



universität
wien

MASTERARBEIT / MASTER'S THESIS

Titel der Masterarbeit / Title of the Master's Thesis

Cooperation and Conflict in the Arctic: The Arctic Regime and the Theory of Relative Gains

verfasst von / submitted by

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angestrebter akademischer Grad / in partial fulfilment of the requirements for the degree of
Master of Arts (M.A.)

Wien, 2016 / Vienna 2016

Studienkennzahl lt. Studienblatt /
degree programme code as it appears on
the student record sheet:

A066824

Studienrichtung lt. Studienblatt /
degree programme as it appears on
the student record sheet:

Politikwissenschaft

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1. Introduction

The Arctic – one of the remotest areas in the world figures to become of the politically most meaningful in the future. The region contains a mixture of the dominating mantras of contemporary international relations – geopolitics, resources and deteriorating relations between Russia and NATO. In addition, climate change accelerates the process, as it does not only pose a major challenge to Arctic states, but opens up enormous economic opportunities. While the situation in the High North can be described as calm momentarily, danger of rising tensions is existent, and therefore, cooperation could become a major factor in the High North

It was a rather minor act, but it symbolized well why the scramble for the Arctic is often referred to as the “*Great Game*” (Borgerson 2009, McCormick 2014) of the 21st century. When on August 2, 2007 two Russian submarines descended two miles under the ice cap in order to place a Russian flag on the Arctic seabed, other Arctic littoral states reacted with an irate public outcry. Canada’s then-foreign minister, Peter MacKay stated that “*This isn’t the 15th century. You can’t go around the world and just plant flags and say, ‘We’re claiming this territory.’*”, to which Artur N. Chilingarov, a Russian Member of Parliament, who was aboard on one of the submarines responded that “*We must determine the border, the most northerly of the Russian shelf*” (see Chivers 2007) The language of both statements proved the obvious – the resource-rich Arctic holds a substantial potential of conflict, due to territorial, geopolitical and especially economic aspects. The lack of binding legal frameworks, institutional governance and multilateral cooperation adds to the tense situation in the High North.

The importance of the region is ever rising. Russia spends a considerable amount of money in strengthening its Arctic fleet, it is to date the only country in the world in possession of nuclear-powered icebreakers and pursues to build the world’s largest of its kind by 2017. (see Reterski 2014) In 2014 United States Secretary of State John Kerry appointed the country’s first Special Representative to the Arctic, who states that “*[t]he future of America is inextricably linked to the future of the Arctic.*” (Papp Jr. 2014) Norway’s Minister of Defence, Ine Eriksen Søreide, stated in a 2014 book contribution, that the High North is a “*key priority to the Norwegian government*”. (Søreide 2014: 1) Not only Arctic nations have increased their concentration on the High North, but so have external actors. The European Union, of which three Arctic nations, Sweden, Finland and Denmark are member states, and China have expressed interest in cooperating in this area of the globe. The broader picture of the scramble for the Arctic becomes evident as a number of non-Arctic states such as France, the United Kingdom and China obtain

observer roles within the Arctic Council (AC), the organization resembling an Arctic institution the most.

1.1. Defining the Arctic and the problems

The Arctic in a broader geographical sense is the area of the earth north of the 66th parallel, the Arctic Circle, as one of the globe's two circumpolar regions, the North Pole. However, the definition just according to the parallel is not accurate, as climatic and geological aspects of the Arctic occur south of the Arctic Circle as well. In the first Arctic Human Development Report, the Arctic comprises *“all of Alaska, Canada*



Fig. 1.1. Political Map of the Arctic

North of 60°N together with Northern Quebec and Labrador, all of Greenland, the Faroe Islands and Iceland and the northernmost counties of Norway, Sweden and Finland”, as well as a number of Russian entities, for example the Murmansk Oblast. (Young/Einarsson: 17) The majority of the area is covered by water, the Arctic Sea and bordered by three continents, Europe, Asia and North America. Other than in the Antarctic region, there is no land area in the Arctic. Big parts of the Arctic Ocean are frozen throughout the entire year, while others experience melting during the summer. The increasing of the melting ice in the Arctic Sea is an important phenomenon with consequences on a global level, but even more for the region itself, which will be explained later on.

Five states border the Arctic Sea directly, which are therefore called the coastal or littoral states, the Russian Federation, Canada, the United States because of Alaska, Denmark via Greenland and Norway, including the Svalbard Archipelago. In the ongoing debate on resources, these five play pivotal roles, whereas the three non-littoral states, Sweden, Finland and Iceland assume diminished roles in the maritime conflict. However, these three states still follow considerable interests in the Arctic which renders it indispensable to include their strategies and policies, albeit these differ substantially in various points.

Between the five coastal nations, claims of territory in the Arctic Sea are distributed very unequally. Russia, as can be seen in Figure 1.2., borders roughly 50% of the Arctic Sea whereas the other 50% are shared between the other four coastal states, which hands a disproportional amount of influence to Russia. The share of claims of Arctic waters has shaped Arctic policy significantly and influences each countries approach to the region. The before mentioned disposal of a flag in the seabed in order to claim territory shows the necessity of legislation in territorial claims, which, as will be explained later, takes partially place within the framework of the UN Convention of the Law of the Seas (UNCLOS). The question rising in this regard is if UNCLOS is sufficient to resolve the boundary issues in the High North.



Fig. 1.2. Coast Lines of the Arctic Costal States

The most important fact however is climate change, through which the entire Arctic region has moved into the spotlight of International Relations. Nowhere has global warming since 1980

been as evident as in the Arctic, as figure 1.3. suggests, which has lead to a significant decrease of the amount of ice in the Arctic Sea. After a record low of ice extent in 2012, there was an increase in 2013 and 2014, still, the ice extent is significantly lower in summer as well as in winter, as figure 1.4. suggests. Climate change for itself is a fundamental issue in the ongoing debates on the High North, especially in natural sciences and technology circles that try to

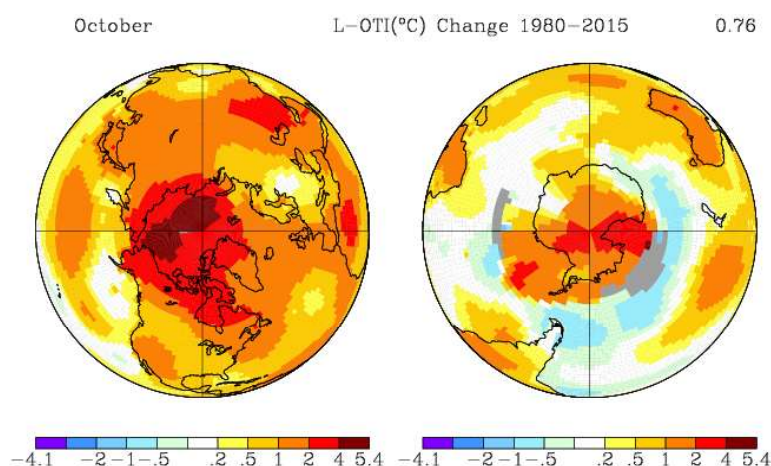


Fig. 1.3. Change of annual average temperature according to NASA-GISS

cope with the challenge that is caused by the rapid increase of temperature. Combating climate change has turned into one of the main issues on a global level, the Arctic is one of the areas where action becomes particularly necessary. “One could say that the Arctic is the world’s scientific advance warning.” (Stoltenberg, 2013) This has lead to a number of initiatives and projects to deal with climate change, the founding of the Arctic Council results of the necessity

to establish a forum within which to deal with questions regarding climate and environmental protection. Even before the Arctic Council came into existence, the Arctic Environmental Protection Strategy was signed in order to establish a common strategy.

But the rise of temperatures and the resulting decrease of ice extent in the Arctic Sea has triggered the rise of a variety of topics that have now become central for bi- und multilateral relations in the Arctic. These issues will be explained more detailed in coming chapters, but it is important to line them out briefly in order to proceed.

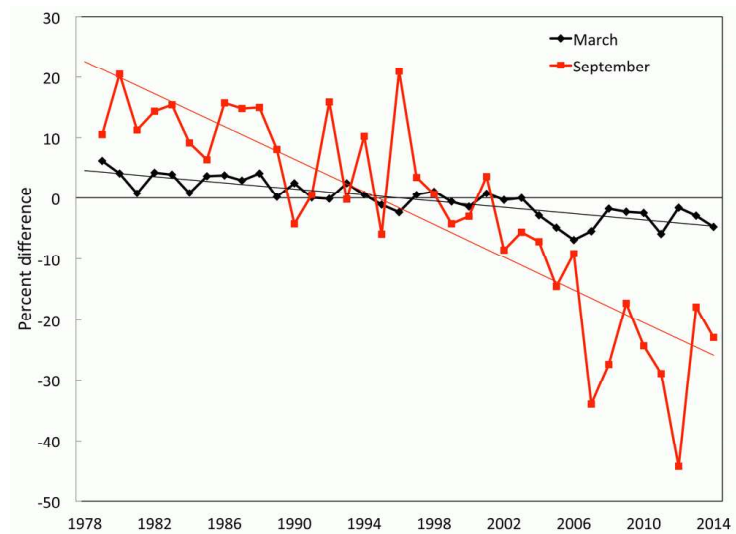


Fig. 1.4. Change of ice extent in the Arctic Sea according to the NOAA

The issue regarded as the most crucial is the massive amount of natural oil and gas in the Arctic Sea. The US Geological Survey estimated in 2009 that more than 13% of the undisclosed oil reserves and 30% of the world's natural gas reserves lie in the Arctic. (USGS 2008, Rosenbaum 2015) In times of increasing demand for oil and gas, the search for new sources determines major parts of the global energy policy. Especially for major energy exporters such as Russia and Norway, additional opportunities to produce oil and gas seem crucial to guarantee sustainable economic development. As the oil reserves are mainly found in what is considered international waters, disputes about claims of these waters arise. Here, UNCLOS plays an important role in offering a regulatory framework to handle these claims. Problematic in this context is however the fact that the United States have not ratified UNCLOS up to date and therefore do not possess the rights granted in the convention.

Another issue that is deeply linked to resource extraction is therefore the issue of sovereignty. Claims within the framework of UNCLOS often contain quests for sovereignty of certain areas and waters. Examples include the dispute around Hans Island between Denmark and Canada, the North-West Passage between the United States and Canada and the Barents Sea between Russia and Norway, where the latter has been resolved on a bilateral base through the *Treaty on Maritime Delimitation and Cooperation* in 2010. Sovereignty and resources are highly interdependent, as the right to extract natural resources is dependent on the status of the respective area of the sea, therefore states thrive to claim certain resource-rich areas as their

sovereign territory or at least as an Exclusive Economic Zone (EEZ) according to UNCLOS in order to secure extraction rights in the Arctic Sea. As an EEZ does only include the area within 200 nautical miles distant from a state's coastline, claims of the continental shelves grow increasingly important – with those claims interfering each other in various cases, as outlined before.

Additionally, the reduced ice area in the Arctic Sea opens new trade routes for shipping, as the Arctic Sea could serve as a shortcut between the Atlantic and Pacific Ocean that would be favorable for shipping companies. Two of the main shipping routes, as seen in Figure 1.5., the North-West Passage and the Northern Sea Route, cause considerable disputes concerning sovereignty. In the case of the North-West Passage, Canada claims the

Passage as its territory while the United States demand that it should be considered as international waters. The Northern Sea Route hands Russia considerable advantages in regard of international shipping, which adds to the imbalance within the Arctic.

Shipping as well as oil and gas extraction are not only results from the melting ice, but also from the advance of technology in drilling technologies and naval technology. As outlined before, especially Russia is dedicating a substantial amount in improving their ice-breaker fleet, other countries are predictably to follow. Regarding drilling technology, advances have opened possibilities for exploration of energy extraction, as Shell had planned in 2015. However, as the example of Shell reveals, the risk for an oil-spill in the Arctic remains too high and would prove disastrous for the environment, which forced Shell into abandoning their endeavors in the Arctic.

“Despite the constraints on war and collaboration alike in the Arctic today, the region is coming alive politically under the effects of climate change, resource scarcity, and geostrategic competition.” (Griffiths 2011: 6) Technology has added to the danger of a possible

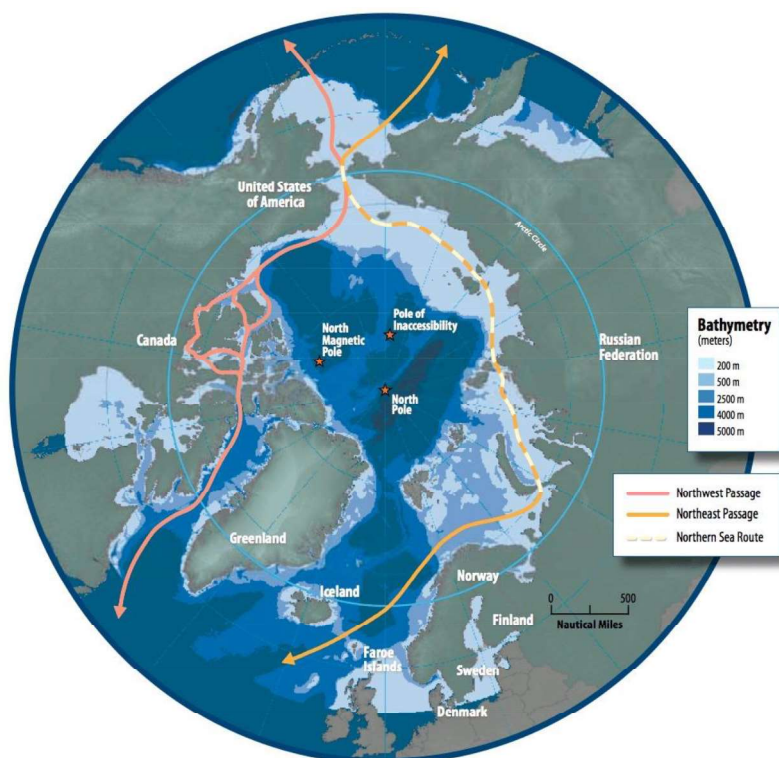


Fig. 1.5. Arctic Sea Shipping Routes that result from the melting ice

militarization, albeit this danger is estimated rather low. Arctic Security however is an important topic to be discussed, especially due to the variety of areas that contain a potential for conflict, diplomatic as well as military. This as a consequence results in the question of institutional cooperation within the Arctic to cope with the variety of challenges and guarantee cooperation and security.

Arctic security is of course shaped by its surroundings. Four out of five coastal states are NATO-members, in addition two non-coastal states are involved in NATO's Partnership for Peace program. Russia, the only non-NATO coastal state however borders more than 50% of the Arctic Sea and is the major actor in the High North. Patterns of cooperation have so far proven to be very productive, but with increasing challenges, the sufficiency of the established means is in question.

This results also partly out of the rising tensions between Russia and the West after the beginning of the crisis in Ukraine in 2014. Although experts estimate the effect of the Ukraine crisis on Arctic matters as rather low (see Klimenko, 2015)¹, the new pattern of conflict between Russia and the West has caused mistrust and fears of armed conflict. The sanctions on the Russian Federation by the West have also caused a technological backlash for Russia, as companies such as BP and Shell experience difficulties in cooperating on drilling technologies under the sanctions regime. (Rosenbaum, 2015) Still, the level of cooperative behavior remains at a high level in the Arctic, as states understand the importance of the Arctic as a conflict-free zone, which is underlined in their respective Arctic strategies.

All mentioned circumstances add to the necessity of institutionalized cooperation in certain areas, if not an all-encompassing regime in the Arctic. The institution that is assertive for Arctic cooperation is the Arctic Council, which was founded with the Ottawa Declaration in 1996. Within the Arctic Council, especially environmental matters are subject of discussion and cooperation, recently, energy and resources have inherited a more prominent role. Still, armament and security issues are not being discussed in the Arctic Council, which symbolizes a certain weakness of the institution as military questions grow increasingly important. In addition, legal documents such as UNCLOS or other documents, for example the International Maritime Organization's (IMO) Polar Code, establish a framework under which Arctic states

¹ Interview with Ekaterina Klimenko, Researcher at the Stockholm International Peace Research Institute (SIPRI), led on July 22, 2015 in Stockholm, Sweden.

are acting. Furthermore, other organizations such as the Nordic Council and also NATO are important actors.

This proves that Arctic cooperation happens on multiple levels with the lack of a clear hierarchy. The Arctic Council, supposedly the central institution for Arctic cooperation, lacks the opportunity to discuss security matters on a cooperative level. Other security organizations such as NATO or the Nordic Defense Cooperation (NORDEFCO) exclude important actors, such as Russia, in this context NATO as security actor in the Arctic possesses a certain risk for conflict in the light of the Ukraine crisis. As the United States have not ratified UNCLOS yet, it does not serve as an all-encompassing legal framework, though Presidential administrations have abided to UNCLOS despite Congress not ratifying it. (see Klimenko 2015, Houck/Xie 2015) Questions arise if and how cooperation should be deepened and intensified, and which role states and institutions would assume in a more in-depth cooperation in the Arctic. Discussions evolve around the transformation and strengthening of the Arctic Council as forum for discourse, also on security levels. Issues concerning sovereignty have handed UNCLOS an extended role, while bilateral agreements such as the *Treaty on Maritime Delimitation and Cooperation* between Russia and Norway could be regarded as a possible solution for sovereignty disputes.

