

## Russia's Arctic Security Strategy

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### Abstract

During most of the late 20th century, the Arctic region was primarily a zone of military interests, used by both NATO and Soviet strategic forces as bases for their nuclear submarines and as testing grounds for intercontinental ballistic missiles. With the end of the Cold War, the Arctic initially lost its strategic significance. This has changed in the last decade thanks to a combination of accelerating climate change and a rapid increase in energy prices. As a result, Russian leaders now primarily see the Arctic as a potential source of economic growth for the country, both as a strategic resource base for the future and a potential maritime trade route.

### The Russian Arctic's Economic Potential

A 2008 US Geological Survey estimates that 13 percent of the world's remaining oil and 30 percent of its natural gas reserves are located in the Arctic. A relative increase in energy prices compared to the historical average has made the exploitation of these remote and technically difficult resources more cost-effective. Russia's natural resources ministry has stated that the parts of the Arctic Ocean claimed by Russia may hold more petroleum deposits than those currently held by Saudi Arabia. The same US Geological Survey estimated total Russian offshore oil reserves at 30 billion barrels, while natural gas reserves were estimated at 34 trillion cubic meters (tcm), with an additional 27 billion barrels of natural gas liquids.<sup>1</sup> Because most of these deposits are located offshore in the Arctic Ocean, where extraction platforms will be subject to severe storms and the danger of sea-ice, the exploitation of these resources will require significant investment and in some cases the development of new technology. This means that extraction will only be economically feasible if prices for hydrocarbons remain high.

However, Russian natural resources in the Arctic are not limited to hydrocarbons. According to the secretary of Russia's Security Council, Nikolai Patrushev, the Arctic currently supplies more than 90 percent of Russia's nickel, cobalt, and platinum, as well as 60 percent of Russia's copper. Ninety percent of Russian diamonds and 24 percent of its gold is mined in the Arctic region of Yakutia. One of the world's largest phosphate mines is located on the Kola Peninsula. In addition, Arctic Russia has significant deposits of silver, tungsten, manganese, tin, chromium, and titanium. The extraction of these natural resources provides Russia with 11 percent of its GDP and 22 percent of its export earnings.<sup>2</sup> In the relatively near future,

Russia is likely to develop the significant deposits of rare earths, which are found on the Kola Peninsula and in Yakutia.

The future economic potential of the region is not limited to the extraction of natural resources. In recent decades, it has become clear that climate change is leading to the rapid melting of the polar ice cap, which has already improved access to the Russian Arctic. In the future, Russian planners hope to see the development of a northern sea route that might compete with the Suez Canal route for commercial maritime traffic. The route is attractive because it is a significantly shorter path from Asia to Europe than via the Suez Canal or around the Cape of Good Hope. Furthermore, the route avoids the risks posed by pirates operating in the Straits of Malacca and in the Indian Ocean off the coast of Somalia. However, these benefits are offset by the added expense of having to hire icebreakers and the potential for delays due to unexpected ice or severe storms.

While analysts differ on how quickly the Northern Sea Route will become commercially viable, the consensus seems to indicate that while the passage will be largely ice free during the summer by 2015, regular commercial traffic may not be feasible for another 20–30 years. Finally, the region represents one of the world's most significant fishing areas. While the Arctic's share of global fisheries has been stable at four percent for the last 30 years, it is likely to increase as the result of overfishing in other parts of the world.

### Russia's Regional Strategy

Russia's main goal in the Arctic is developing the region's energy resources. Russia has already put in place plans to exploit resources in this region — most significantly the Shtokman natural gas deposit in the Barents Sea, which contains 3.8 tcm of natural gas. The Leningradskoe and Rusanovskoe deposits, located in the same general area contain an additional 6.2 tcm of natural gas. The Kharasaveisk, Kruzenshtern, and Bovanenkovo depos-

1 Kenneth Bird et al., *Circum-Arctic Resource Appraisal: Estimates of Undiscovered Oil and Gas North of the Arctic Circle*, US Geological Survey Fact Sheet 2008-3049.

2 V. Sosnin, G. Ryzhkov, "Vosstanovlenie kontrolya za vozdukhom i nadvodnoi obstanovkoi v Arktike—vazhneishaia zadacha

Rossii," *Morskoi Sbornik*, July 2010, pp. 32–37.

its located in the Kara Sea near the Yamal peninsula contain over 10 tcm of natural gas and gas condensate.<sup>3</sup>

Because of limitations on Russia's ability to conduct offshore drilling in extreme climate conditions, Russian firms have sought partners for their operations in the Arctic. The development of Shtokman is to be carried out by a consortium involving Gazprom, France's Total, and Norway's Statoil. However, because of the current oversupply of natural gas to Europe, due to the global recession, development of the field has been postponed until at least 2016. Nevertheless, the need for international cooperation on energy extraction has increasingly come to shape Russian Arctic policy, leading to a noticeable shift from confrontation to cooperation over the last three years.

Prior to 2008, Russia pursued a fairly confrontational strategy in the region, as it sought to maximize its claims to potential seabed resources in the Arctic. The UN Convention on the Law of the Sea (UNCLOS), which came into effect in 1994, allows countries to claim a 200 nautical mile (nm) exclusive economic zone that extends beyond their twelve-mile territorial boundaries. Large parts of the Arctic Ocean could thus be claimed by more than one country. Furthermore, UNCLOS grants states exclusive rights to extract mineral resources on their continental shelves up to a distance of 350 nm from shore. This has led to disputes over whether various underwater mountain ranges should be considered extensions of the continental shelf.

