazprom, and these companies lack the financial and technological resources to produce oil and gas offshore on their own. Accordingly, to some extent Russia is dependent on developing strong relations with Western partners who can provide access to such financial and knowledge capital. Signing a boundary agreement with Norway opened the door for greater cooperation with Norwegian firms that possess the technical know-how that Russia needs. Following Russia's invasion of Ukraine in 2014, however, Western sanctions have put such cooperation on hold.

With the outside attention, both Russia and Norway had a strong interest in consolidating their sovereign rights to the Barents Sea seabed. The best way to do that was to bolster the status of the UNCLOS regime. While UNCLOS did not provide strict mechanisms for resolving the dispute, it offered a framework within which the two parties could work to reach an agreement. Effectively, the UNCLOS gave the parties to the dispute the ability to claim that their deal has standing in terms of international law. Russia has benefited from UNCLOS in other disputes, since the Commission on the Limits of the Continental Shelf (CLCS) gave Russia effective sovereignty over the Sea of Okhotsk.<sup>42</sup>

Russia had a strong secondary reason for wanting to enshrine the principles of UNCLOS in the Arctic. Russia's leaders hoped that in doing so their claims to the Arctic Continental Shelf would be accepted by the CLCS.<sup>43</sup> Russia claims that the Lomonosov Ridge and Alpha-Mendeleev Ridge are extensions of its continental shelf,<sup>44</sup> thereby extending its right to resource development on the shelf. Norway, Denmark, and Canada have competing claims. Analysts suggested that signing the treaty was a geopolitical move by Russia to bring Norway onboard in support of its claims in dividing up the polar circle.<sup>45</sup> Resolving the bilateral dispute was a necessary precondition for addressing the continental shelf claims.<sup>46</sup> Russia's initial application had been rejected in 2001 for lack of sufficient evidence to support its claim for the additional territory, and it submitted a revised claim in 2015. Additionally, Russia has signed numerous land-border treaties even before the collapse of the Soviet Union, suggesting that the USSR/Russia had been interested in such deals and was actively pursuing a policy of tidying up its borders.

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<sup>42</sup> United Nations Commission on the Limits of the Continental Shelf, "Summary of the Recommendations of the Commission on the Limits of the Continental Shelf in Regard to the Partial Revised Submission Made by the Russian Federation in Respect of the Sea of Okhotsk," (2014).

<sup>43</sup> Moe, Fjærtøft, and Overland, "Space and Timing," 145–62.

<sup>44</sup> Laruelle, *Russia's Arctic Strategies*, 99.

<sup>45</sup> Howard Amos, "Arctic Treaty with Norway Opens Fields," *Moscow Times*, 7 July 2011.

<sup>46</sup> Laruelle, *Russia's Arctic Strategies*, 100.

Despite these cooperative efforts, Russia's aggressive behavior toward Georgia and Ukraine has indicated that Putin's aversion to democratic revolutions overrides his interest in border agreements and fealty to the tenets of international law. In this sense, domestic politics take on a role of primacy in explaining Russian foreign policy actions. Some analysts have even questioned Russia's desire to exercise sovereignty over the shelf, pointing out that Russian estimations of the amount of oil and gas in the territory may exaggerate their value, and suggested that the whole exercise is an effort by Russia's leadership to build up domestic support.<sup>47</sup>

Russia certainly benefited from the presence of the Arctic Council, a group of countries that works to defend their interests against those of outsiders. The Council gave Russia a forum in which it could interact with Norway in a constructive environment.