In the introductory chapter, the main fields of international politics in the Arctic have been outlined, to sum up, these are sovereignty disputes, economic interests, security concerns, environmental protection and international cooperation. The following chapter will present the State of the Art of research in the respective areas and introduce the theoretical background of cooperation in international relations and the theory of Relative Gains, before proceeding to an in-depth analysis of Arctic strategies and cooperation structures.

2. Challenges in Arctic Governance – State of the Art

2.1. Sovereignty

“Given the high stakes and pace of Arctic climate change, countries that border the ocean are working to extend their sovereignty in the region.” (Borgerson 2009) The issue that stands above everything else in the Arctic is the issue of sovereignty. To exercise any form of power, be it economically, environmentally or militarily, states have to be assured of their sovereign rights or abide to international law, which may often restrain them. All issues that are subject to discussion in the Arctic, ranging from climate change to security issues, are linked to sovereignty, which renders sovereignty as the major issue of Arctic governance.

One major definition of sovereignty is offered by Grimm (2015), who notes that *“[t]he crucial phenomenon in understanding modern sovereignty [...] is the territorialization of political rule by state formation. State rule is territorially limited rule.”* (ibid.: 77) This is defined as external sovereignty, as opposed to internal sovereignty which *“[...] described the highest, final decision-making authority, which lent its holder power over others.”* (ibid.: 14) The absence of a higher power on an international level makes states sovereigns over their respective territory. Internal rule is not of significance, however, a state’s internal rule is limited to its borders. Grimm views the concept of territorialized political rule challenged by international organizations, which limit the political rule even within territories.

From a legal standpoint, sovereignty *“[...] denotes full and unchallengeable power over territory and all the persons from time to time therein.”* (Dixon 2007: 154) Sovereignty is not a state of nature, but needs to be acquired by states through different means, with one central prerequisite existing. *“The control of territory and the peaceful and effective exercise of the functions of a state therein is the primary means of acquiring title to territory in international law.”* (ibid.: 155) Peaceful in this context means that the territorial claim of a state is not contested by another state, however, if a contesteer seeks to formulate a claim over an already sovereign territory, actions of a certain nature, for instance the Use of Force, are necessary in order to challenge sovereignty. Sovereignty can also be defined via treaties, states have the opportunity to seize or even concede sovereignty over a territory. As debates around the possible independence of Greenland have risen (see Emmerson 2012: 32, Rosamond 2011: 56, Järvenpää/Ries 2011: 135), self-determination might become another concept crucial for the Arctic. According to the 1960 *United Nations General Assembly Resolution on the Granting of Independence to Colonial Territories and Peoples* self-determination has been established as a principle to claim sovereignty in a controlled territory and establish a new sovereign state.

Political as well as legal definitions of sovereignty possess important implications for the Arctic. Exercising power includes control over trade routes and especially extraction rights for natural resources, which puts sovereignty claims in the Arctic in the spotlight of debates. In addition, the fact that sovereignty disputes largely evolve in international waters adds a further legal dimension, as UNCLOS comes into play in this regard. UNCLOS offers states certain opportunities to claim territory, for instance in form of an Exclusive Economic Zone (EEZ) or an Extension of the Limits of the Continental Shelf (ELCS). In the case of maritime demarcation disputes, the International Court of Justice (ICJ) has issued judgements in some cases, for example in the Black Sea or in the Pacific between Peru and Chile. These judgements could also serve as a role-model for the Arctic, in order to establish legal demarcation lines. As mentioned in the introduction, on a bilateral base Russia and Norway have solved their border dispute in the Northern Sea.

One major contribution in the debate on Arctic sovereignty is Michael Byers monography *"Who owns the Arctic?"* (2009), which explains the issue according to a variety of examples and its effects on Arctic policy, especially from a Canadian perspective. Byers defines sovereignty related to the concept of statehood as it was defined in the 1933 Montevideo Convention on the Rights and Duties of States, states therefore are required to possess a permanent population, a defined territory, a government, and the capacity to enter into relations with other states. (see Byers 2009: 5) Sovereignty in the Arctic does not mean the creation of new territories, but the extension of the coastal states' sovereign territory. It is of utmost importance for states to claim these territories as EEZs or ELCS in order to guarantee their economic usage. When Russia planted its flag into the Lomonossov Ridge in 2007, it attempted to signify that the Ridge is extended Russian territory, as well as one of the areas where large amounts of oil and gas are assumed. However, claiming an ELCS requires scientific and geological data to verify that the seabed constitutes an extension of a state's coastline, submissions have to be made to the Commission of the Limits of the Continental Shelf (CLCS), which in consequence formulates recommendations for revisions. As of 2016, all four states in the Arctic that have ratified UNCLOS have submitted claims for the extension of their continental shelves.

Sovereignty claims also affect shipping routes in the High North, with the most famous examples being the Northwest Passage and the Northern Sea Route. Sovereignty claims in this context are not necessarily overlapping, but concern the dichotomy between internal waters and international waters. Sovereignty in this context is important from a matter of control, if these

routes were considered international waters, ships would not be required to seek for permission to navigate, as UNCLOS guarantees freedom of navigation. Internal waters could however mitigate security concerns for states. In the case of the Northwest Passage, Byers assesses as following: *“Having the Northwest Passage recognized as Canadian internal waters would help to prevent the illegal entry of people and goods into North America. Within internal waters, the full force of the coastal state’s immigration, custom and criminal laws apply [...]”* (Byers 2009: 61)

Sovereignty poses implications for security, resource extraction and trade routes. Therefore, it is helpful to start a debate on cooperation in the Arctic with the issue of sovereignty, especially given the special character of the Arctic. *“Perhaps nowhere else in the world have states been so willing to bend the fundamental tenets of sovereignty in order to achieve a level of governance in a region that defies the simple replication of standard forms of European political organization and development.”* (Steinberg/ Gerhardt/ Tasch 2012) Cooperative behavior in the regard of sovereignty has been a strong factor for a rather peaceful Arctic, such as the *Treaty on Maritime Delimitation and Cooperation* between Russia and Norway signifies. (Norway/ Russian Federation 2010) In this treaty, Russia and Norway secure their respective sovereignty in the once contested Barents Sea by stating that *“[e]ach Party shall abide by the maritime delimitation line as defined in Article 1 and shall not claim or exercise any sovereign rights or coastal State jurisdiction in maritime areas beyond this line.”* This measure fits in Grimm’s definition of territorialized political rule, as economic usage of the international seas has been demarcated by the treaty. Sovereignty according to Grimm therefore is a useful definition for territorial dispute in the Arctic, economic usage is part of political rule, therefore disputed sovereignty is about the question who possesses rule over a certain territory.

2.2. Economic usage: Resources, Trade routes and Shipping

A reasonable share of political and scientific debates in the Arctic revolve around the question of the increasing availability of natural resources, especially oil and gas resulting from the environmental and climate change happening in the High North. As outlined in the introduction, 13% of the world’s undiscovered oil reserves and 30% of the gas reserves are found in the Arctic, so there is a high interest in the states’ policies to achieve gains out of this *“gold rush”* (Borgerson 2008: 63) Haftendorn (2012: 446) sees an intersection between the availability of additional resources and trade routes to achieve easier shipping of the resources.

There is also an interdependence between resources and sovereignty issues, which fosters the strengthening of border security and territorial claims. This results from the lack of territorial

demarcation in the Arctic Sea, and the availability of the resources in disputed areas, such as the Barents Sea and the Chuckchi Sea, as figure 2.1. illustrates.

Keil (2015: 24) views three key developments as pivotal for the demand for Arctic oil and gas, the shale gas boom in the US, the falling oil prices and the economic sanctions on Russia in the wake of the Ukraine crisis, which have caused a major delay in Russia's advancement of offshore-drilling technologies, as Western companies cannot cooperate with Russia under the sanctions regime, therefore technology transfer is not possible. The dropping oil price has in addition lowered the interest of a number of private and state-owned companies to engage too deeply in Arctic oil-drilling, although states and companies remain committed to certain projects in long-term.

Of the Arctic states, Russia and Norway are particularly interested in resource extraction, as their respective economies are highly dependent on oil and gas exports. However, even with the prospect of oil and gas wealth, *"a resource-fueled race to the Arctic may not be quite as imminent, conflict-prone, or wide-ranging as some have suggested."* (Perry/ Anderson 2012: 14) Resources remain however important in the respective Arctic strategies, analysing the official positions of the states unveils that resources are the main driving force in Arctic policies.

The main question regarding Arctic oil and gas is if the costs and risks outweigh potential profits. Drilling in the Arctic contains a variety of environmental risks, such as an oil-spill, the harsh climate requires special technologies in order to achieve resource extraction. (Conley 2013: 7) A report by Shell (2011), one of the most active companies in the High North, outlines the technological developments necessary to operate in the Arctic Sea. Shell had to withdraw an Arctic drilling project in 2015 due to high costs and regulatory obstacles, as obtaining offshore leases requires a lengthy and costly bureaucratic effort. (Conley 2013: 15) In addition, the risks as outlined by Emmerson (2012: 38pp.) comprise severe effects on the Arctic environment, which also affects Arctic governance. Risk-management poses one of the central challenges of an Arctic regime.

In addition to oil and gas, shipping has turned into a vividly discussed consequence of Arctic ice melting. The increasing availability of open sea routes that serve as shortcuts, compared to e.g. the Suez Canal makes the Arctic attractive not only to Arctic nations, but also to external actors, especially Asian states. (see Conley 2012: 8) A potential for conflict in this context poses the interpretation of the Freedom of Navigation and Transit Passage as stated in Article 38 of UNCLOS. In this context, the issue of sovereignty influences economic advantages, as sovereignty claims of certain sea routes are often contested. (Perry/ Andersen 2012: 9)

Treadwell (2015) sees a necessity for a shipping regime in the Arctic to resolve sovereignty disputes and contesting of the Freedom of Navigation.

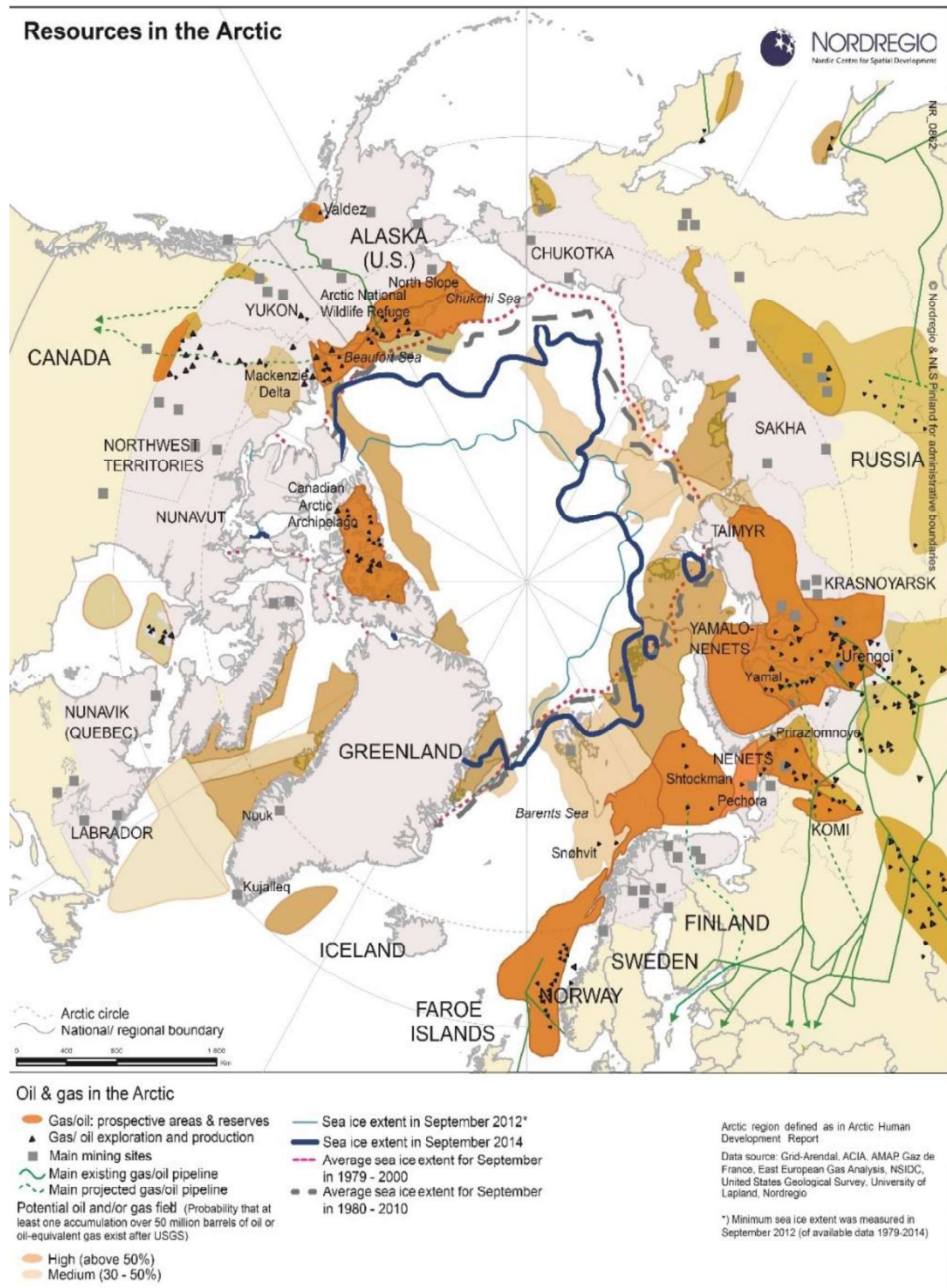


Fig. 2.1. Oil and gas reserves in the Arctic

2.3. Security

“Security in an Arctic context is about more than military capability. Although Russia has announced investments of hundreds of millions of dollars in militarizing the Arctic, the likelihood of major military confrontation in the region will remain low.” (Roughead 2015)

Security in the Arctic happens on different levels, and comprises traditional challenges, just as the question of military capacities as well as non-traditional security issues. (see Zysk 2011: 102) Due to technological obstacles, such as the non-availability of satellite surveillance in the High North as well as Human Security issues, such as climate change in regard of the native inhabitants, Arctic security poses complex challenges to the states to deal with. Järvenpää/Ries (2011: 132-136) describe multiple strategic consequences of Arctic security. First, economic activities will have impact on the ecological system and endanger ecological risks, such as oil spills. Secondly, on a global level, Arctic states could emerge economically stronger by the revenues of the natural resources, while for local populations, living conditions will change dramatically. The third consequence according Järvenpää/Ries is the impact on global power politics. This will take place in three dimensions, the political dimension describes the debates on sovereignty that have been discussed before, conflicting sovereignty claims are regarded as a risk to security. The second dimension comprises the management and protection of the Arctic ecology, where clashes between protection of the environment against national interests, such as the exploitation of resources, could arise.

The third dimension, the military dimension, requires an in-depth analysis, as according to Huebert (2010: 17), military security takes an increasingly important role. In this context, the subject of investigation is to what extent coastal states include the military to follow their interests in the Arctic – in regard of sovereignty or economic interests. As Järvenpää/Ries state, only two states have installed serious military capabilities in the Arctic, those two being Russia and Norway. Especially Russia follows a rapid build-up of its military forces in the High North, with the only large-scale ice-breaker fleet operating. Russia’s fleet consists of forty ships, including four nuclear-powered ice-breakers, and eleven more vessels should be added in the future. (see Reterski 2014) Konyshv/Sergunin (2014a: 332) however state *“[...] that Russian ambitions in the Arctic region may be high, but they are still far from being realized and they are not necessarily implying the intentions and proper capabilities to confront other regional players by military means.”* In the case of Russia, as well as the United States, strategic nuclear policy comes into play in the Arctic as a lasting resulting from the Cold War. Long-range bombers, strategic nuclear submarines and ground- as well as sea-launched ballistic missiles

resulted in a military build-up between the United States and the USSR in the Cold War era. While since the end of the Cold War, the significance of the concept of nuclear deterrence in the High North has decreased, rising tensions between the US and Russia could contribute to a re-ignition of an arms race. (see Järvenpää/ Ries 2011: 135p.) Wezeman (2012) offers a detailed assessment of military capabilities of the Arctic coastal states. However, he interprets the military build-up not as a result of an increasing perception of threats, but as a general phenomenon. The extent of conventional military forces will remain on a low level due to the climatic surroundings. Still, Wezeman describes a certain potential for tensions, as sovereignty claims are backed up by military build-ups, therefore, Arctic cooperation on a security level grows increasingly important. (Wezeman 2012: 14)

In order to describe security cooperation in the Arctic it is necessary not only to assess the military forces of the coastal states, but follow a more holistic approach to explain the motives of a state's security policy and which other topics it comprises. Depledge (2015) describes the various influences on the respective states Arctic security policy. In the Arctic Strategies of every Arctic state, which will be investigated later, security plays an eminent role, together with environmental and economic issues. Often, these issues influence the military policies in the High North, but the strategic agenda usually results from a Grand Strategy. As Depledge (2015: 61) describes, Canada for example has put the focus on protecting its sovereignty, therefore, Canada's military forces in the Arctic comprise mainly surveillance systems, air interception and patrol forces. Norway's Arctic policy has been shaped by the relations between Oslo and Moscow, as well as sovereignty issues. Norway has riveted its attention strongly to the Arctic, its military headquarters were moved to Bodø, a city north of the Arctic Circle. Modernization of the military forces has played an additional role for Norway's defence policy in the Arctic. Denmark follows a similar Arctic policy as Norway does, however to a lesser military extent. For the United States however, global security issues are of great importance. Contrary to the other coastal states, the United States have interpreted the Arctic less than an own region than part of a global security architecture, which causes the question if the US is a "*reluctant Arctic power*". (Huebert 2009, Hart et. al., 2012: 4) This question will be the focus of the analysis of the United States' Arctic policy in this thesis.