Moscow has long claimed that the Lomonosov and Mendeleev Ridges are not ridges *per se*, but actually extensions of the Russian continental shelf. Denmark (via its sovereignty over Greenland) and Canada also claim the Lomonosov Ridge as extensions of their respective continental shelves. The adjudication of these claims is particularly significant as the ridges pass very close to the geographic North Pole and would dramatically expand the mineral extraction zone for whichever state had control of extraction rights on them. In December 2001, Russia submitted a claim to the UN Commission on the Limits of the Continental Shelf, arguing that a large sector of seabed under the Arctic Ocean, extending to the North Pole, was an extension of the Eurasian continent. According to the claim, Russia should have the exclusive right to explore for natural resources in this area. The Commission ruled the following year that additional research was necessary to substantiate the claim, and thus the claim remains unresolved.

In order to press its claims to the Lomonosov Ridge, Russia launched a scientific expedition in 2007 that

included a State Duma deputy, who placed a titanium Russian flag on the bottom of the sea near the North Pole. Around the same time, Russian officials openly began to discuss increasing their military presence in the Arctic. These actions prompted concern in other countries that Russia was prepared to defend its claims by force. In the end, these concerns proved unwarranted, as Russian rhetoric quieted down and its leaders began to focus on negotiated solutions to territorial disputes in the region.

### A Shift to Negotiation

The Russian government has recently focused on reaching agreements with neighboring Arctic states to delimit maritime boundaries. The goal is to ensure control of the maximum amount of seabed natural resources, while creating conditions that will allow for international cooperation in the development of these resources. In order to achieve this goal, the government believes it must resolve all remaining maritime territorial disputes with the four other states that claim sectors in the Arctic: Norway, Denmark, Canada, and the United States.

Norway was particularly important in this regard because of a long-standing bilateral dispute over a 175,000 square kilometer area in the Barents Sea. The area was originally disputed because of conflicts over fishing rights, though it became more significant in recent years because of the probability that there are significant oil and gas deposits in the region. According to Russian estimates, the recoverable resources stand at 39 billion barrels of oil and 6.6 tcm of natural gas. Russia was particularly keen to resolve this dispute because of its need for Norwegian assistance in natural resource exploration throughout its Arctic sector, since Norway has the greatest expertise in offshore natural gas drilling in similar climatic conditions.

In an accord reached in September 2010, the two sides decided to divide the disputed territory more or less equally. In addition, both countries agreed to cooperate in developing the region's natural resources and to share any mineral deposits that cross the delimitation line. Both sides plan to begin exploring for natural resources in the region once the treaty is ratified by their respective parliaments, something that was impossible while the dispute was unresolved.

At the same time, the two sides still disagree about fishing right in waters around the Spitsbergen/Svalbard archipelago. Norway argues that it has exclusive fishing rights in the 200 mile exclusive economic zone around the archipelago, whereas the Russian position is that the archipelago's unique status excludes the possibility of the surrounding waters being part of Norway's EEZ. Over the last decade, conflicts over fishing rights have led to the arrest of Russian fishing vessels by the Norwe-

3 V. Bogoiavlenskii, "Uglevodorodnye bogatstva arktiki i Rossiiskii geofizicheskii flot: sostoianie i perspektivy," *Morskoi Sbornik*, September 2010, pp. 53–62.

gian Coast Guard and the initiation of frequent Russian naval patrols in the area in response. There is some hope that the resolution of the border dispute may provide an impetus to negotiations of the fishing dispute as well.

The location of the maritime border between Russia and the United States also continues to generate some tension. Although the two states agreed on a border treaty in 1990, this treaty has never been ratified by the Russian State Duma. Most Russian politicians believe the treaty was unfair to Russian claims and was signed at a time when the collapsing Soviet Union was at its weakest. As a result, they claim that Russia has lost a significant amount of fishing revenue and would like to see the treaty's terms renegotiated. Russia and the United States also disagree about the status of the Northern Sea Route, with the United States claiming the right of free navigation, while Russia argues that the route goes through Russian territorial waters and all passing ships must request permission and pay fees.

The settlement of the border dispute with Norway, long considered the most serious in the Arctic, has given impetus to other bilateral negotiations. In the days after the signing ceremony, Canada and Russia jointly announced that they will abide by the decisions of the UN in solving their dispute over the Lomonosov Ridge. This has engendered optimism that various

territorial claims that have been (or will soon be) filed with the UN by all five Arctic states can be resolved in an orderly and peaceful manner.

### Conclusion

Though Russia remains keenly interested in the Arctic, it will pursue its regional ambitions via negotiations and peaceful dispute resolution. Unilateral posturing and talk of building up a Russian military presence — which featured prominently in Russian Arctic policy just three or four years ago — have now fallen by the wayside, in part because the authorities regard a cooperative approach as more conducive to exploration of and investment in Arctic natural resources. While disputes over fishing and navigation rights among the five Arctic maritime states remain unresolved, in recent years all sides have agreed to resolve competing claims through international institutions. The Arctic is thus unexpectedly becoming a venue for strengthening international cooperation, rather than the potential zone of military confrontation that it had been since the start of the Cold War. The major unknown for the near future is the role of growing non-Arctic powers such as China and Korea, who are increasingly eager to play a role in the exploitation of Arctic resources.

#### *About the Author*

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