Finally, Russia saw the 2010 Norway-Russian maritime-boundary agreement as a way to reduce the influence of NATO in the Arctic, thereby reducing the potency of one of the key perceived threats to its security.<sup>48</sup> In this light, Russia sees Norway, a NATO member, not in isolation, but as part of the broader Western military alliance,<sup>49</sup> making Norway both more threatening and a potentially useful partner. Currently, five of the eight Arctic Council states are NATO members, and Finland and Sweden are thinking about joining, which would leave Russia as the lone country outside the alliance.<sup>50</sup> If Russia and Norway could solve the outstanding boundary dispute on their own, NATO would have less need to engage in the area. Russia also argued that the presence of the military alliance would create tension for the implementation of economic projects. "The Russian Federation with serious trepidation is following the activity of NATO in the Arctic because this is a zone of peaceful, economic cooperation," Medvedev said in 2010.<sup>51</sup> Both Norway and Russia were engaged in an extensive military build-up before signing the trea-

<sup>47</sup> Pavel K. Baev, "Troublemaking and Risk-Taking: The North in Russian Military Activities," in *Russia and the North*, ed. Elana Wilson Rowe (Ottawa: University of Ottawa Press, 2009), 20–34.

<sup>48</sup> Aleksei Fenenko, "Russia and the Competition for the Redivision of Polar Spaces," *Russian Politics and Law* 50, no. 2 (2012): 7–33, translation of "Rossiia i sopernichestvo za peredel pripoliarnykh prostranstv," *Mirovaia ekonomika i mezhdunarodnye otnosheniia*, no. 4 (2011): 16–29.

<sup>49</sup> Jacob M. Godzimirski, "High Stakes in the High North: Russian-Norwegian Relations and Their Implications for the EU," *Russie.Nei.Visions*, no. 25 (2007).

<sup>50</sup> Marten Lindberg, "Is NATO Taking Over the Arctic," ISN Blog, 22 August 2012, available at <http://isnblog.ethz.ch/international-relations/is-nato-taking-over-the-arctic>, accessed 9 January 2016.

<sup>51</sup> "Bez NATO spokoinee Rossiia i Norvegiia podelili barencevo more," *Novye izvestiia*, 15 September 2010, <http://www.newizv.ru/lenta/2010-09-15/133314-bez-nato-spokojnee-rossija-i-norvegija-podelili-barencevo-more.html>, accessed 8 January 2016.

ty.<sup>52</sup> However, even as both sides increase their capabilities, it is not clear what their intentions are or how such military assets could be put to use.

### ***The Bilateral Relationship between Russia and Norway***

Norway and Russia have a lengthy history of relatively good relations that they could draw on to support their boundary-negotiating efforts.<sup>53</sup> The relationship evolved through three phases. In the first phase, beginning in 1957, they signed the Varangerfjord agreement, which initially defined the border between Norway and the Soviet Union in the Varangerfjord (southern part of the Barents Sea) and set the basis for discussions about the Barents Sea. Both sides declared sovereignty over their continental shelves. The second phase began in 1970 with informal negotiations on the boundary, and the first formal meetings taking place in Moscow in 1974.<sup>54</sup> The sides signed important fisheries treaties in 1975 and 1976 and agreed on the Grey Zone agreement in 1978 to regulate fishing in the disputed zone.<sup>55</sup> During this period, however, there were clear differences over where the boundary line in the Barents Sea should be drawn. The third phase started in 2007 when the two sides revised and completed the 1957 Varangerfjord Agreement, extending the agreed-upon line a short distance beyond the coast. Similarly, the joint development of the Shtokman natural gas field in Russian territory provided a strong signal that cooperation was possible, particularly in 2007 when Putin called the Norwegian prime minister to invite his country's participation in the giant project. All of these agreements demonstrated that the two sides could find common ground in dividing up valuable resources and culminated in signing the 2010 treaty.

However, despite these positive developments, the relationship was not always smooth. Arne Treholdt, a Norwegian politician, was convicted of trea-

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<sup>52</sup> Rob Huebert, "Cooperation or Conflict in the Arctic?" in *Changes in the Arctic: Environment and the Law of the Sea*, ed. Myron H. Nordquist, John Norton Moore, and Tomas H. Heiar (Leiden: Martinus Nijhoff Publishers, 2010), 27–60; Katarzyna Zysk, "Military Aspects of Russia's Arctic Policy," in Kraska, *Arctic Security*, 85–106; Valery Konyshev and Aleksandr Sergunin, "The Arctic at the Crossroads of Geopolitical Interests," *Russian Politics and Law* 50, no. 2 (2012): 34–54, translation of "Arktika na perekrest'e geopoliticheskikh interesov," *Mirovaia ekonomika i mezhdunarodnye otnosheniia*, no. 9 (2010): 43–53.