Global security has also played an important role for Russian security policy in the Arctic as well, however, the region has been much more of a pivot for the Russian Federation than for the United States. Russia can be described as "*perhaps the greatest Arctic power*" (Roi 2010: 551), militarily and politically, "[d]espite the considerable attention given to the development

of the Arctic by the Russian leadership, notably by Putin himself, progress in achieving Russia's goals in the Arctic has been slow." (Klimenko 2014: 1) Klimenko (ibid.) describes economic motives as the driving force in Russia's Arctic strategy – security works as a mean of economic preponderance.

Before assessing the influence of economic and security topics on cooperation in the Arctic, it is important to briefly outline two security issues that extend the definition of security in the military sense, environmental security and human security. Brown (1989) describes climate change as a paradigm change for security policy and strategic studies. Barnett (2001) explains the impact of climate change on national security as an economic consequence, taking the costs caused by climate change into account. In addition, Barnett/Adger (2007) assess the implications of climate change on human security. Human security is affected negatively by climate change as resource scarcity, such as water scarcity, is a result of global warming.

The concept of human security has been defined by the United Nations Development Program in the 1994 Human Development Report as follows. *"Human security is people-centred. It is concerned with how people live and breathe in a society, how freely they exercise their many choices, how much access they have to market and social opportunities – and whether they live in conflict or in peace."* (UNDP 1994: 23) Human security therefore does not comprise issues such as sovereignty, territorial disputes, military threats and resource extraction, but seven categories as defined by the UNDP (1994: 24p.), which are economic-, environmental-, food-, health-, personal-, community-, and political security. Barnett/Adger (2007: 651) describe the impact of human security as follows. *"Yet, because the actual or perceived insecurity of people due to a wide range of processes including livelihood contraction is a factor in many violent conflicts, human insecurity caused in part by climate change may in turn lead to more conventional security problems."* Nicol/Heininen (2014) link the issue of human security to Arctic cooperation, as issues of health, environment, food and economic circumstances have affected native Arctic population. Bailes (2015: 74) proposes a *"multi-functional approach"* to Arctic security in order to cope with human security issues and transform military security issues into a wider security angle. Therefore, the thesis will include the question, how environmental and human security shape Arctic security cooperation and influence military and territorial security issues. Especially environmental security is important in this regard, as it is one of the most salient issues in the High North. Human security also comprises the protection of indigenous people, however this aspect will only assume a minor role in this thesis.

2.4. Environment

As discussed in the introduction, environmental change is of central meaning for the present and the future in the High North. The Arctic is a complex biological system, environmental protection therefore a central aim of states operating in the region. In addition, states recognize the challenges that derive through the extreme climatic conditions, Conley (2012: 9) gives the example of the unavailability of satellite imagery as example for technologies not operating due to the extreme conditions.

Hart et al. (2012: 17) acknowledge that the race for the Arctic is only *existing* “*due to the global threat from climate change. Environmental risks are likely to intensify, possibly rapidly, with impacts on global, rather than a regional scale.*” Handling of the environmental challenges on first glance seems like the most crucial policy area in the Arctic, an assumption that is supported by the fact that the Arctic Council as the region’s main cooperation body came into existence due to an environmental protection program. Protecting the environment is one of the central issues of all Arctic states. (Heininen 2012: 36)

Environmental issues are a central consideration in providing human security, achieving environmental security therefore becomes important in order to guarantee stability and prosperity for the region. Bailes (2015: 70) describes two aspects of environmental security, protecting the natural environment and protecting human from extreme climate conditions. This especially includes the indigenous population into the process of achieving environmental security, as global warming threatens the indigenous lifestyle drastically. Bailes (2015: 71) also describes a variety of issues that could deteriorate environmental security in the Arctic. Among these are nuclear pollution, transport accidents as a consequence of changing sea levels and particularly oil spills. The unique environment of the Arctic would render a possible spill fatal. “*Serious questions remain as to whether companies and public authorities are sufficiently prepared and equipped to prevent, respond to, contain, or clean up an oil spill in icy waters.*” (Conley 2013: 7)

As environmental changes and challenges affect all Arctic nations equally and likewise, the entire planet, potential for cooperation in this issue are is higher than in other ones. The global dimension of the Arctic transformation, for example rising sea levels, turns the Arctic into an environmentally crucial area for the planet. In this field, especially science cooperation could serve as measure to overcome the challenges ad obstacles, as advancements in drilling technology, climate science and environmental protection are more likely to occur as a product of cooperation and are crucial to all states in the High North.

2.5. The theoretical background

Cooperation has always posed one of the central issues in international relations. Even before International Relations theories such as Realism and Institutionalism dealt with cooperation in international politics, institutions were widely debated. One prime example would be the League of Nations, which was embraced by then-U.S. President Woodrow Wilson. For Wilson, states entering cooperation would be the major prevention of war.

“They enter into a solemn promise to one another that they will never use their power against one another for aggression; that they never will impair the territorial integrity of a neighbour; that they never will interfere with the political independence of a neighbour; that they will abide by the principle that great populations are entitled to determine their own destiny and that they will not interfere with that destiny; and that no matter what differences arise amongst them they will never resort to war [...]”
(Wilson 1919)

Albeit sceptical that cooperation would serve to sustain peace and that states would be willing to give up their interests for cooperation, central Realist theorists such as Morgenthau (1948) and Waltz (1959, 1979) describe cooperative patterns. While Realism rests on the notion that states want to increase their power or guarantee their security, and those objectives are only completed by unilateral actions, Morgenthau (1948: 201) describes the possibility of alliances in order to jointly extend influence and achieve security against rivals. Waltz (1959: 159) views the anarchic structure of the international system as opportunity that states enter some sort of social contract.

Institutionalists on the other hand embrace cooperation and describe states as thriving for collaboration and institutions. For example, Keohane (1984) views cooperation as the major route in order to achieve objectives, albeit he admits that cooperation often derives from conflictual situations, as do other scholars. (Stein 1982, Lipson 1984, Axelrod/Keohane 1985, Jervis 1982) Institutionalism revolves around gains states achieve out of cooperation. The central debate of the theory is if states achieve more gains if they act unilaterally or cooperative.

The notion of gains however drew critique from Realist scholars, especially Grieco (1988). Realist critics of absolute gains assess that states do not only care for their own gains, but also for the gains of other states. They argue that if one state surpasses another one in terms of absolute gains, the other state begins to fear for its position in the international system, it might perceive its power or security as threatened. Therefore, states do not only try to achieve gains, but their endeavors are gaining more than other states, introducing the theory of Relative Gains.

Grieco (1988) argues, that this form of gains impedes cooperation, as in cooperation, one state always gains less and therefore would suffer from positional losses, which it is unlikely to accept.

As cooperation in the Arctic has not been discussed with the theoretical background of Relative Gains yet, the application of this theory is the distinct feature of this thesis. The theory of Relative Gains should help highlighting the challenges and obstacles cooperation in the Arctic faces. It should assess if states are predominantly concerned by positional losses or by absolute gains, regardless of what other states gain. Therefore, this thesis will start by explaining cooperation in Realism and Institutionalism before describing the issue of Relative Gains in detail.

2.6. Research questions and method

This thesis will explore the current and future state of Arctic cooperation. Topics will evolve around economic, security and environmental challenges. Of special importance in this regard is the changing role and transformation process of the Arctic council, however the approach followed in this thesis is more holistic, comprising institutions like the Nordic Council and NATO as well as a special focus on the impact of UNCLOS. With the theory of Relative Gains as background, the thesis will attempt to answer two main research questions.

- ***Are states' Arctic policies influenced by the endeavor to achieve relative gains?***
- ***Does the concern about relative gains impede stronger and deeper cooperation?***

Investigation will base on the profits and gains states can achieve through cooperation and on the dichotomy between unilateral acting and multilateral cooperation. In this context, it is crucial to investigate if gains strengthen cooperation rather than impeding it.

The thesis will follow the theoretical approach of institutions in International Relations theory, reaching from Classical Realism over Neorealism to Institutionalism and Regime Theory. Within these theories, the need and formation of institutions will be investigated. In addition, the theory of Relative Gains will be applied to seek the motives states pursue when entering a state of cooperation and if the motives are driven by the endeavor to gain more out of cooperation than other states do. This also causes the question, if relative gains pose an obstacle to institutional cooperation. One of the two main questions for thesis therefore is which role institutions obtain in different sectors of Arctic governance, how the different legal and institutional frameworks can be subsumed in the broader field of Arctic cooperation and how cooperation can be made more functional. The second question will be if the thrive for relative

gains is visible in the respective state's Arctic policies, where differences are to be found, and if relative gains dominate Arctic policies, if they impend further and deeper cooperation. The main tool of research will be the official Arctic strategy papers of the respective states and a research on the policies of states in accordance with the institutional and legal framework. Finally, the findings will be summed up and possible transformation processes of Arctic governance will be discussed.

Central for the analysis of these questions are official documents and strategies issued by the Arctic states, as well as legal documents such as UNCLOS or documents by international institutions. With all the documents, a qualitative content analysis will be conducted. The important topics in the High North, sovereignty, economy and resources, security and environment will serve as the categories along which the documents will be analyzed. The theoretical background will be applied on these categories separately, interdependence between categories however will not be included, as this would inherently change the approach of this thesis. In addition, cooperation within various institutions will be an own category, with the institutions that will be explained later serving as subcategories. This should help in distinguishing different interests in different fields, probably highlighting a stronger desire for cooperation in certain issues or in the framework. In addition, already existing studies will be included in order to improve the analysis

3. The need for cooperation and regimes in Theories of International Relations

3.1. Realism

3.1.1. Alliances in classical Realism: Morgenthau's approach

The pattern of potential conflict that is existent in the Arctic can be interpreted as anarchic, taking the bigger picture into account. As mentioned, a binding legal framework is only partially existent and cooperation at a security level is a necessity, though a significant challenge. The central question regarding this matter is if the Arctic nations aspire assured security rather than maintaining their power and as a consequence, their access to resources. In the following chapter, the risk for conflict in the Arctic shall be viewed in images between power and security, determined by mainly realist theories. Subsequently, the demand and necessity for organizations and regimes shall be determined and applied to the Arctic picture. These factors will be explained through institutionalist theories, especially the Regime theory

A viable starting point for the theoretical analysis of Realism's view on conflict is Morgenthau's concept of the "*balance of power*", which he describes as "*not only inevitable but [...] an essential stabilizing factor in a society of sovereign nations*". (Morgenthau 1948: 187) In this balance, stability should be achieved through an equilibrium of possibilities to exercise power, Morgenthau describes the system as highly adaptable, outside shocks either lead to a new balance of power or the former equilibrium is restored. He expresses two main assumptions about the concept, one being the fact of the necessity of a balance of the elements within a system, the second being that an equilibrium prevents one part from dominating and attempting to ascend above the other parts. This also leads to a preservation of the plurality of parts within the system.

The balance of power, according to Morgenthau, occurs in two patterns. One way nations can come into conflict is the pattern of direct opposition. In this pattern, one nation attempts to gain ascendancy above another, while the other nation opposes to this effort and might counter it with trying to achieve influence itself. In this regard, Morgenthau views the balance of power as a viable tool to maintain stability, as the expansive policy of one nation is countered by the other one, which consequently leads to another counter movement. Therefore, an equilibrium emerges, albeit the stability seems endangered. However, by achieving a balance of power in a pattern of direct opposition, the liberty of nations is preserved and protected from imperialistic ambitions of hostile nations.

The second pattern, the pattern of competition, describes the same function as the pattern of direct opposition, however applied to the existence of a third, smaller nation over which the two

more powerful, opposing nations thrive to exercise influence. The third nation, in this pattern, serves as an instrument that determines the struggle for power between the bigger nations. For smaller nations, Morgenthau states, the balance of power has always been vital in securing their respective freedom. (see Morgenthau 1948: 196)

Morgenthau himself describes the importance of alliances, albeit in a competitive manner, where instead of nations, alliances of nations stand in conflict to each other. *“The historically most important manifestation of power, however, is to be found not in the equilibrium of two isolated nations but in the relations between one nation or alliance of nations and another alliance.”* (Morgenthau 1948: 201) The formation of alliances is driven by the motive to maintain their power position. The driving force behind alliance building is adding the power of other nations to one’s own power in order to strengthen the position of the nation. By including others, they detain those nations to strengthen the adversary. Morgenthau defines that as *“a policy of alliances”*. (ibid.) Within alliances, interests are clearly defined and precise, therefore as well limited, as they serve as a common denominator for nations aspiring to form an alliance.

According to Morgenthau, cooperation does not necessarily require a legal framework to operate within, this need only occurs in case of diverging and unclear interests in the alliance. Different natures of interests and policies can lead to different forms of alliances. Morgenthau describes especially great powers as profiteers of alliances, as smaller states have more concerns about their sovereignty and their territorial integrity. Contrary, there is the possibility that weaker nations possess one asset, which is of great significance for a great power, which changes the distribution of power within an alliance.

Deriving from the concept of alliances is the existence of counteralliances. *“The opposition of two alliances [...] is the most frequent configuration within a balance-of-power system.”* (Morgenthau 1948: 209) This results from a transformation of the patterns of conflict, especially as the concept of the balance of power expanded to a global level rather than remaining applicable only to Europe. Morgenthau regards the First World War as the peak of this development, as all nations engaging in the war were members of the two respective alliances. Counteralliances attempt mainly to defend their independence against the opposing coalition, but also to pursue their own imperialistic ambitions.

Within this balance of power between alliances, there are not only the opposing alliances, but additionally there are nations whose objective is to maintain the balance of power, therefore those are serving as the *“balancers”*. (Morgenthau 1948: 213) These have no ideological or

practical affection to the goals of any alliance, their only interest is securing the balance. As a consequence, these nations do not become permanent friends or enemies, they “[...] *may become in a relatively short span of history consecutively the friend and foe of all major powers [...]*” (ibid.: 214) The balancers therefore find themselves in a unique position that Morgenthau defines as “*splendid isolation*”. (ibid.) Their policies decide in which way the balance of power develops, depending on their willingness to cooperate with one respective alliance, which can be regarded as a key-position within the balance of power. This position, naturally, has an effect on the conduct of the foreign policy of such a balancer, using his power as preserver of the balance of power. Its price to join an alliance is set much higher, as it plays a crucial role for the alliance that seeks to convince the balancer to join. The conditions comprise policies in favor of the balance of power, in favor of the balancer or policies that support peace settlements.

3.1.2. *Neo-Realism and Waltz’ three images of international conflict*

In his major work “Men, the State and War” Kenneth Waltz describes three images of international conflict that are valid to describe approaches from states towards potential conflict in the Arctic and assist in assessing the possibilities for institutional cooperation in the High North. The images of international conflict describe certain aspects how conflict arises and how resolutions can be reached.

The first image describes the connection between international conflict and human behavior. Waltz states, that the causes of war lie deep within human conduct and therefore, war can only be obliterated if mankind changes. “*The evilness of man, or their improper behavior, leads to war; individual goodness, if it could be universalized, would mean peace: this is a summary statement of the first image*” (Waltz 1959: 39) According to Waltz, the facet of human personality, that fosters war the strongest is the characteristic of selfishness. In the image of conflict and human behavior, Waltz distinguishes two approaches, an optimistic one and a pessimistic one. Optimists, according to Waltz, believe in a harmonious, good society consisting of good human beings thriving to achieve a better world. Pessimists, on the other hand, doubt the positive long-term development of society, as interfering negative human characteristics build an obstacle mankind is unable to overcome.

Waltz however turns to criticize this pessimistic approach as in his point of view evidence is not sufficient that humans are vicious individuals in their nature, as individual misconduct does not ascertain conclusions on the entirety of mankind. Furthermore, he describes the difficulty of deriving political assessments from individual observations of human behavior, especially from human nature, it should rather be investigated which factors influence human actions.

The first image of conflict concludes with the assessment that social and political institutions could serve as correction in human behavior. However, Waltz criticizes the optimistic view that institutions rely more on a spiritual than on a material base. The pessimist approach in contrast allows the assumption, that rampant human conduct can be controlled by institutional agreements, which serves as useful conclusion for assessing the need of a regime out of human demeanor.