<sup>53</sup> Aasen, *The Law of Maritime Delimitation*, 66–69; Moe, Fjærtøft, and Overland, "Space and Timing," 145–62.

<sup>54</sup> Henriksen and Ulfstein, "Maritime Delimitation in the Arctic," 1–21.

<sup>55</sup> William V. Dunlap, "Regional and International Cooperation in the Regulation of the Energy Resources in the Arctic," in *Boundaries and Energy: Problems and Prospects*, ed. Gerard H. Blake, M. A. Pratt, and C. H. Schofield (Amsterdam: Kluwer Law International, 1998); Ian G. Brosnan, Thomas M. Leschine, and Edward L. Miles, "Cooperation or Conflict in a Changing Arctic?" *Ocean Development and International Law* 42 (2011): 173–210.

son on grounds that he spied for the Soviet Union in 1984 and was sentenced to 20 years in prison. Norway rejected a proposal by the Soviets for a joint development zone and cooperation on hydrocarbon resources in 1988. Even on the specific issue of fishing rights, “the climate between the parties cooled off towards the turn of the millennium, and it became difficult to reach agreement on some issues,” although both sides became more pragmatic afterwards.<sup>56</sup> There have also been disagreements over the Svalbard Treaty. A ban on imports of Norwegian salmon in 2006 by the Russian Agriculture Ministry was widely seen as retaliation for the repeated detentions of Russian fishermen alleged to have trespassed onto disputed Norwegian territory. Also, since Norway is an important supplier of natural gas to the EU, it is seen as a competitor to Russia. Norwegian gas helped compensate for a drop in Russian supply in 2006 during the Russia-Ukraine gas conflict of that year. After the treaty was signed, plans to develop Shtokman collapsed in 2012, when Norway’s Statoil gave up its shares in the project because there was no obvious market for the gas given booming shale production in the US. Despite their history of cooperation, Russia and Norway are not major trading partners, according to World Trade Organization statistics.<sup>57</sup>

In short, the history of cooperation, even though punctuated by serious conflicts, provided a basis of trust for the negotiators to proceed with the agreement. Since the negotiators met four times a year for 20 years, they were able to find a way around their differences.<sup>58</sup> However, the question remained of whether they could overcome their internal differences in terms of the state-controlled Russian political system versus the more open Norwegian market model. Clearly there were strong dissimilarities in the type of petro-state that each one represented with varying relations between the state and societies.

### ***The Patterns of Domestic Politics***

The institutional setting and the characteristics of the policy process within Norway and Russia also had an impact on the negotiating process between the two countries. Norway’s democratic system was able to facilitate a dialogue among the corporate and societal interests within Norwegian society that were

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<sup>56</sup> Anne-Kristin Jørgensen and Geir Hønneland, “In Cod We Trust: Konjunkturer I Det Norsk-Russiske Fiskerisamarbeidet,” *Nordisk Østforum* 27, no. 4 (2013): 353–76; Geir Hønneland, *Arctic Politics, the Law of the Sea, and Russian Identity* (Houndmills: Palgrave MacMillan, 2014).

<sup>57</sup> World Trade Organization, “Russian Federation,” *Statistic Database Trade Profiles* (September 2015).

<sup>58</sup> Interview with Lars Rowe, George Washington University, 17 December 2013.



able to produce an integrated management plan in 2002,<sup>59</sup> and then revised in 2010, that sought a balance between economic and environmental concerns.<sup>60</sup> The plan allowed for the development of oil and gas deposits in the Arctic waters, but with the proviso of an effort to put in place safeguards to ensure that as little damage to the environment took place as possible. The process was difficult for Norway's Red-Green coalition government, but gained support through the inclusion of NGOs in the process.