Waltz' second image of conflict focuses primarily on the structure of states and its influence on international conflicts. The internal structure of states exceeds the influence of human behavior, states use war not only to promote the internal unity of themselves, but also to solve internal unrest and defects. *"The state plagued by internal strife may then, instead of waiting for the accidental attack, seek the war that will bring internal peace."* (Waltz 1959: 81) The solution in the second image to achieve perpetual peace therefore is resolving internal deficits of states. In this perspective, Waltz follows a very positive image, however he states the problem of defining the ideal state, as a Marxist perception of ideal differs from a liberal, Kantian view or a Hobbesian view.

The focus of Waltz' work lies mainly on the liberal theory of states, he assesses, that according to Hobbes, *"[f]inding life in a state of nature impossible, men turn to the state to find the security collectively that they are incapable of finding individually."* (Waltz 1959: 85) As the international sphere, according to realist theories, is anarchic in a Hobbesian sense, if states acted like individuals, they would unify under some sort of world government that ensures them their security.

Hobbes follows a rather absolutistic way of argumentation, therefore liberal theory of the state is more accurate to apply the image of states to the international system. Waltz defines three variables in domestic politics, the individual, the society and the state itself. These three variables are put in a relation where the individual and the society influence the extent of functions of a state. The main question therefore is how a system can effectively run in order to achieve liberty and prosperity. Waltz additionally sees a difference between classical liberal theory, formulated by Adam Smith, and utilitarian theory, formulated by John Stuart Mill. Both liberal approaches seek to limit government influence, however for varying motives. While Smith and liberals see the reason for government limitation in their optimistic assessment of the human character, Mill and Utilitarians follow the approach of efficiency.

In conclusion, the second describes the effects of the liberal state on international relations. It offers *"[...] a patterning of liberal thought, moving internally from laissez-faire liberalism to liberal*

revisionism, externally from reliance upon improvement within the separate states to acceptance of the need for organization among them. But the type of organization envisioned was insufficiently equipped to accomplish its objectives” (Waltz 1959: 120) Waltz sees this statement proven by the fact, that also democracies led war, he criticizes liberal thought for its insufficiency to agree what a “good” democracy is.

The third image, opposite to the second, attempts to assess international conflict in a system of international anarchy.

“With many sovereign states, with no system of law enforceable among them, with each state judging its grievances and ambitions according to the dictates of its own reason or desire – conflict, sometimes leading to war, is bound to occur. To achieve a favorable outcome from such conflict a state has to rely on its own devices, the relative efficiency of which must be its constant concern.” (Waltz 1959: 159)

Waltz defines this system by main assumptions, that there is a relation between the perception of a state’s position within the international system and that the danger posed by a too strong affection to another state. *“In anarchy there is no automatic harmony.”* (ibid.: 160) If the benefits of war outweigh the profits of peace, state will take action and implement policies that are profitable for them. Due to the unpredictable nature of governments, all states in the international system have to be ready to counter an attack at all times. This raises the general skepticism within a system of international anarchy which is comparable to the Hobbesian state of nature.

According to Waltz, Rousseau raises three questions, one being, that if the state of nature is more likely to guarantee peace, why humans formed societies, the second being why conflict arises in social situations and the third being how control of conflict can be explained through its cause. As Rousseau further argues on this questions in his main work *“Du contrat social”*, the third image can be interpreted as the functioning of a social contract in the international sphere.

Social contracts picture a form of cooperation, albeit under certain circumstances. In a system of anarchy, cooperation is not a guarantee to rely on others, even if the goals are pursued by everyone equally. Acting rational in terms of anarchy means reliance on rational action by all those affected, not only by oneself. Cooperation therefore can only occur between perfectly rational actors, and irrationality is viewed as a deviation of human behavior, therefore a reference to the first image. Waltz assesses the influence of human actions on international relations as follows.

For international relations, the state of nature should be applied within which nation states act as individuals. States can be regarded as units as a byproduct of nationalism, which generates a sort of common sense in form of loyalty and allegiance, which gives the state the possibility to act as a unity. *“If we have a state, we have a foreign policy, and in foreign policy the state must on occasion speak with a single voice.”* (Waltz 1959: 179) Unity also derives from altercations and antagonisms with other states that lead to a more aggressive, war-prone foreign policy. War can serve as a viable mean to solidify a nation inside.

Social contact theory in international relations would influence two aspects, states would have to accept a common superior and give up their particular interests. Given the lack of a superior authority, these two issues are regarded as the cause for conflict, therefore, war is in fact inevitable. Waltz proposes two solutions for the problem of anarchy in the international system, either to establish a mechanism of control between the states or to alter the nature of the state to make it a perfect state which would further obliterate particular interests. For ensuing institutionalist perspectives, especially the first solution offers a realist argument for institutions, as they cannot necessarily establish control over all states, but can at least solve regional conflict, such as the Arctic, whereas the second solution proves to be dysfunctional in the Arctic, as no state would be willing to give up economic opportunities from a rational standpoint.

“The late state of nature is necessarily a state of war. The nations of Europe are precisely in that stage.” (Waltz 1959: 184) The state which Waltz described Europe being in in the late 1950s applies to many regions of the contemporary world, including the Arctic. Attempts have been made to install regulatory bodies, systems of checks and balances and forums to strengthen cooperation, nevertheless, conflict seems imminent. These solutions remind of what Kant describes as a voluntary federation, an idea Rousseau frantically rejects. He instead proposes a federal government where individuals stand under the authority of the law. Social contracts in international relations could therefore lead to legal regimes states have to adhere to.

Summarized, Waltz three images for conflict offer different bases for the debate on the necessity and demands for political institutions and regimes in the international system. Based on these approaches, institutionalist theories can be developed to further describe advantages and functions of institutions and regimes. Realist theory in this context is necessary to explain, why states do not always act cooperative and try to pursue national interests within institutions. This will later lead to the assessment of gain-seeking policies within institutions and the derivation of the Relative Gains theory as realist critique on institutionalist thought. Before, it

is however important to explain the elements of realist thought that resemble institutionalism the most, the concepts of Collective Security by Morgenthau and Political Structures by Waltz.

3.1.3. The concepts of Political Structures and Collective Security in Realism

As the thesis will focus on the question of institutions and regimes, it is crucial to define the concepts of realism that serve as prerequisites for Institutionalism and Regime Theory. These two concepts comprise Waltz' Political Structures and Morgenthau's Collective Security and the development of the latter by Kupchan/Kupchan in a more institutionalist direction. Based on these concepts, the link between Realism and Regime theory shall be established.

According to Waltz, (1979: 79) “[a] system is composed of a structures and interacting unit.” The structure of a system has to be looked at separated from the characteristics of its respective to units in order to understand the different influencing factors for a structure and its units respectively. Therefore, the structure of a system ignores aspects like social or economic interests of the respective units, nor does it consider their different behavior. This subsequently means that the arrangement of structures is not the matter of the interacting units, but of the system. Structures are defined by the arrangement of their units, and can only change if the arrangement is changed, but not the units. However, a change of units usually causes a structural change. Waltz however abstracts from the individual interests and defines a structure solely based on the way of interaction between the consisting parts.

“Structure is not a collection of political institutions but rather the arrangement of them.” (ibid.: 81) Therefore, it is important to investigate how structures are arranged, which ordering principle they follow. Waltz refers to domestic politics in order to explain political structures and orders. Domestic orders are, according to Waltz, always hierarchically ordered, but are not only defined by the relations of the units, but also by their respective relative capabilities and the changes thereof. This offers also an interesting link to the Relative Gains theory, as a unit could take a stronger role within a structure if it gains power, and this relatively more than the other units. So a political structure is defines by the ordering of its units, by their functions and by their relations to each other. For an international institution, in short, this means that it is not of importance which states are members, but how these states interact, given that one could view an international institution as a political structure

Waltz subsequently transforms these aspects of national political orders to the international system. Contrary to the hierarchic order on a national level, the international system is widely viewed as anarchic, there are no clear structures of relative power. Waltz therefore refers to

micro-economic theory and applies it to international relations. “*Microeconomic theory describes how an order is spontaneously formed from the self-interested acts and actions of individual units[...]*” (Waltz 1979: 89) Units, in an economic sense, always act rational, which is an important assumption in the theory of structures. These units interact within markets, which do not necessarily symbolize a structure, but as a mean to fulfil the particular interests of the respective units. The structure of a market, however, poses constraints to all participating actors, as every unit seeking for its own interest may hinder others to follow their goals. Market forces are therefore driven by the pursuit of gains – if political institutions are seen as structures, gains are inherent to those.

Similar to markets, political systems on an international level derive from interaction of self-determined units, mostly states. States operating in structures attempt to avoid obstacles in reaching their interests, the international system is comparable to an unregulated market. Interests of states are rather assumed than described, so the majority of international interaction bases on respective assumptions.

International institutions are not necessarily political structures, but a linkage can be found between the national and international nature of these structures. States within institutions usually follow akin interests and obtain similar functions, but institutional structures are often at least somewhat hierarchic and usually follow agreements that resemble constitutions. The concept of political structures is however of utmost importance for the theory of gains within institutions, as units within international structures thrive to achieve their goals and interests. Structures can serve as a base to understand the functions of institutions, which in consequence, as well become units within the international system.

Morgenthau’s concept of Collective Security is the element of realism which resembles the closest to an institution or a regime, in fact, Collective Security serves as a prerequisite for any security regime. The concept shifts the security interest from being national to being international, or as Morgenthau phrases it, “*collective*”. Under Collective Security, nations do not only strive to preserve their own security, but the security of any other state, as any threat to the security of an individual nation state poses a threat to the collective of states. Therefore, individual states attempt to secure any other nation from conflict which makes Collective Security a viable mean to prevent war. According to Morgenthau, three prerequisites have to be fulfilled in order that a system works under Collective Security, the first one being that the collective of states ought to present a certain level of strength and power that no aggressor from outside would try to destabilize one state within this collective. The second prerequisite is a

mutual understanding of the concept of security, and resulting from that, the third one demands the nations to subordinate their policies to the common good of collective defence and security. (see Morgenthau 1948: 452)

Collective Security however has been developed, as Kupchan/Kupchan (1991) propose a system of Collective Security for Europe after the end of the Cold War, they redefine Morgenthau's concept. According to them, Collective Security is based on an "*all against one*" principle, where every country's foreign policy is determined by the protection of the collective security organization against an aggressor. "[...] *[A] collective security organization, by institutionalizing the notion of all against one, contributes to the creation of an international setting in which stability emerges through cooperation rather than through competition.*" (Kupchan/Kupchan 1991: 118) The importance lies within collective interests, as collective security organizations depend strongly on the abolition of rivalries and power-politics. In contrary, Kupchan/Kupchan define the concept of a concert as a variation of a collective security institution, in which interests are diverse and only great powers are involved in decision-making processes and negotiations. Decisions are not binding and happen exclusively on a consensual base. (ibid. 120).

In order to set up a functioning collective security organization, according to Kupchan/Kupchan there are three preconditions which have to be existent. Firstly, there can be no state in the international system that is so powerful, that no alliance could hinder it conducting its power politics and counter its possible aggressions. Any state has to be vulnerable by international measures. Secondly, accordance in the view how a stable global order shall be achieved and how the international system should function is absolutely necessary, revisionism and power motives pose obstacles in order to achieve collective security. And thirdly, as a consequence of the congruency in perspectives on the international order, there is a necessity for moral accordance and the desire to protect the values of the international community. (see Kupchan/Kupchan 1991: 124)

Another aspect that results from collective security is an amelioration of the security dilemma. That happens, according to Kupchan/Kupchan, in four ways. The already mentioned promotion of cooperation strengthens diplomatic bonds between states, therefore reduces fears and changes expectations. In consequence, this also results in a reduced motivation for states to prove determination to deter possible adversaries, opposed to the concept of balancing that occurs under anarchy. "*Given that reassurance and mutual assistance are the key instruments that foster cohesion under collective security, states worrying about strengthening deterrence*

will seek to develop a reputation for cooperation and self-sacrifice, not intransigence.” (Kupchan/Kupchan 1991: 135) Another advantage of Collective Security regarding the security dilemma is the augmented level of information, which prevents unintended consequences deriving from misperceptions. In addition, states reduce their military capacity to predominantly defensive abilities, as the incentives for offensive military action are strongly reduced under Collective Security.

The concept of collective security, especially as Kupchan/Kupchan describe it, serves as a link between Realism and Institutionalism. Collective Security Organizations are the basic form of institutional cooperation, deriving out of security motives. Further motives for cooperation will be assessed in the following chapter, Collective Security is a starting point to assess the demand for regimes and why states engage in liaisons.

To conclude, even though Realism stresses the national interests of states and, especially in the interpretation of Morgenthau, even opposes cooperation, a number of cooperative patterns can be found within realist theory. In addition, taking into account the application of the Relative Gains theory at a later point, Realism can interpret the Arctic as an area of conflicting interests that render cooperation complicated.

3.2. Institutionalism and Regime Theory

To understand how regimes form in the international system, the concept of interdependence serves as a viable starting point. As defined by Keohane/Nye (1977: 8), interdependence means “*mutual dependence*” with dependence meaning “[...] *a state of being determined or significantly affected by external forces.*” The importance of interdependence in international cooperation derives from the fact that regimes are constructions of international interdependence, or as Keohane/Nye (ibid.: 19) formulate it, “*governing arrangements that affect relationships of interdependence*”. Lipson (1984: 80) points out the importance of interdependence in establishing cooperation, as cooperation reduces the uncertainties of independent actors making interdependent decisions. Regimes can therefore also be seen as instruments of governance of interdependent actions, so these actions do not cause undesired outcomes for actors involved in the regime. “*Relationships of power and dependence in world politics will therefore be important determinants of the characteristics of international regimes.*” (Keohane 1982: 330) Interdependence comprises all acts carried out by states that influence circumstances and therefore the behavior of other states. Keohane (1982: 333) therefore sees regimes as one mean to reduce uncertainties and risk for conflict, cooperation is crucial to mitigate the negative effects of interdependence.

A majority of liberal institutionalists base their analyses of cooperation on game theory, especially including the Prisoner's Dilemma (Stein 1982, Lipson 1984, Axlerod/Keohane 1985, Jervis 1982) As Lipson (1984: 61p.) defines the Prisoner's Dilemma, it is a two-players game, which confronts each player with a situation of different gains, depending if they are willing to cooperate with each other, however, they do not know the decision of the opposite player. The outcome of the game suggests, that defection from cooperation causes higher opportunity costs than cooperating. Therefore, the Prisoner's Dilemma seems like a valid starting point to investigate how cooperation derives out of contested and conflictual situations. Especially situations where big losses are feared to result from autonomous behavior can foster cooperation as *"players are much more likely to cooperate when the immediate gains from defection (against a cooperating opponent) are small and the costs of mutual defection are high."* (Lipson 1984: 66) One main incentive to cooperate under the Prisoner's Dilemma is therefore a gain out of cooperation, or rather, a lack of gains from acting independently. That causes the question if in case cooperation is desired, situations should be especially analyzed under the opportunity of gains. For this reason, the theory of relative gains will become important at a later point, as states do not only seek to improve their situation compared to the status quo, but also their relative standing among competing nations.

There are however some objections to the use of the Prisoner's Dilemma as description of interaction. Lipson (1984: 69), points out four problems of using this game. First, the nature of actors is oversimplified and their goals and policy processes not pictured accurately. That is visible in the fact, that the Prisoner's Dilemma only includes two actors, whereas regime formation usually includes a multitude of actors, therefore increases insecurity and the opportunity costs of possible defection, as it could result in an alliance against one actor that defects. Second, perceptions and cognitive elements of interaction are ignored, which basically ignores the discourse around regime formation. Third, it does not encompass the entire negotiation process – alternatives, trade-offs and joint efforts are ignored, the actors are reduced to their gains they reach out of full cooperation or full defection, there is no bargaining process. And fourth, the variety of these processes is reduced to one game, although international cooperation comprises a variety of negotiation with respective gains and losses.

Important for the establishment of cooperation is not only the actors' targets, but also the environment under which these targets are attempted to be achieved. Keohane (1984:51) stresses the importance of distinguishing harmony from cooperation. Harmony describes a state where actors do not have competitive views and positions on certain issues, rather, their

positions align and they try to achieve the same targets, or that their targets lead to a universal gain. In contrary, cooperation results out of an environment where states seek conflicting targets and follow conflicting policies, views of other actors are regarded as obstacles to own aims. Cooperation therefore requires an adjustment of policies, and compromises. As Keohane (1984: 51p.) formulates it, *“intergovernmental cooperation takes place when the policies actually followed by one government are regarded by its partners as facilitating realization of their own objectives, as the result of a process of policy coordination.”* As in the international system, harmony is only rarely available, cooperation becomes necessary as mean of avoiding and mitigating conflict. Keohane defines harmony as apolitical and cooperation as political, harmony is a state whereas cooperation the result of negotiation and bargaining. *“[C]ooperation can only take place in situations that contain a mixture of conflicting and complementary interests.”* (Axelrod/Keohane 1985: 85) Situations where conflicting interests prevail over complementary interests lead to discord. This can be explained by higher costs of cooperating and abolishing own interests in order to achieve a bargain. Three factors influence structure and functionality of cooperation, according to Axelrod/Keohane (1985: 87): the number of actors, the differences and similarities within the interests and future expectations. Interests are reflected in the payoff structure of institutions, these payoffs can be described according to the Prisoner’s Dilemma, where cooperative behavior is dependent on the preferences of the players. Players will however enter more conflictual games if cooperation does not seem to be the best way to achieve their endeavors. Cooperation usually includes conflict, and often describes possible ways to overcome conflict. However, if defection seems more appropriate for states than cooperation, states will enter a state of deadlock, where respective particular interests prevail and conflictual behavior is more advantageous than cooperative. Expectations about the future can influence the behavior however, as concerns or hopes change the position states assume on cooperation in certain situations. As Keohane (1984: 54) explains, harmony is hardly available in the international system *“In world politics harmony tends to vanish: attainment of the gains from pursuing complementary policies depends on cooperation.”*

Gains play a crucial role in institution and regime formation. Cooperative behavior usually results out of the desire to achieve goals, which are gains, power gains, control gains, economic gains or security gains. If states do not see an opportunity to achieve gains through cooperation, it is very unlikely they will enter any cooperative status. Gains are multi-faced, often they do not only include actual surplus, but also to avoid certain situations that would result from unilateral behavior. Stein (1982: 35) calls this the dilemmas of *“common interest”* and

“common aversion”, with common interest describing the pursuit of a goal while common aversion describes the endeavor to prevent an outcome from happening. A good example for the dilemma of common aversions is the cooperation in climate question, as the goal is mainly to slow down climate change. However, gains do not always foster cooperation. Sometimes gains from defection outweigh gains from cooperation, therefore gains can also pose an obstacle to cooperation. In a later chapter, the Relative Gains theory will elaborate on the importance of gains on regime formation.

Before describing the issue of relative gains, it is important to define what a regime is, why they form and what problems they face. As mentioned, the concept of gains is central in regime formation, it is central in every perspective of International Relations. Also in realism, states pursue gains. In case states decide to enter a state of cooperation to maximize their gains, what sorts of formalization do exist? How can regimes be defined? Keohane (1984: 59) starts by defining four different components of an international regime: principles, norms, rules and decision-making procedures. Norms are understood in this context as standards of behavior in context with rights and obligations. Principles comprise the aims and purpose of regimes and the goals all parties belonging to the regime pursue. Principles can be for example the protection of environmental security or de-militarization, whereas norms usually define legitimate and illegitimate behavior, for example violating territorial sovereignty. Rules, according to Keohane, merge with norms, as their purposes within a regime are usually similar. Rules are more specific, they define special guidelines which states' should follow in their policies. Also, the alteration of rules is easier and more likely than the change of norms of a regime. Lastly, decision-making processes describe the procedures how rules and principles shall be implemented and changed. All these elements interact within a regime, they influence behavior and assume different roles. Some norms, rules and principles are specific, some are more general, mostly, the more general ones are more far-reaching, and therefore more difficult to change. For Keohane, the most important sets are those, which are neither too specific, nor too general. *“It is these intermediate injunctions – politically consequential but specific enough that violations and changes can be identified – that I take as the essence of international regimes.”* (Keohane 1984: 59)

Regimes are usually established around certain issues, as cooperation is entered in areas of challenge and problems where states think there are enough similarities to set up principles and norms to tackle these. For example, in an Arctic regime, the four mentioned categories of territory, security, environment and economy would be comprised, as issue-linkages are plenty.

As Keohane notes, these issue-areas can shift after a time, which for example could mean a stronger focus on human security in the Arctic. Stein (1982: 29) criticizes the broad definition of regimes, especially if regimes are defined so far-reaching that they “*constitute all international relations or all international interactions within a given issue-area.*” He also assesses that regimes and institutions are not alike, as it is often assumed. Regimes put a constraint to decisions, it causes an interdependence of actions between states. Stein also stresses the importance of gains “*Once nations begin to coordinate their behavior and, even more so, once they have collaborated they may become joint-maximizers rather than self-maximizers.*” (Stein 1982: 52) As Stein does not regard institutions and regimes as the same, it is more accurate to define regimes as political structures as defined by Waltz in the preceding chapter. Institutions are parts of these structures that interact and are interdependent, however, regimes comprise bigger issue areas while institutions deal with specific issues. For example, a possible Arctic regime could deal with the entire Arctic as a region and more specialized institutions such as the Arctic Council, or UNCLOS, which regulate and influence Arctic issues.

For Young (1982: 281) “*social institutions and their constituent behavioral conventions constitute a response to coordination problems or situations in which the pursuit of interests defined in narrow individual terms characteristically leads to socially undesirable outcomes.*” Young proceeds by defining three different forms of institutional order. The first form of social institutions can be described as spontaneous orders that are not consciously coordinated and explicitly agreed upon. There is no clear understanding of the process how this form of orders come into existence. The second form, which are central to the investigation of regimes, are negotiated orders. Agreement on these orders is achieved through conscious common efforts, results are formally expressed. Within negotiated orders, Young (ibid.: 283) distinguishes between two forms, “*constitutional*” contracts or legislative bargains, the first describing orders, where those affected participate directly in the negotiations and the latter describing those “*likely to be subject to a regime do not participate directly but are only represented in the pertinent negotiations.*” (ibid.) In addition, there is a distinction between comprehensive regimes, which comprise a variety of issues in a certain area and often require long negotiation processes, and partial orders, that deal with more specific issues. The third form of social orders are imposed orders, which can also be interpreted as hegemonic orders. Initiated predominantly by great powers and dominant actors, they do not require consent of subordinate actors that are required to participate in this regime. Also within these orders, two different forms occur, overt hegemony occurs when a dominant actor explicitly pressures subordinate actors into an

institutional order whereas de facto imposition signifies a more subtle approach to promote cooperation through incentives.

To sum up, regimes therefore describe sets of norms, principles and values that center around broader or narrower issue areas and result out of negotiations and bargaining processes, however always reflecting the global power structure, including hegemonic actors. This definition of regimes will be used in order to describe the demand for regimes.

In a broader sense, regimes are what Waltz describes as political structures, as explained beforehand. An important notion deriving out of Waltz' definition of structures is that they always operate under anarchic conditions. Institutionalism and Regime theory take the anarchic nature of the international system into account when arguing the demand for regimes. Especially Keohane (1982, 1984) has offered central conclusions on the formation of regimes in the international system. In order to understand the need for cooperation and regimes, it seems viable to assess why cooperation can fail in first place. Keohane (1984:65) describes incompatible interests as the central problem of cooperation, especially if the Pareto-optimal nature of cooperation persists and not all participating actors would be better off by cooperating. Keohane (1982: 330) also notes the importance of what Young defines as imposed regimes, as they pose constraints to especially smaller powers and symbolize a hegemonic order. This results out of the lack of an authority in the international system. Regimes therefore should help to overcome these obstacles and problems which Keohane (1982, 1984) describes as "*political market failure*." This phenomenon will be described more closely.

"Actors in world politics may seek to reduce conflicts of interest and risk by coordinating their behavior." (Keohane 1982: 333) Regimes, according to Keohane, facilitate agreements on important issues in the framework of the respective regime. Within regimes, actors can expect an outcome that will benefit them mutually, and they can expect bargains that would not be established outside of a binding framework that a regime is. These institutional deficiencies of the international system are what Keohane understands as political market failure. Political market failure, in short, describes inefficiencies, high transaction costs of cooperation and institutional defects that hinder a mutually advantageous system of cooperation to establish. As Keohane understands the demand for cooperation as an exogenous factor, the obstacles occurring through political market failure in the international system render regimes as the most viable opportunity to overcome these. Therefore, the demand for regimes results from a demand for cooperation and is fostered by political market failures, as well as uncertainty. Reduction of

transaction costs is a particularly important incentive for regimes, as within negotiated frameworks states are assured that their gains supersede their investments.

Before concluding this chapter and offering a summary why states enter a state of cooperation, one special form of regime should be described. Jervis (1982) regards this form of a regime special for the reason that regimes often revolve around trade and economic issues, security however possesses different notions. Jervis (1982: 358p.) describes security as more competitive and problematic than economic issues. *“When the security dilemma operates, however, the conflicts between states’ security can be inherent. Because military power meets its test in clashes between states, it is relative, not absolute.”* This already offers a view on the Relative Gains theory – security gains are never absolute, as under the security dilemma, an increase in one state’s security affects the other states. Security regimes face certain challenges, for example the detection of the interests of other actors. While in economic regimes, other states’ behavior is often obvious and visible, security issues are treated much more discretely, therefore causing greater uncertainty. Security also suffers from the fact that it cannot validly be measured, measurements of security often rely on perceptions and feelings rather than economic measurements as numbers. The primacy of security in state’s issues adds to the importance of security regimes, security is seen as a prerequisite for a functional state.

Security regimes also follow different conditions in their set-up – Jervis (1982: 360p.) sees security regimes as imposed regimes, great powers have to aspire security cooperation in order to establish a security regime. Shared values on security are an important condition, especially expansionist behavior must be regarded as harmful. This also includes that *“the individualistic pursuit of security must be seen as costly.”* (ibid.: 362) Respective military doctrines and military technologies may be perceived as impediments to security regimes, even if security policies align. Most importantly, states have to follow the endeavor to maintain the status quo in order to establish a security regime. Security regimes therefore are crucial, but difficult to establish as the field of security contains much more uncertainty than for example economic issues. If states follow expansive policies, security regimes cannot be established, as the status quo would therefore be endangered.

Briefly summed up, the formation of regimes results from the desire to achieve gains through cooperation. States will not cooperate in case their sacrifices for a regime outweigh their profits. Cooperative structures can only come into place if mutual advantages are guaranteed, although certain preferences play an important role as states are willing to give in in areas of lower priority for them if they are assured to fulfil their plans in areas of higher priority. Therefore,

regimes often lead to trade-offs between states. Whereas in economic issues gains can be absolute, in security issues gains are most likely to be relative. The distinction of these forms of gains will be explained in the following chapter. In the context of the Arctic, regimes can be understood comprehensive as they encompass the entire Arctic with all its challenges, while within the regime, smaller institutions derive out of issue-centered approaches. This requires a thorough investigation of states' respective Arctic policies in order to understand why or why not certain institutions form and if an all-encompassing Arctic regime can possibly be functional.

4. The Theory of Relative Gains

4.1. The basics of Relative Gains: Grieco, Powell, Snidal

As the preceding chapter has proven, gains are a central element of cooperation. While in liberal institutionalism, gains are understood as absolute, meaning that states merely attempt to achieve gains regardless what their cooperating partners gain, the realist response introduces concepts of classic realism, viewing gains as a mean of power and influence and therefore rendering it important to gain more than, or “*outgain*”, competitors. As Mearsheimer (2001:29) explains, “*Great Powers [...] are always searching for opportunities to gain power over their rivals.*” We have learned in the preceding chapter that certain issues, like security, are more prone to be regarded under the light of relative gains. Realists however argue, that states attempt to achieve relatively greater gains regardless the topic, which also possibly results from a stronger influence of security in Realism. This chapter shall highlight the development of the Relative Gains theory and various concepts revolving around this theory.

The debate about relative gains in international relations has been commenced by Joseph Grieco. For Grieco “*a state will focus both on its absolute and relative gains from cooperation, and a state that is satisfied with a partner’s compliance in a joint arrangement might nevertheless exit from it because the partner is achieving relatively greater gains.*” (Grieco 1988: 487) Relatively greater gains could lead to the perception that a state which is cooperating now might strengthen its position due to the gains and become an adversary later. Therefore, gains of other states become central, as a state that makes relatively smaller gains could easily see its position and security endangered. Grieco therefore rejects the assumption of Keohane (1984:27) that states are “*rational egoists*”, meaning that states only seek to maximize their own profits. The different perception of anarchy adds to the distinct view of gains, while institutionalists argue, that the lack of an overarching authority causes states to cheat in order to secure profits, realists assess that the lack of this authority leads to the threat of violence. For institutionalists, states are attempting to secure economic and social profits, in Realism, security is the central notion. As security is depending on a strong stand in the international system, states cannot allow other states to become relatively stronger, “*the fundamental goal of states in any relationship is to prevent others from achieving advances in their relative capabilities.*” (Grieco 1988: 498)

The influence of relative gains on cooperation is given due to the direct link between a state’s position in the global system and its willingness to cooperate. If states see their position relatively weakened, insecurity arises and impedes cooperation. Therefore the argument can be

made that states will only enter a state of cooperation if they are sure to gain relatively more than their cooperating partners. However, as Grieco (1988: 499) states, relative gains do not cause states to try to maximize their gains to relatively gain more than states, but focus on the threat to their own position due to relative gains made by others. *"States are uncertain about one another's future intentions; thus, they pay close attention to how cooperation might affect relative capabilities in the future."* (ibid.: 500) Grieco in consequence links the pursuit of absolute gains to the priority that is given to the standing in the international system and to the gains other states achieve, he describes an interdependence between these three aspects. In conclusion, also in Realism states pursue gains, they do however also focus on the gains other states make. States do not object all gains of other states, but only in case they are outgained.

The problem of relative gains has been further developed by Snidal (1991a, 1991b) and Powell (1991). Snidal (1991a) formulates shortcomings of the theory of relative gains, as they reduce interstate-conflicts to interactions between two states only and ignore the given global situations with a multitude of actors interacting. Therefore, states pursue a mixture of absolute and relative gains. Snidal (1991b: 388) sees two main reasons for states to seek relative gains rather than absolute. The first lies within the issues in which states attempt to achieve gains - resources, such as territory or natural resources do only exist to a limited amount, therefore, absolute and relative gains merge. States do not only try to gain natural resources, but also more than their competitors. As in this case the motivation for seeking relative gains is obvious and strongly linked to absolute gains, Snidal puts more focus on the situations where states transform the endeavors for absolute gains into relative gains problems by evaluating the outcomes. This results out of a two-step process (Snidal 1991b: 389), where in the first step, states act to achieve absolute gains and then compare their absolute gains to the gains of other states in the second step. Snidal (1991a: 703) also describes two ways how relative gains can impede international cooperation, with a different extent of influence. The less influential way is that relative gains limit the range of possible cooperative agreements. This could turn however even in a facilitation of cooperation as a smaller range of opportunities might accelerate the negotiation process as finding common ground becomes easier. The more influential way is that relative gains shape states' strategies. Comparisons of absolute gains from cooperation projects of common interest pose an obstacle to cooperative endeavors and interests in further cooperation. According to Snidal (1991a: 704), relative gains can be interpreted as trade-offs of short-term goals in favor of long-term ambitions. Small relative gains in short-term can be abandoned in order to obtain an even stronger position in the future. This leads to a stronger desire for absolute gains, as maximization of these are in the center of policies.

Powell (1991: 1305) states that “[s]ome agreements that offer equal absolute gains – and therefore no relative gain – cannot be sustained in equilibrium. The reason is that cheating on the agreement would bring large relative gains.” Therefore, relative gains impede and foster cooperation at the same time, on the one hand, relative gains from defection drives states into independent behavior, on the other hand, relative gains are an incentive to cooperate as mutual gains are not desirable in the relative gains model. Powell (ibid.) also centers the view on the anarchic construction of the global system and describes that the lack of sanctioning mechanisms and possibilities for rule-setting causes the concern for relative gains. This is due to the fact that it’s only within states’ authority to handle these gains and therefore, states might try to change their position in the international structure and therefore could even change the structure itself.

Snidal and Powell use models respectively in order to describe their approaches to relative gains. As it would extend the framework of this thesis to describe all three models in detail, the outcomes will be described more closely. It is of importance however to state that all these models base on game-theoretic approaches, especially on the Prisoner’s Dilemma. This again introduces the pattern of interaction where lack of information and expectations about the actions of the other lead to less cooperative behavior. As Snidal (1991a: 706) assesses, that relative gains cause negative payoffs for unilateral cooperation, positive effects for free-riding and no payoff if both states decide either to cooperate or to defect. “*In addition, increased emphasis on relative gains means that absolute payoffs are less important, so that the value of cooperation itself drops.*” (ibid.: 708) However, Snidal (ibid.: 712) also states that the Prisoner’s Dilemma overestimates the effect of relative gains on cooperation in situations of absolute gains.

There is a distinction between models of relative gains with two actors and with multiple actors. Snidal (1991b: 390) introduces a model of how states maximize their relative gains in situations with a multitude of actors. According to Snidal, in a world dominated by relative gains seeking there is no cooperation, he in contrary attempts to prove the possibility of seeking absolute gains through cooperation even in a system of relative gains. Snidal therefore describes a model of absolute gains among multiple orders in order to transform this model to the relative gains model and explains relative gains in a system of multiple units. His findings offer the conclusion that with more than two-actors, the zero-sum character of relative gains vanishes, therefore, cooperation is not hindered by the endeavor for relative gains. Only in situations with two

actors, relative gains impose cooperation, as institutional cooperation within regimes usually comprises more than two states, relative gains do not prevent cooperation within regimes. Snidal (1991b: 401) even concludes, that his model overestimates the effect of relative gains. Therefore, Snidal opposes Grieco's assumption that relative gains impede cooperation.