Russia's decision-making process, by contrast, is highly centralized in the presidential administration and includes only a small circle of advisers who are invited to participate; the public is generally excluded.<sup>61</sup> It has produced a number of plans, but none of them are considered to be guiding documents for government policy.<sup>62</sup> Nor does Russia pay serious attention to environmental issues.<sup>63</sup> The Norwegians saw Russia's domestic situation as having a deleterious effect on the bilateral relationship; as Norwegian Institute for Defense Studies Director Rolf Tamnes pointed out, "Russia's social, economic, and political structures are fragile, and that makes it particularly hard to predict the future of the country."<sup>64</sup>

#### *State-Firm Relations*

State-firm relations played a significant role. There is little evidence that Russian companies sought to pressure the Russian government to move ahead with the agreement.<sup>65</sup> Under current Russian law only the state-controlled companies Gazprom and Rosneft have the right to develop offshore Arctic resources, though they can work with foreign partners.<sup>66</sup> These companies are

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<sup>59</sup> Ove Heitmann Hansen and Mette Ravn Midtgard, "Going North: The New Petroleum Province of Norway," in *Arctic Oil and Gas: Sustainability at Risk?* ed. Aslang Mikkelsen and Olaf Langhelle (London: Routledge, 2008).

<sup>60</sup> Moe, "Russian and Norwegian Petroleum Strategies," 225–48.

<sup>61</sup> Elena N. Andreyeva and Valery A. Kryukov, "The Russian Model: Merging Profit and Sustainability," in Mikkelsen and Langhelle, *Arctic Oil and Gas*, 240–87.

<sup>62</sup> Dmitrii Medvedev, "Osnovy gosudarstvennoi politiki Rossiiskoi Federatsii v Arktike na period do 2020 goda i dal'neishuiu perspektivu," (18 September 2008); Vladimir Putin, "Strategiia razvitiia arkticheskoi zony Rossiiskoi Federatsii, utverzhdenaia prezidentom Rossii Vladimirom Putinyam na period do 2020 goda," (20 February 2013).

<sup>63</sup> Helge Blakkisrud, "What's to Be Done with the North?" in *Tackling Space: Federal Politics and the Russian North*, ed. Helge Blakkisrud and Geir Honneland (Lanham, MD: University Press of America, 2006), 25–51; Nina Tynkkynen, "Prospects for Ecological Modernization in Russia: Analysis of the Policy Environment," *Demokratizatsiya: The Journal of Post-Soviet Democratization* 22, no. 4 (2014): 575–603.

<sup>64</sup> Rolf Tamnes, "Arctic Security and Norway," in Kraska, *Arctic Security*, 47–63.

<sup>65</sup> Moe, Fjærtøft, and Overland, "Space and Timing," 145–62.

<sup>66</sup> Yuko Adachi, "Subsoil Law Reform in Russia under the Putin Administration," *Europe-Asia Studies* 61, no. 8 (2009): 1393–414.

mostly focused on developing other fields now and have little appetite to take on complicated offshore Arctic projects, though several projects continue to move forward. Moreover, it is likely that the fishing interests, to the extremely limited extent that they could influence the process, opposed the deal: They argued that the Arctic oil and gas will only last a short time, so it would be better just to focus on managing the fisheries and forget about the hydrocarbon resources.<sup>67</sup> Nevertheless, in his article about the treaty, the chief Russian negotiator claimed that the majority of the energy deposits were on the east side of the Barents, which went to Russia: "The Treaty's entry into force will end the moratorium on prospecting for hydrocarbon resources in the formerly disputed area that, according to existing forecasts, are mainly concentrated in the eastern part of the Barents Sea. This will open broad prospects for their development, as well as for Russian-Norwegian cooperation in this sphere."<sup>68</sup> In the wake of the deal, the Russian government seemed to put pressure on Russian companies to become more active in the Arctic area.<sup>69</sup> Nevertheless, such off-shore sites are not nearly as profitable as developing the on-shore resources of the Yamal peninsula.<sup>70</sup>

Norwegian firms were much more interested in the deal going forward than their Russian corporate counterparts. In contrast to Russia, after 2000 Norway had only limited sources of new hydrocarbon deposits, as its current fields were nearing the end of their useful life, and thus Norwegian companies argued for increased activity in the north.<sup>71</sup> The Norwegians expected to find gas rather than the more valuable oil in the disputed territory.<sup>72</sup> While environmental concerns about developing Arctic resources remained, Norway's firms were driven by new technology (sub-sea techniques and horizontal drilling), high oil prices, and the worldwide demand for more energy to work in the area.<sup>73</sup> As Arild Moe summarized the situation, "the Norwegian exploration effort in the Barents Sea is characterized by an industry eager to participate, but also ready to withdraw should prevailing conditions so dictate, and authorities supporting development but also imposing strong restrictions. Key concerns include conflict with the fishing industry and environmental concerns."<sup>74</sup> Additionally, the *Moscow Times* pointed out that "Norway's Statoil, 67 percent state-owned, could find accessible hydrocarbon deposits in home waters more

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<sup>67</sup> Alexei Smirnov, "Imperial Gift: Oil Found in the Territory Russia Ceded Norway," *Novye Izvestiia*, 4 March 2013.

<sup>68</sup> Kolodkin, "The Russian-Norwegian Treaty," 116–31.

<sup>69</sup> Indra Overland et al., "Rosneft's Offshore Partnerships: The Re-Opening of the Russian Petroleum Frontier?," *Polar Record* 49, no. 2 (2013): 140–53.

<sup>70</sup> James Henderson, "Joint Ventures in the Russian Offshore—Positive News but Only for the Long Term," *Oxford Energy Comment* (2012).

<sup>71</sup> Moe, "Russian and Norwegian Petroleum Strategies," 225–48.

<sup>72</sup> Hansen and Midtgard, "Going North."

<sup>73</sup> Ibid.

<sup>74</sup> Moe, "Russian and Norwegian Petroleum Strategies," 225–48.

appealing than its minority stake in the Russian-controlled ventures,<sup>75</sup> such as Shtokman. Since the Norwegian companies had greater technical capacity than their Russian counterparts, they were in a position to move much more quickly in developing the new resources. By 2014 at least 40 companies were interested in bidding for blocs of the sea territory that were once part of the disputed zone. Seismic testing had shown that the area contained lucrative deposits that made development possible even as exploration and production costs were rising and the companies faced the need to work with Russia if the deposit straddled the border.<sup>76</sup> Russian companies Lukoil and Rosneft have also expressed an interest in working on the Norwegian shelf of the Barents Sea.<sup>77</sup>

In short, while there is no evidence that Russian companies lobbied for the treaty, it is possible that Norwegian firms encouraged the government's efforts to move forward with the deal. (No one in Norway who was involved in the negotiations is talking about them, so it is difficult for outsiders to determine exactly what took place during the bilateral discussions). The Norwegian side pursued a rules-based cooperative vision from the beginning that was open to regional and sub-regional institutions. Working with its companies, the Norwegian state sought a model of developing the Barents Sea resources in a manner that would be appealing to attract the participation of other international oil companies. It avoided the Russian requests for joint control because its firms feared unattractive projects with inexperienced Russian national oil companies. Russia shifted to a more cooperative model in 2009 because of its need for access to new technologies and foreign investment<sup>78</sup> and to move away from policies that encouraged nationalist rhetoric.<sup>79</sup> While the Russian state would prefer to have full control over the resources, it lacked the ability to develop the offshore resources on its own and could only do so in collaboration with others.

### *State-Society Relations*

The nature of the relationship between state and society, particularly in terms of the role of nationalist ideology, is crucial for the success of a boundary treaty. The Arctic looms large in the national identities of both Russia and Norway. Russian leaders view the Arctic dispute as part of a nation-building project.<sup>80</sup>

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<sup>75</sup> Howard Amos, "Arctic Treaty with Norway Opens Fields," *Moscow Times*, 7 July 2011.