In addition Snidal (1991a: 714) assesses that within cooperative agreements there is no difference between small states and big states concerning gains and costs, gains are distributed mutually. Gains increase through a bigger number of cooperating partners, which is why small and big states alike have interest in cooperation. Under this assumption however, relative gains do not occur. However, "*[c]ertain states are more threatening for geopolitical reasons, including proximity or competition for key resources, or because their seemingly aggressive character or ideological differences or a history of grievances between the two states.*" (Snidal 1991b: 716) As I will examine later in this thesis, in the Arctic framework the differences between small and big states as well as the perception that some states are more threatening are important, as especially during the last years tensions between Russia and NATO-states increased. This causes the question, if states are more determined in seeking relative gains in case certain rivalries exist.

Snidal (ibid.: 719) states that relative gains have a stronger impact if the number of cooperating countries is relatively low. Furthermore, asymmetries between these states add to the importance of achieving relative gains. Small states can exploit larger states to gain relatively more, as large states are seen more as a threat than small states are, therefore, if a small state cooperates with a large state, the large state is not concerned by the gains of a small state, therefore offering a favorable outcome. The small state, concerned by its own relative gains, is more inclined to cooperate under such circumstances, if the large state seeks cooperation, it is a strategy offering small states resource allocation to secure cooperating partners. This leads in a long term to the decline of hegemonic structures, therefore larger states investigate the gains of rising powers more closely and seek strong relative gains in comparison with those possible challengers. (cf. Snidal 1991a: 720)

Powell's model follows the approach that states try to maximize their absolute gains. However, through the notion of anarchy in the international system, constraints occur, for example, there is a possibility that states use force in order to pursue their interests. In line with the assumption made before, that equal absolute gains do not lead to relative gains and therefore reduce the incentive to cooperate discloses the problems of the international structure. Gains are turning problematic in case relative gains are used as advantage for one actor and at the same time as a

disadvantage for all other actors, as the fear of other actors achieving relative gains overshadows the endeavor for absolute gains.

“If the shadow of the future looms sufficiently large, then the future costs to uncooperative behavior will outweigh the immediate gains [...]” (Powell 1991: 1306) The possibility of sanctioning uncooperative behavior decreases the immediate thrive for relative gains, as in a long-term view, unilateralism might lead to lower gains, even losses. For Powell’s model, states try to maximize gains in short-term as well as long-term, he investigates if future expectations influence future cooperation. *“To sustain cooperation in any two-actor game, each actor must be able to make long-run costs of defection for the other actor outweigh the immediate gains.”* (ibid.: 1310) Powell however acknowledges that the Use of Force assumes an important role in structural realism and therefore can shift the structure of the international system. Future expectations are altered by the opportunity of a changing system through force, additionally relative and absolute gains will influence states’ abilities to use force. This leads to the assumption that gains without force are required to be high in order to prevent states from using force to follow their interests.

Relative gains are crucial in this framework because, as Powell (1991: 1312) assumes, economically stronger states sustain acts of war better than weaker states. *“Thus, relative gains matter because they affect how the states are likely to fare in the event of war and thus affect the states’ future expected payoff.”* (ibid.) States still seek primarily absolute gains, but relative gains may put them into the position of using force to achieve further absolute gains. In this model, Powell concludes that cooperation collapses when states have the opportunity to use force, however, this situation is preventable in case the costs of acting aggressively are high. Also, it is central that outcomes with unequal absolute gains cannot lead to sustainable cooperation.

The discussion on relative gains so far has shown that the effects of relative gains seeking is controversially debated. While Grieco sees relative gains as obstacle for cooperation, Snidal and Powell acknowledge their effect, but remain focused on absolute gains and see cooperation possible despite relative gains seeking. Important aspects for analyzing relative gains seeking in the Arctic are Powell’s assessment that the possibility of the use of force shapes future interests, Grieco’s initial statement that relative gains impede cooperation and Snidal’s assumptions about small states and hegemonic cooperation. Before analyzing Arctic cooperation through the lens of relative gains, the concept will be explained further through developments by Tucker (1991) and Matthews (1996).

4.2. Tucker's Partners and Rivals Model

Tucker (1991) introduces the model of Partners and Rivals. Based on the concern for an actor's relative position, Tucker describes cooperation considering the relative capabilities of the actors, in order to facilitate his analysis, the model only describes the interaction between two actors. Tucker (1991: 88) describes two possible payoffs for actors participating in cooperative projects, in the short-term, there is a welfare payoff while in the long-term, positional payoffs grow increasingly important. As Tucker emphasizes the differences in capabilities of the respective cooperation partners and describes one partner as the stronger and the other as the weaker one, positions towards cooperation change in this light. Regarding welfare payoffs the weaker state is able to improve its relative position through such benefits as it increases its capabilities and therefore becomes progressively more attractive as a cooperating partner. The stronger state is focused on marginalizing its positional loss through greater welfare benefits. In the long term, capability gains strongly affect the relative position and therefore weaken or strengthen the position, especially in the case of the stronger state. “[C]ollaboration generally enables the weaker player to improve its relative position at the stronger player's expense.” (ibid.: 89) This leads to one central constraint of cooperation from the side of the stronger player, who is only willing to cooperate in case his welfare benefits are assured and exceeding his positional losses.

For Tucker, welfare payoffs are a linear function, they are steadily increasing as the stronger player also profits from increasing capabilities of the weaker player. Positional payoffs or losses however are described as exponential, meaning that every additional short-time welfare payoff leads to a bigger positional loss. Increasing capabilities of the weaker player therefore lead to a greater positional loss up to a point, where the positions of the weaker and the stronger player are converging. Tucker (1991: 90p.) distinguishes between a “*security zone*” and a “*transition zone*”, the former describing the state where the differences in capabilities are still big enough that cooperation is profitable for the stronger state and the latter describing the state where the stronger partner perceives the weaker as competitor.

Welfare wins and positional losses cause the question of the net payoff of the stronger partner. Especially in the short-term, welfare payoffs pose a strong incentive for the stronger partner, especially if the starting disparities were large and therefore the weaker partner had a significantly weaker position before and in consequence catching up is more difficult. However, the stronger the weaker partners capabilities increase, the bigger the positional loss for the

stronger partner, until at a certain point “[...] *the positional costs will strongly outweigh the welfare benefits as the two player approach parity.*” (Tucker 1991: 91)

The net payoffs are influenced by the sensitivity of the stronger player to positional losses. If it is not concerned by its decreasing relative position, cooperation is more likely to happen as when the relative position is of high importance. According to Tucker (1991: 95), there are six influencing factors to the sensitivity of stronger partners to positional losses, salience, complementarity, appropriability, concentration, vulnerability, and discount rate.

Salience describes the importance of an issue to the relative position of the stronger partner. If an issue is central to the stronger player's strategy, sensitivity to a positional loss in this issue is higher. For example, Russia formulates its sovereignty as a central aspect in its Arctic policy, therefore, cooperation that could assist smaller states like Norway in improving its relative position at Russia's expense, Russia is unlikely to agree to deeper cooperation. Complementarity applies if the partner's capabilities are useful to the stronger partner as they are covering weaknesses or needs of the stronger partner, rather than duplicating its strengths. This leads to a transfer of capabilities and helps both partners developing in their respective area of expertise without interfering, reducing the sensitivity. Appropriability however covers the possibility that the weaker partner strengthens its capabilities in the areas of expertise of the stronger partner, therefore becoming a threat.

While the concentration described by Tucker is not of relevance for cooperating states, as it describes merely questions on resources, vulnerability however is of great importance, as it introduces the possibility that the weaker player defects from cooperation as its position ameliorates and becomes a rival instead of a partner. Finally, the discount rate describes how the stronger player perceives positional losses or welfare payoffs. If short-term welfare payoffs are more crucial to the player's strategy it becomes more probable that the player will bear with positional losses. In the context of the sensitivity factor, the compensation principle (Tucker 1991: 99) is an important aspect.

“According to the compensation principle, if the stronger player's expected positional costs from collaboration, it will enter a joint venture with the weaker player only on the condition that the bargain is adjusted to give the stronger player a larger share of the joint welfare benefits” (ibid.)

Tucker names this form of compensation a side-payment, which is especially large under two circumstances, either if the disparity in capabilities is high and therefore the welfare

payoffs are low or if the disparity is so low that positional costs become large. Side-payments can assume different forms, for example leadership in a cooperation.

In addition, Tucker (1991: 101pp.) describes four modes of collaboration, depending on the pre-existing circumstances which are shaping these modes. The modes of collaboration are leadership, symbiosis, transition and parity. The mode of leadership results from a large disparity in capabilities, therefore the incentive of the weaker partner to cooperate is very high while benefits for a stronger partner are low. The stronger partner in this case will therefore demand leadership within the cooperation as well as another side-payment, while the weaker partner will engage in capacity-building. If there are moderate capability differences, actors will enter the symbiosis mode, within which the weaker partner's capabilities prove to be beneficial for the stronger partner, therefore the stronger partner's incentive to cooperate is higher, and there are no side-payments demanded. Again, the strong partner will assume leadership, while the weaker will act as a smaller partner.

If however disparities assume a low level, the stronger player might feel challenged easier, therefore it will demand a large side-payment in order to mitigate the threat of its positional losses. This is defined as the transition mode of cooperation. The weaker player increasingly tries to assume a leading role and demanding stronger cooperation rather than leadership through the stronger partner. Eventually, if there are practically no differences in capabilities, actors will enter the parity mode of cooperation, in which the weaker actor will seek integration in important decision-making processes of the cooperation and shape the collaboration the same way the stronger partner does.

Summed up, Tucker's model of Partners and Rivals offers an opportunity to investigate the timeline of cooperation and how collaborations change in the course of time. By also including preceding circumstances, the model possesses a high variety of cooperation patterns and describing the influence of relative gains not only on the induction of cooperation, but also on its course.

4.3. Matthews and Cumulative Relative Gains

Matthews (1996) describes the theory of Cumulative Relative Gains, meaning “[...] *that gains in one round will cumulate in future rounds, producing additional relative and absolute gains*” (ibid.: 112p) This means that if a relative gain in one period of time opens the possibility for additional relative gains in later periods, relative gains become increasingly important to states. Matthews attempts to explain how time influences relative gains and especially impedes a long-

term cooperation in security issues, whereas economic issues can even profit from cumulative relative gains. He acknowledges that the notion of anarchy causes a strong focus on relative gains and relative positions regardless of any absolute gains. In security cooperation, there is always one partner who is suffering from relative losses, therefore making security a difficult topic for cooperation. Matthews criticizes that this theoretical approach towards cooperation is also used in economic affairs as in economic affairs states “*must be considered reaping the highest absolute possible levels of welfare*” (Matthews 1996: 120), putting absolute gains at the central aspect of economic cooperation. However, he also admits that relative gains can hinder economic cooperation.

This is where the accumulation of gains comes into play. Investigating relative gains during a longer term offers insight in how these gains can turn into a noticeable advantage. If immediate gains impact the possibility of future gains positively, their importance will be higher. “*The concept of cumulation is, therefore, that a state is able to take a current relative gain and use it to increase its power or wealth vis à vis another state during later advantages.*” (Matthews 1996: 123) Matthews’ theory therefore ultimately puts relative gains into the center of a state’s short term strategy, as losses in the near future equal additional losses in the more distant future. “*In those cases where the potential for a cumulation effect exists, states will be compelled to act as if the current round winner will act to fully exploit the advantage of this in later interactions.*” (ibid.: 125) However, there a distinction needs to be drawn between offensive and defensive advantages. Offensive advantages can easily be accumulated and evolve relative gains in one round into even stronger relative gains in the next round until the balance of power is disrupted. Defensive advantage however contributes to a state’s ability to fend off disadvantages in a long-term view in case of relative losses in one round. Cumulative aspects are significant for the importance of relative gains, if there is a high possibility for cumulative relative gains, these are more likely to impede cooperation. An important notion by Matthews (1991: 128) is that relative gains are about real advantages rather than identities, meaning that states can use their advantages in order to fortify their stronger positions relatively to other states. Accumulation leads to greater importance of relative gains, while in absence of it, absolute gains become more important.

Matthews’ theory is important for the reason that it takes long-term strategic goals into consideration for short-term policies. Short-term gains can therefore be important, if a state pursues to accumulate those in order to eventually obtain a stronger position in the future. If states want to keep their position in long-term and fear losses in short-term could damage their

standing, cooperation in the short-term might vanish as an option. Matthew's approach therefore increases the need to investigate what states aim for in a more distant future and how they measure the influence of short-term gains on their long-term objectives.

The theory of Relative Gains is chosen as the main theoretical approach because it builds a connection between realism and institutionalism. While it does not reject cooperation systematically, it describes national motives within cooperation prevalent as states predominantly use cooperation in order to fortify their position and pursue their national objectives. As the theory comprises a wide array of approaches, which also include investigation of the pre-cooperation environment as well as the development of cooperation through time it is viable to investigate the character of different structures of collaboration and the course of national policies during different phases of cooperation. Even though theorists debate if relative gains impede cooperation or not, it is evident that states in the light of fear of positional losses are less willing to cooperate.

For the Arctic with its variety of cooperation structures and complex configuration it will therefore be important how states approach their regional strategies in a long-term perspective and which short-term policies they propose. Also, it is important to analyse which institution is of most significance in which sector for which state, and in consequence analyze how states approach the different institutions and what role is handed to those.

5. Arctic cooperation and governance

5.1. Challenges of Arctic cooperation and governance

Upon explaining the theory of Relative Gains, it is now necessary to apply it to the Arctic context. As described in Chapter 2, four central issues shape policy-making in the Arctic – sovereignty, resources, security and environment. Challenges in these are approached differently by states – some issues tend to have a higher degree of cooperation, for example environmental issues, while others show lower levels and stronger national interests, such as security. Problematic is also the great variety of actors and frameworks for Arctic governance. *“International governance in the Arctic is far from settled, with various overlapping groupings and legal frameworks vying for influence.”* (Hart et al. 2012: 8) Melvin/Bergh (2016: 9) describe the current governance, particularly in the security sector structure as a *“patchwork of national defense structures, international alliances and security organizations [...]”* which highlights the main challenge of Arctic governance, the lack of a clear institutional structure, the multitude of existing institutions and legal frameworks and interfering areas of responsibility of the existing frameworks. In addition, the fact that the main legal framework regulating high seas, UNCLOS, has not been ratified by the United States undermines the significance of the Convention.

In addition, different national approaches towards intergovernmental cooperation add to the challenges of establishing an Arctic regime. While Canada, Denmark and Norway follow strong cooperative approaches, the case is different for Russia and the United States. Russia, while seeking cooperation, has strengthened its military presence as well as its capabilities to extract resources in the High North. (Klimenko 2016) The United States, especially before inheriting Arctic Council Chairmanship in 2015, can be classified as *“reluctant Arctic nation”* (e.g. Huebert 2009) Conley (2012: 37) assesses that there is no existing framework that *“[...] meets the growing security needs of the Arctic and effectively brings all state and nonstate actors together in a coherent structure.”* Especially security is a challenging issue for Arctic governance, as in the Arctic Council there is a ban on debating security issues.

The following chapter shall examine more closely already existing governance structures and legal frameworks. This includes an analysis of the Arctic Council, the UN Convention of the Law of the Seas as well as international and regional bodies such as NATO and the Nordic Council in order to offer an all-encompassing picture of Arctic governance. Especially the transformation of Arctic governance assumes an important role in the analysis, as through the

rapid shifts in the High North, demands and challenges for governance have also experienced strong changes.

5.2. The Arctic Council and the Arctic Five

“The Arctic Council (AC) is often referred to as being the most important international forum in the Arctic and its influence continues to grow.” (Rottem 2016: 147) The Arctic Council is widely perceived as the main body of intergovernmental cooperation and governance in the High North. (see Jukela 2015: 37) Members of the Arctic Council are the five coastal Arctic nations Norway, Denmark, the U.S., Canada and Russia as well as the three non-coastal states Sweden, Finland and Iceland. Furthermore, a few non-Arctic nations, for example China, as well as institutions such as the European Union have been admitted as observers to the Council. In addition, six representative organizations of indigenous population act as permanent participants. The roles of the members and the observers will be discussed later in this chapter.

From its institutional structure, the Arctic Council consists of three levels, the ministerial level, the Senior Arctic Officials (SAO) and working groups, for example the *Arctic Monitoring and Assessment Programme* (AMAP). On all these levels, the Council is a consensus-based institution, the highest decision-making authority is represented by the ministerial meetings that take place every two years. While SAOs are mainly observing the work of the Council, the working groups are the central subdivisions in developing knowledge and strategies. (see Rottem 2016: 150)

The origins of the Arctic Council lie in the Arctic Environment Protection Strategy (AEPS) from 1991, formally, the Arctic Council was founded through the Ottawa Declaration in 1996. Smieszek/Kankaanpää (2015: 5) state that the transformation process of the AEPS as a merely environmental strategy into an institution covering broader issues was not equally supported by all states. While Canada induced the process of creating an Arctic governance institution, the U.S. fiercely opposed against such an institution, which led to a diminished role of the Arctic Council in U.S. Arctic policy. However, under Secretary of State Hillary Clinton, the United States began to emphasize the importance of the Council (see Pedersen 2012: 151), and the United States taking over the chairmanship of the Arctic Council in spring 2015 added to the role of the institution in U.S. Arctic policy.