<sup>76</sup> Atle Staalesen, "Oil Companies Eye Licenses along Russian Border," *Barents Observer*, 28 January 2014.

<sup>77</sup> "Russian Oil Companies Claim Portions of the Norwegian Shelf," *Arctic-Info*, 30 January 2014.

<sup>78</sup> Hansen and Midtgard, "Going North."

<sup>79</sup> Laruelle, *Russia's Arctic Strategies*.

<sup>80</sup> Manicom, "Maritime Boundary Disputes."

In particular, Putin sees the Arctic as a central component in his overall effort to make Russia a great power again.<sup>81</sup> He can draw on a long history of Russian activity in the Arctic since the region was important to the country during the middle ages, long before it became clear that it could serve as a source of hydrocarbon riches.

The political leadership in Russia and Norway were both aware of the extent of the nationalist feelings about resolving the boundary dispute and skillfully worked to avoid any problems. Both sides kept the treaty a secret until announcing its signing and the existence of the pact came as a surprise to the public.<sup>82</sup> Negotiating behind closed doors prevented nationalist groups on both sides from mobilizing against the treaty until it was already signed. Even once the deal had been reached, the two parties signed the treaty in Murmansk—far from the media glare of Moscow and Oslo—to avoid giving it undue attention.<sup>83</sup> Through the end of 2015, neither the Norwegian nor the Russian foreign ministry provided any substantial information about the talks or how the agreement was achieved. As with many other cases around the world, the diplomats do not want to divulge the messy details involved in the give and take of negotiating, fearing that they will be accused of having “sold out” the state’s national interest.

In Norway, the agreement generally met with public support because it was seen as working to the country’s advantage. On 27 February 2013, the Norwegian Petroleum Directorate announced that it estimates that “mapping of the southeastern Barents Sea... will result in an approximate increase of 15 percent in the estimates of undiscovered resources on the Norwegian shelf.”<sup>84</sup> Of course, such a claim does not assert that Norway has significantly increased its known reserves. Additionally, two Norwegians involved in the process pointed out that “Norway has managed to expand its sea area significantly over the past 45 years by means of negotiating with neighboring nations on the basis of the United Nations Convention on the Law of the Sea (UNCLOS).”<sup>85</sup>

In contrast, the agreement angered vocal Russian nationalists, who strongly criticized the Russian leadership for the deal.<sup>86</sup> The treaty ratification bill passed the Duma with 311 votes in favor, 57 opposed, and 82 not voting, with most of the support coming from the Kremlin loyalists in the United Russia party, while the quasi-opposition parties represented in the parliament expressed varying degrees of disagreement.<sup>87</sup> In his book, *Is Russia Losing the*

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<sup>81</sup> Laruelle, *Russia’s Arctic Strategies*.

<sup>82</sup> Moe, Fjærtøft, and Overland, “Space and Timing,” 145–62.

<sup>83</sup> *Ibid.*, 157.

<sup>84</sup> “New Resource Figures for the Southeastern Barents Sea and Jan Mayen,” *Norwegian Petroleum Directorate*, 27 February 2013.

<sup>85</sup> Harsson and Preiss, “Norwegian Baselines,” 108–29.

<sup>86</sup> Hønneland, *Arctic Politics*.

<sup>87</sup> “Transcript of 25 March 2011,” State Duma of the Russian Federation, 25 March 2011.