However, the interests of the United States shaped strongly the eventual character of the Arctic Council as intergovernmental cooperation institution in the High North. The Ottawa Declaration (Arctic Council, 1996) does include a paragraph which states that “[t]he Arctic

Council should not deal with matters related security”, effectively banning military security issues from debate in the Council. Human security issues however were emphasized as indigenous groups are strongly included in the Arctic Council. The ban on military security has been effective since and poses a serious challenge to the institution, especially in the light of rising tensions between the Arctic states. However, it is not very likely that the ban is lifted, as the position of the United States has not changed massively during the past 20 years. (see Klimenko, 2015) With military security being a predominantly nationally influenced topic, the effectiveness of the Arctic Council can definitely be interpreted as undermined, or at least as “soft” (Bailes 2009: 48) Through the lens of the theory of Relative Gains it therefore becomes interesting why especially the United States are opposing against security issues being debated in the framework of the Arctic Council, and why no other state is pushing a change in this regard. It becomes evident that military security is still a topic dominated by national interests rather than cooperative efforts.

The ban on military security issues has however not hindered the Arctic Council on representing an important forum for political debate on Arctic issues. *“Nevertheless, the Arctic Council has succeeded in its work beyond initial expectations.”* (Perry/ Andersen 2012: 25) Another central problem that the Arctic Council has had to overcome is, as its formation happened through a declaration rather than a treaty, it does not possess the power to produce legally binding policies, therefore representing a policy-shaping rather than a policy-making process. (Kakaanpää/ Young 2012) However, in the course of the last 20 years, the Arctic Council nevertheless managed to achieve important progress in Arctic matters and developed into the central institution in the High North, not only for Arctic nations, but for the international community. Observers are developing Arctic policies and strategies, non-Arctic states become increasingly interested in the work of the Council and attempt to influence it. (see Koivurova 2010: 150)

Especially processes within the past few years a number of developments has continuously strengthened the role and position of the Arctic Council. Pedersen (2012: 153) describes three periods of debates on the role of the institution. The first period, which had its timeframe around the establishment of the Council, was marked by the constraints due to U.S. interests. While other actors, especially Canada, attempted to found a strong Arctic institution, the U.S. tried to keep the capabilities of the Arctic Council limited and the institution weak. This is proven by the rather loose framework given through the Ottawa Declaration, which limited the capabilities and competences of the Council by for example prohibiting debating security issues. The

second period saw the emergence of the “*Arctic Five*” group, an informal group of the five coastal Arctic nations in which they tried to shape policies in their interests. Discussions among the Arctic Five culminated in the Ilulissat Declaration in 2008, in which the Arctic Five emphasized the importance of their cooperation for the Arctic Council and the region in general, however, rejected the idea of a more comprehensive framework. “*We therefore see no need to develop a new comprehensive legal regime to govern the Arctic Ocean.*” (Arctic Five 2008) This basically could be understood as a rejection of a strengthening of the Council, rather, as Pedersen suggests, in this time the role of the Council seemed under peril and was even diminishing. In this context, especially Sweden and Finland, as can be read in their respective strategies (Sweden 2011, Finland 2013) called upon a reduction of the talks within the Arctic Five and a return to the Arctic Council as central institution in the High North. There, different approaches how gains affect states’ behavior becomes evident. Sweden and Finland saw their interests threatened by a weakened Arctic Council, while the coastal states saw a better opportunity to fulfil their endeavors by cooperating in a smaller, more informal framework. “*The Arctic Council was seen as being ‘to unwieldly’ for certain political discussions whereas the Arctic Five would be a more ‘conductive’ forum for political talks.*” (Pedersen 2012: 153) Especially the diverging foreign policy interests of the Arctic states led to the decreasing role of the Arctic Council, which, through the lens of Relative Gains is an interesting development, considering that apparently they feared that closer cooperation would lead to a relative loss in their positions. However, Norway and Canada stressed the importance of the Council, especially through the Norwegian chairmanship. The crucial point however was a change of policy in the U.S. in 2009, after Barack Obama entered office. The Arctic Five as alternative forum were harshly criticized and a stronger Arctic Council became crucial to U.S. Arctic policy, however, Canada shifted its position more in favor of the Arctic Five. There are however two central aspects that prove how in the third phase after 2009 the Arctic Council was increasingly strengthened.

The first is the establishment of a permanent secretariat of the Arctic Council in Tromsø, Norway, through the Nuuk Declaration in 2011 (Arctic Council, 2011). A permanent secretariat not only facilitated administrative and logistic issues, but also created a permanent representation and helped the Council to stabilize and institutionalize. Sellheim (2012: 68p.) argues that the establishment of the permanent secretariat also made the Arctic Council more attractive to non-Arctic states to act as observer. He maintains that “*in the absence of a permanent secretariat, the Arctic Council would not have the same degree of efficiency, which*

would compromise its stability, especially in light of the emergence of the Arctic Five, thus making the Council less attractive for non-Arctic actors.” (ibid.)

Second, the Nuuk Declaration included the first legally binding agreement of the Council’s history, the *Agreement on Aeronautical and Maritime Search and Rescue*. For the first time, the Council acted as a policy-making entity, regulating the issue of Search and Rescue (SAR) in the Arctic Ocean. A second such agreement was established through the Kiruna Declaration (Arctic Council, 2013), the *Agreement on Cooperation on Marine Oil Pollution, Preparedness and Response in the Arctic*. These examples prove “[...] that the Arctic Council is now taking a more proactive role in Arctic governance.” (Rottem 2016: 147) Furthermore, a study by Kankaanpää and Young (2012) proves that the Arctic Council is seen as an effective institution to govern the High North. As the study comprises investigation of the effectiveness of respective parts of the Council, such as the Ministerial Meeting or the Sustainable Development Working Group (SDWG), differences of the effectiveness of these subdivisions exist. Overall, however, Kankaanpää/ Young assess what has been stated before, that “the council has performed better than most observers anticipated at the outset [...]”

With the background of Relative Gains, two aspects of the Arctic Council become increasingly interesting – the role of the chairmanship and the role of observers. The former hands a state the opportunity to shape the debates within the Council for a period of time, therefore likely helps to achieve relative gains and pursue interests more strongly. One, however, could hold the case against this statement as the Arctic Council is a consensus-based organization. The latter is important as increasingly more states show considerable interest in the procedures of the Arctic Council and try to influence it from outside as observers, which could assist them in pursuing their own interests in the High North.

The main task of the chairmanship is to provide a chair between two ministerial meetings and arrange the arrangement that concludes one chairmanship period. However, the chairmanship also serves as a point of contact for member states, SAOs and observers, following the Nuuk Ministerial Meeting, the chairmanship was given the competence for circulating and proceeding applications of observers to all member states (Smieszek/Kankaanpää 2015: 7) However, the role of the chairmanship can be seen as rather minor within the Arctic Council. “Yet it appears that the AC rules of procedure [...] left enough scope for the Arctic states [...] to use it to advance their national priorities and interests, even though they were constrained to some degree by the consensual nature of decision-making in the Council.” (ibid.: 11) One example to illustrate this is the *Arctic Climate Impact Assessment* (ACIA), introduced by the U.S.

chairmanship in 1997 as a consequence of the contemporary national climate policy. (ibid.: 10) The chairmanship therefore represents a great opportunity to pursue national interests within an international institution and gain relatively more than other member states.

The number of observers in the Arctic Council has increased in the past few years as the interest in the High North grew outside of the Arctic region. Among the observers are states like China, Germany and the United Kingdom as well as governmental institutions and NGOs. The EU represents a special case, as at the Kiruna ministerial meeting in 2013, the EU applied formally as observer, but the Council has not decided yet. Therefore, the EU is allowed to observe procedures of the Council until a final decision is made.² While the EUs and China's approach towards the Arctic will be described more detailed at a later point, positions from states like Germany and the UK might be interesting to illustrate the approach of the observers. It is feared among Arctic states that the addition of observers might lead to a *"particular kind of Arctic future in which observers might occupy a more powerful role to the detriment of permanent participants."* (Dodds 2012: 20) This is a perfect application of the Relative Gains theory, observers gain at the cost of the Arctic states, therefore strengthening their position, not only in the High North, but globally. Dodds (ibid.: 21) *"argues that the role (current and future) of observers has attracted more interest and reflection driven in large part by anxieties over the economic development of the Arctic Ocean."* The relative gains of observer states have therefore changed the policies of Arctic nations.

This puts the focus on the gains states tried to achieve through becoming observers. In its Arctic strategy, Germany formulated that *"Germany is widely viewed as a partner with substantial know-how in the areas of research, technology and environmental standards and is seeking to more strongly and creatively put this know-how to use"* and *"that it may be useful to extend observer countries' participation rights on a case-by-case basis, if an observer can substantially contribute to resolving an issue"*. (Auswärtiges Amt 2013: 13) In the case of the UK, the UK sees itself as the *"Arctic's nearest neighbour"* (HM Government 2013) and *"[...] supports the Arctic Council's objectives and 'Vision for the Arctic' and will play an active role in the work of the Council, contributing expertise on areas of mutual interest."* (ibid.: 13) While Germany formulates a clear vision of strengthening the position of observers, albeit in a limited fashion, the UK *"seems to demonstrate engagement, illustrate present and future usefulness, and conciliate the major Arctic stakeholders at state and institutional level."* (Bailes 2014: 15)

² Observers. Arctic Council <<http://www.arctic-council.org/index.php/en/about-us/arctic-council/observers>> (retrieved April 22nd, 2016)

In both cases, states try to shape policies via engaging as observers and to fortify the state of observers. The role of observers therefore needs to be investigated closely, as they could shift the game of gains in the High North, which especially applies to the Chinese case, which will be described separately.

5.3. The United Nations Convention of the Law of the Sea and the IMO's Polar Code

While the Arctic Council poses the main institutional framework in the High North, the legal framework is provided by the United Nations Convention of the Law of the Seas (UNCLOS). UNCLOS defines maritime territorial zones and states' rights within these zones. The Convention followed the 1958 Convention on the High Seas and was established in 1982 and ratified in 1994. However, one state that is a central actor in the Arctic has not ratified UNCLOS up to date, the United States. That poses a considerable obstacle to the effectiveness of the Convention as the legal framework, as the U.S. status towards the guidelines of UNCLOS is rather unclear. As the Bush as well as the Obama Administration have however declared they would act under the guidelines of the Convention and ratification only has failed in Congress, the U.S. can be seen as a de-facto UNCLOS member state. (see Klimenko 2015)

The most important aspect about UNCLOS is that it provides rules and guidelines for maritime delimitation and the definition of different maritime areas beyond territorial waters as well as it regulates the economic use of these areas. Territorial waters that lie within 12 nautical miles of the coast, or what the Convention (United Nations 1982) defines as "*baseline*" are seen as state territory. Of more significance for the Arctic are the definitions of Exclusive Economic Zones (EEZs) and Extensions of the Limits of the Continental Shelf (ELCS). A state can claim an EEZ that extends up to 200 nautical miles from the baseline, within which it obtains "*sovereign rights for the purpose of exploring and exploiting, conserving and managing the natural resources [...]*" (UN 1982, Art. 58.1) EEZs are considered as "*[t]he element of UNCLOS most salient to the Arctic*" (Hart et al. 2012: 10) as they not only allow states to exploit an area economically, but are also the source of sovereignty and delimitation conflicts. "*UNCLOS fundamentally changes the exclusive nature of territorial sovereignty, because it defines multiple spheres of overlapping rights, responsibilities and political authority.*" (Carlson et al. 2013: 23) As in the Ilulissat Declaration the Arctic Five emphasize the existence of UNCLOS by neglecting a need for a legal framework in the Arctic, the central problems of challenges apply highly to the High North. This becomes especially evident in sovereignty disputes resulting from unclear territorial demarcation

“Maritime borders [...] can still be drawn in different ways, and it is up to the adjacent states to determine which borderline they are willing to accept.” (Emmerson 2011: 110) One of the main shortcomings of UNCLOS is the inability of the Convention to offer a dispute settlement procedure for border disputes in EEZs. There are no consistent guidelines or rules for drawing borders in case of lacking clarity, rather, states have to agree bilaterally on territorial demarcations.

In Chapter 2, the example of the *Treaty on Maritime Delimitation and Cooperation* between Russia and Norway was explained, this will now be investigated a bit more thoroughly in order to understand the underlying processes of the legal framework. Before the signature of the treaty, Norway and the Soviet Union, later Russia disputed for around 10% of the Barents Sea, which in addition is a presumably resource-rich region, which adds to the importance of a clear demarcation of two interfering EEZs. During the Cold War, Norway and the Soviet Union signed multiple agreements, did not manage however to achieve a clear territorial demarcation. (see Byers 2013: 42) The 2010 agreement, signed by Norwegian then-foreign minister Jonas Gahr Støre and Russia’s foreign minister Sergey Lavrov, signalized a breakthrough in long negotiations. The treaty assured a sharing of *“the disputed are in two parts of approximately the same size”* (Norway/ Russian Federation 2010b) and, as already stated, induced further cooperation in protecting this demarcation line. Byers (2013: 45p.) suggests that the 2010 treaty between Norway and Russia has had great impact on the relations between NATO and Russia, as well as on other maritime border disputes in the Arctic. *“Certainly, if little Norway [...] can negotiate a win-win boundary agreement with powerful Russia [...], there is no reason for any other Arctic boundary dispute to remain unresolved.”* (ibid.: 46) Examples like the Lincoln Sea between Canada and Greenland prove, that cooperative boundary agreements have gathered significance since the signature of the treaty in 2010. Also, from the standpoint of the Relative Gains theory it is interesting to investigate, which parties gain more in these bilateral agreements. As Byers put it, small states that achieve such an agreement can often strengthen their position immensely as they do not only guarantee security from attacks of a greater power, but also gain leverage towards the greater power through legally binding agreements. This represents an obvious case of relative gains in the High North.

In addition to claiming an EEZ, UNCLOS provides guidelines for extending the continental shelf. In such an extension, the same rights as in an EEZ apply, therefore basically an ELCS is an extended EEZ, with a limit of 350 nautical miles. However, states are obliged to apply for such an extension at the Commission of the Limits of the Continental Shelf (CLCS) and

scientifically fortify their claims, meaning they have to prove that the sea is a prolongation of a state's land territory. So far, all four Arctic coastal states that have ratified UNCLOS have submitted their extensions to the CLCS. This is one of the main examples where a disadvantage the United States suffer from by not ratifying UNCLOS occurs, there is no opportunity to apply for an extension of the continental shelf. Rahbek-Clemmensen (2015) views the process of the delimitation and extension of the continental shelves as crucial for the coming years, as Canada, Denmark and Russia have all submitted claims that include the North Pole, therefore creating a need to draw boundaries.

According to Rahbek-Clemmensen, two aspects play a role in the Continental Shelf process, international law and geopolitics. International law regulates the characteristics of a continental shelf and the state's rights and duties. *"The states can disrupt the process, but UNCLOS and CLCS are both considered to be legitimate and unpartisan institutions and doing so thus comes at the loss of reputation for states."* (Rahbek-Clemmensen 2015: 4) However, Byers (2013: 96) describes the interfering claims for continental shelves in the Arctic as complicated, and therefore challenging, even under the premises of international law. As Rahbek-Clemmensen (2015: 5) describes, states in addition follow geopolitical interests in the continental shelf process. *"Of course, the very possibility of finding exploitable resources at some point in the future gives the states an incentive to maximize their piece of Arctic territory."* Here, the problem of gains becomes especially evident as territorial gains can never be seen as mutually absolute, but as relative. It is practically inevitable that through territorial demarcation all bordering states strengthen their relative position, and even if so, it comes at the cost of the non-bordering states, such as Norway. This also leads to disputes during the continental shelf process. When Russia submitted its first claim to the CLCS in 2001, Denmark, Canada and the U.S. tried to find evidence that the claim lacked data and Russia claimed territory it was not entitled to claim. (see Rahbek-Clemmensen 2015: 9) The claim was in consequence rejected by the CLCS for the lack of data, Russia submitted a new claim in 2015 (Russian Federation 2015a). Denmark's claim of 2014 (Denmark 2014) is regarded widely as *"extensive"* (Rahbek-Clemmensen 2015: 9) and states that disputes concerning maritime delimitation is likely to occur. (Denmark, 2014) The continental shelf process is therefore likely to shape the future of the Arctic strongly, possibly occurring further disputes concerning territorial demarcation. Another option to consider, albeit very hypothetically, is that the U.S. eventually ratifies UNCLOS and enters the continental shelf process. From a Relative Gains-perspective, this seems likely to happen, as without having access to an ELCS, the U.S. would see its position deteriorating.