*Arctic?*, Vyacheslav Zilanov, the former deputy minister of the USSR Fishing Ministry and now the chairman of the Coordinating Council of Fishing Industry Workers in Russia's Northern Basin, accused Russia's leaders of doing a worse job than their Soviet predecessors in protecting Russia's fishing rights and needlessly giving up large parts of the Russian shelf.<sup>88</sup> Discussion among nationalist- and fishing-interest circles excoriated Medvedev and Putin for signing the treaty.<sup>89</sup> The fact that Medvedev had signed the agreement that allegedly proved so expensive to Russia served as grounds for suggestions to remove him from the prime minister's office once Putin resumed the presidency in 2012. The Foreign Ministry eventually had to issue a denial that it had given a "gift" to Norway of such a large amount of energy. It claimed that it knew what resources were where and had received equally lucrative deposits as part of the deal.<sup>90</sup>

This subsequent criticism suggests that politicians knew what they were doing in holding the negotiations in secret. However, the negative fallout may have also weakened Russian politicians in pursuing other territorial deals of a similar nature. Overall, the ability of both governments to pursue a boundary compromise was arguably facilitated by prevailing geographic conditions. In contrast to many ongoing maritime disputes in the Asia-Pacific, the area claimed by both Norway and Russia contains no islands. These often form particularly visible focal points for nationalist criticism. We do not know whether Moscow in particular would have been willing to compromise if such islands (i.e., proper national "territory") had been at stake. But their presence could have increased the domestic backlash to be expected once the deal became public.

## Conclusion

The 2010 Norway-Russia boundary delimitation agreement succeeded because both sides had a strong economic interest in it, benefitted from the use of

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<sup>88</sup> Vyacheslav Zilanov, *Rossia Teriaet Arktiku?* (Moscow: Algoritm, 2013), 143.

<sup>89</sup> "Putin vriad li budet otbirat' Barentsevo more, Geir Hennelann," *Nord News*, 9 April 2013, available at <http://www.nord-news.ru/news/2013/04/09/?newsid=46777>, accessed 8 January 2016; Viktor Krestianinov, "Kak Putinu vernut' Barentsevo more?" *Argumenti nedeli*, 7 February 2013, available at <http://argumenti.ru/politics/n375/231176>, accessed 8 January 2016; Admin, "Putin i Medvedev podarili Norvegii shelf v Barentsevom more," Lev Gumilev Center, 26 March 2012, <http://www.gumilev-center.ru/putin-i-medvedev-podarili-norvegii-shelf-v-barencevom-more/>, accessed 8 January 2016.

<sup>90</sup> Russian Ministry of Foreign Affairs, "Kommentarii Departamenta informatsii i pechati MID Rossii v sviazi s publikatsiei v nekotorykh SMI informatsii o krupnykh zapasakh uglevodorodov v Barenstevom more," 6 March 2013, available at [http://mid.ru/BDOMP/Brp\\_4.nsf/arh/B6F7A545782473FF44257B2600475B71?OpenDocument](http://mid.ru/BDOMP/Brp_4.nsf/arh/B6F7A545782473FF44257B2600475B71?OpenDocument), accessed 8 January 2016.

international law, had a history of working together at the bilateral level (including through regional organizations like the Arctic Council), and were able to manage adroitly the impact of business-state relations and identity politics on the issue.

In coming to an agreement, the incentives for cooperation exceeded factors leading to potential conflict. Russia and Norway were able to sign the treaty even though they did not have the same level of interest in developing the resources. Facing a situation in which their current fields were declining, the Norwegian companies were eager to sign a deal with the Russians so that they could begin exploring for potential new sources of oil and gas in the Barents Sea. In contrast, the Russian companies had plenty of more cost-effective on-shore deposits that they could develop, so working in the Barents Sea was not a pressing concern for them. Moreover, while the Norwegians had access to the technology and capital required to develop the fields, the Russians did not.<sup>91</sup> To some extent, the Russians calculated that cooperating with the Norwegians would have made them more likely to contribute financial and technical know-how to future development projects. While both the Norwegians and Russians wanted to minimize the EU and Chinese influence in the Arctic, the Norwegians had the additional motivation of moving forward with short-term exploration and possible development of the resources in the seabed on the basis of a societal consensus to do so. The Norwegians had gone through a democratic process that sought to balance corporate profit and societal environmental concerns into a coherent development plan. Russia's centralized political system prevented such an inclusive process, leaving Russia with a less well-defined plan for Arctic development as well as a fragile political system.

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<sup>91</sup> Godzimirski, "High Stakes in the High North."