As climate change has opened new sea lanes and made shipping in the Arctic more attractive and valuable, the number of ships navigating through Arctic waters has increased. Therefore, a need to regulate shipping in the High North developed, which peaked in the establishment of the *International Code for Ships Operating in Polar Waters* (IMO 2014), short Polar Code, by the International Maritime Organization (IMO). The Polar Code shall “*supplement existing IMO instruments in order to increase the safety of ships’ operation and mitigate the impact on the people and environment in the remote, vulnerable and potentially harsh polar waters.*” (IMO 2014) The Polar Code was preceded by the *Guidelines for Ships Operating in Arctic Ice-Covered Waters* (IMO 2002) and the *Guidelines for Ships Operating in Polar Waters* (IMO 2012). The main difference between the Polar Code and the two other documents lies in the legally binding character of the Polar Code, ships and vessels navigating through Arctic waters have to abide the rules of the Polar Code. Especially important from an environmental standpoint are the *Pollution Prevention Measures* of the code, essentially attempting to mitigate the risk of an oil-spill in the Arctic Ocean, that could be devastating. (Ghosh/ Rubly 2015: 175) see the Polar Code as a necessary step for mitigating the risks, however criticize the lack of a general ban of heavy fuels. Also, the Polar Code is perceived as insufficient to explain the risks of Arctic shipping entirely . “*To realise the full commercial benefits of Arctic shipping and to compare traditional shipping routes with Arctic routes for informed decision-making, it is essential for stakeholders to have an in-depth understanding of the risks and hazards.*”(Ghosh/ Rubly 2015: 180) The Polar Code however signifies an important step in reaching a comprehensive Arctic regime as it is a legally binding regulation rather than a guideline. Furthermore, the Polar Code assumes an important role in collective action to mitigate the consequences of climate change in the High North and therefore represents a model for future legal regulations.

5.4. NATO

NATO’s role in the Arctic is an ambivalent topic. Especially since the annexation of Crimea by Russia in 2014 and the subsequent suspension of the NATO-Russia Council (NRC) lead to a new low in NATO-Russia relations. The configuration in the High North, with four Arctic coastal states being NATO members and Russia being the strongest power in the Arctic therefore breeds potential for military conflict. Article 5 in the Washington Treaty of NATO (NATO 1949) introduces the concept of Collective Defence by declaring an attack on a NATO-member as an attack on the entire Alliance, therefore calling for collective reaction on such an attack. The concept of Collective Defence changes the security environment in the Arctic, as

any military dispute would immediately include all coastal states, therefore installing a system similar to the balance of power. For this reason, it is important to investigate the role of the Atlantic Alliance more closely.

Haftendorn (2013: 352) states that *“during the cold war the Alliance was an essential link between the Nordic countries and the US.”* Especially the protection from the persisting threat through nuclear weapons in the High North was an important aspect of NATO’s role in the Arctic. With the end of the Cold War, security configurations changed, putting the Alliance in front of new challenges. *“Any new military challenge in the Arctic will be radically different from that during the cold war [...]”* (ibid.: 343) New challenges arise especially due to the availability of resources and the growing strategic element of sovereignty in the High North. The question is how NATO as organization and the member states will act in the light of these upcoming challenges.

Smith-Windsor (2013: 3) suggests that *“the Atlantic Alliance has largely been left ‘out in the cold’ when it comes to shaping and contributing to security in the High North.”* NATO’s interest in the region was at a low level, the 2010 Strategic Concept (NATO 2010) does not include the Arctic in any form. This changed however since relations between NATO and Russia deteriorated after the Ukraine crisis in 2014 and fears of Russian aggression towards NATO members in the High North have prevailed within the Alliance. In the course of a joint exercise by the U.S. Navy, Norway, Canada and the UK in the Arctic in early 2016, Supreme Allied Commander Europe (SACEUR) Philip Breedlove stated that Russia is militarizing the Arctic, especially threatening Arctic NATO-members Norway and Canada. (see Barnes 2016)

Even before Ukraine, the Arctic was not entirely ignored by NATO. *“In a low-key manner, NATO has attempted to keep pace with the growing security complexity of the Arctic.”* (Conley 2012: 32) A variety of exercises in the High North has proven this, NATO attempted that its memberstates would increase their preparedness for a possible conflict in the Arctic. One major example for such an exercise is *Cold Response* which was established in 2006 and is held biannually under Norwegian leadership with the aim *“to exercise extreme operations in a joint and combined setting under challenging conditions, focusing on joint action and interoperability.”* (NATO 2016) While there is no explicit Northern dimension in any NATO strategy it is evident that the Alliance perceives the Arctic as a tense region which requires action and in future will likely work more closely with its Arctic member states in order to achieve better military security in the High North.

Since NATO's actorness is shaped by its member states' policies, it is important to highlight different approaches towards NATO as an actor in the Arctic. Especially Norway and Canada have taken strong, albeit very different stances on this issue. *"Norway has actively taken the lead in calling for the increased engagement of NATO in the High North by arguing for more emphasis on the Alliance's core functions."* (Conley 2012: 32) Norway, due to its position between the Atlantic Ocean and Russia has historically always emphasized the importance of NATO, including in the Arctic. In this context, for Norway cooperation between NATO and Russia has been central. In early 2016, Norway's Minister of Defense Ine Eriksen Søreide stated that *"[w]e need to raise NATO's profile in the maritime domain. This requires maritime power and presence"*. (Søreide 2016) Canada, however, has opposed to stronger NATO involvement in the Arctic and sees no clear role for the Alliance in the High North. (see Haftendorn 2013: 349) Denmark's position is similar to Norway's, albeit less elaborated, the country however has proposed to establish a special Arctic committee within NATO. (see *ibid.*: 354p.) The United States, described before as the "reluctant" Arctic nation are among the four Arctic NATO-members by far the country that is engaged the strongest in NATO. A strong NATO-presence therefore would profit the interests of the U.S. to guarantee security in Northern Europe, a topic that has evolved especially in the Baltic Sea since the beginning of the Ukraine crisis. Officials have often emphasized the importance of NATO for security in the Arctic especially in tasks such as SAR and maritime security, but the Alliance does not assume a central role in these issues. (Haftendorn 2013: 351) Also, the Executive Order issued by President Obama in 2015 (White House 2015) does not include NATO in any form, which proves a diminished role for the Alliance in U.S. Arctic security policy.

As the possibility of stronger NATO-engagement however exists (see Smith-Windsor 2013: 10) shifts in military security are likely to happen. The temporary suspension of the NRC complicated communication with Russia and created tensions in the security landscape, eliminating earlier progress in Arctic debates to mitigate risks of conflict. (see Jokela 2015: 40) Russia's position towards stronger inclusion of NATO can be seen as "outright hostile" (Conley 2012: 33), Foreign Minister Lavrov emphasized the importance of the Arctic Council and stated that the Council's existence would render the Alliance's engagement in Arctic matters unnecessary. Stronger NATO-engagement would represent a weakening of Russia's position in the Arctic, with the NATO-member states improving theirs. A possible future role of NATO will be assessed later, even if its official role remains small, through Collective Defense and military exercises NATO's influence on Arctic security will last.

5.5. Regional cooperation: Nordic Council of Ministers, NORDEF, Barents-Euro Arctic Council

As a consequence of the sheer size of the Arctic, it becomes necessary to put governance partially on a more regional level in order to deal with specific regional problems properly. Some of these structures, such as the Nordic Council of Ministers, have been in existence before, others, for example the Barents-Euro Arctic Council, have come into existence as a result from cooperation in specific areas. Regional fora are important in shaping positions and decisions on a regional level, that are then brought to international institutions. Especially among the Nordic Countries there is a high degree of regional cooperation, in civil, economic as well as military and security affairs.

One of the central regional institutions is the Nordic Council of Ministers (NCM) with its members Norway, Sweden, Denmark, Finland and Iceland. *“The Nordic Council of Ministers is primarily an organisation for inter-Nordic cooperation, but the end of the Cold War and the reinvention of Nordic cooperation that followed led to a more globally aware NCM.”* (Rosamond 2011: 25) The NCM’s central guidelines for cooperation in the High North is the *Arctic Co-operation Programme 2015–2017* (NCM 2014) which defines important sectors, such as Human Security, the environment and sustainable development as fields for cooperation. Like the Arctic Council the NCM deals solely with non-military issues and tries to secure especially sustainable development in the High North (see *ibid.*)

Furthermore, the NCM serves as an important connection point between the Arctic Council and institutions such as the European Union, in order to *“promote Arctic integration on different levels of governance.”* (Rosamond 2011: 26) The most important aspect of the NCM however lies in the coordination of Nordic Arctic policies, which was formalized through an agreement after the Ministerial Meeting in Reykjavik, Iceland in 2009 (Meeting of Foreign Ministers of the Nordic States 2009). This agreement concluded that cooperation is indispensable in order to resolve the challenges in the High North and promoted ministerial cooperation on the base of Arctic Council decisions. The NCM therefore represents the central forum for the coordination of Arctic policies in the Nordic region.

As the NCM however excludes military security from its agenda, another structure represents an important aspect, the *Nordic Defense Cooperation* (NORDEF), which came into existence in 2009 through the merger of preceding Nordic defense cooperation programs. Of utmost importance for this process was the report *Nordic Cooperation on Foreign and Security Policy* by former Norwegian Minister of Defense Thorvald Stoltenberg (Stoltenberg 2009).

Stoltenberg described a desire and necessity for cooperation in the area of security and defense policy and outlined a variety of topics such as peacebuilding, disaster management and military cooperation as issue areas.

The Arctic assumed a crucial role in the Stoltenberg Report. *“The dramatic return of the North on the world scene as a result of climate change was also a key point of departure for Stoltenberg’s report.”* (Dahl 2014: 7) Stoltenberg outlines four central issue areas for Nordic security and defense cooperation in the High North as well as in the Baltic Sea, a maritime monitoring system, a maritime response force, a satellite system for surveillance and communications and a special focus on cooperation in the Arctic, which according to Stoltenberg could also be extended to include the other Arctic nations. Arctic military cooperation is visible through multiple exercises, with the Cross Border Training (CBT) as an example. The CBT is an aerial exercise including Norway, Sweden and Finland in order to achieve stronger aerial surveillance of the northern regions of the Scandinavian peninsula, it represents one of the *“most successful”* (Dahl 2014: 8) exercises conducted within NORDEFCO.

The last cooperative institution to be described is the Barents-Euro Arctic Council (BEAC). Members are Denmark, Finland, Iceland, Norway, Russia, Sweden and the European Commission, the BEAC is an important example for the Northern Dimension of European Foreign Policy which was established in 2006 (EU 2006) and included the BEAC as important actor in the region. The cooperation in the Barents-Euro Arctic Area comprises multiple levels, with the Barents Regional Council (BRC) being an additional institution in this area. The Kirkenes Declaration (BEAC 1993) stated that the BEAC should primarily promote sustainable development, but also introduced topics such as nuclear safety. It also stated that the BEAC will *not “duplicate or replace ongoing work in other bilateral or multilateral fora, but will where appropriate seek to give impetus and coherence to regional cooperation and encourage new common efforts, bilateral and multilateral, to meet the challenges and opportunities facing the Region.”* (BEAC 1993: 2) Therefore, it represents a regional forum in which policies are shaped in order to formulate positions for debates in more comprehensive councils, such as the Arctic Council. Through the lens of the Relative Gains-theory, cooperation on a regional level is particularly interesting in the context with international cooperation. Smaller cooperation projects can assist in fortifying positions in international debates and lead to a stronger standing, therefore states are likely to engage in regional cooperation. Also, as in the case of the BEAC, actors like the EU obtain better opportunities to be included in debates on the High North and to formulate their interests.

6. Analysis of the Strategies for the Arctic Region

6.1. On the method of the analysis

The following chapter is the central part of this thesis, as the national strategies form the central guidelines for national Arctic policies and ultimately shape the character of cooperation in the High North. By investigating the national strategies it should become clearer which positions are formulated by states towards specific topics. These topics, as outlined before, are sovereignty, economics and resources, security and environment, as well as cooperation with the subcategories of the specific institutions Arctic Council, UNCLOS, NATO and regional cooperation infrastructures. Obviously there are intersections between the categories, for example sovereignty and security that also will be outlined. The strategies that will be analyzed are a great amount of official documents on Arctic strategy and policy. Central are the respective national strategies, but also military strategies, strategies by governmental institutions, for example the Arctic strategy by the U.S. Department of Defense. Research will comprise all eight Arctic states, Russia, Canada, the United States, Denmark, Norway, Sweden, Finland and Iceland. In addition, approaches from two external actors will be included, the European Union and China. However, the categories do only apply to the Arctic Five (Russia, Canada, the U.S., Denmark and Norway), as certain goals, such as maritime security, do not apply to the other cases. The non-Arctic Five states will therefore be analyzed in the categories that are evident in their respective strategies, whereas for the EU and China motives for cooperation will be investigated.

In order to investigate which role relative gains assume in the national Arctic strategies, the issue areas have been categorized in policies with a cooperative nature and policies with a unilateral nature. In addition, the importance of issues will be outlined, as higher importance of a topic has a stronger influence on states relative gains. Finally the gains a state seeks from a policy will be analyzed in the light of the categorization in cooperative/unilateral and high/low importance, as this assists in concluding if relative or absolute gains prevail and how the strive for gains influences cooperative behavior.

6.2. Russian Federation

Russia's position in the Arctic is particular. It is the only non-NATO state among the Arctic Five, therefore its security policy follows different notions than those of the other coastal states. Especially since the beginning of the Ukraine crisis in 2014 which lead to a massive deterioration of the NATO-Russia relations this aspect seems to be central in Russia's foreign

policy, therefore also its Arctic policy. “Russia faces unique challenges as the only non-NATO member among the five littoral Arctic states.” (Lackenbauer 2011: 241) Also, Russia’s economy is strongly dependent on natural resources, especially oil and gas. On the other hand, “Russia is half of the Arctic” (Klimenko 2015) and “perhaps the greatest Arctic power.” (Roi 2010: 551) Russia can therefore be interpreted as the strongest actor, therefore, the danger it could suffer from relative gains of other states is more prevalent, that leaves the assumption that Russia might be acting in a less cooperative and more unilateral way.

Russia’s Arctic strategy is represented through the *Basics of the State Policy of the Russian Federation in the Arctic for the Period till 2020 and for a further perspective*.³ (Russian Federation 2008, further Basics) and the *Strategy for the Development of the Arctic Zone of the Russian Federation and National Security Efforts for the period up to 2020*⁴. (Russian Federation 2013) Other central documents cited in this chapter are the *Military Doctrine of the Russian Federation*⁵ that was approved in 2010 and revised in 2014 (Russian Federation 2010/2014) and *On the Russian Federation's National Security Strategy*⁶ which was issued on December 31st, 2015. (Russian Federation 2015b) Russia is aware of its special position in the Arctic as “realization of the state policy of the Russian Federation in the Arctic will allow Russia to maintain the role of a leading Arctic power.” (Russian Federation 2008) Before assessing Russian policies in the respective categories, it is important to outline the general provisions of the Russian Arctic strategy. The 2008 Basics describe four central national interests in the Arctic, using the Arctic as a strategic resource base, maintaining a zone of peace and cooperation, preserving the ecological systems and using the Northern Sea Route as a transport route. (Russian Federation 2008) In the 2013 strategy, the five development priorities were defined as socio-economic development, development of science and technology, establishment of a modern information and telecommunications infrastructure, environmental security, international cooperation and military security and protection of the border respectively. The national interests basically comprise all of the introduced categories, economy, security, cooperation, environment and sovereignty.

Sovereignty: Zagorski (2016: 79) describes UNCLOS as one of the central means to guarantee Arctic sovereignty. The Russian Arctic strategy emphasizes the significance of international

³ Original: Основы государственной политики Российской Федерации в Арктике на период до 2020 года и дальнейшую перспективу

⁴ Original: О Стратегии развития Арктической зоны Российской Федерации и обеспечения национальной безопасности на период до 2020 года

⁵ Original: Военная доктрина Российской Федерации

⁶ Original: О Стратегии национальной безопасности Российской Федерации

law in maritime delimitation. *“The limits of the Arctic Zone of the Russian Federation can be specified according to normative legal acts of the Russian Federation and norms of international treaties and agreements to which the Russian Federation is a party.”* (Russian Federation 2008) Russia also strongly pursues achieving an ELCS, as the continental shelf is central to Russia’s economic ambitions in the High North. Russia was the first country to submit for an extension, however this submission was rejected.

Maintaining Arctic sovereignty converges strongly with its security policy. Protection of the borders, according to the Russian strategy, should be conducted by the military, Russia aims to strengthen the coast guard and install infrastructures to fortify control of the Russian Arctic border, for example in the field of *“hydrographic work in order to determine the need for changes in the list of geographical coordinates of points defining the position of the baseline for measuring the breadth of the territorial waters and economic zone and the continental shelf.”* (Russian Federation 2013) However, as Russia’s Arctic borderline is the longest of all Arctic states, maritime delimitation disputes are bound to occur. It is a strategic priority for Russia that this disputes are resolved within an international law framework, especially its presence in the Spitsbergen Archipelago is central. (Russian Federation 2008) As mentioned, Russia resolved its border dispute with Norway in the Barents Sea, there still remain disputes with the United States in the Bering and the Chukchi Seas. Even though an agreement was reached between the Soviet Union and the U.S. in 1990, neither the Soviet Union, nor the Russian Federation as legal successor managed to ratify the agreement, leaving the dispute theoretically unresolved. Especially within the Duma, Russia’s parliament, the agreement is widely seen as disadvantageous for Russia’s interests. (Laruelle 2014: 103p.) Konyshev/ Sergunin (2014b: 80) describe Russia’s sovereignty strategy as *“mixture of the expansionist/revisionist and soft power policies.”* While Russia assertively claims its continental shelf and is determined to fortify its border protection, it also acknowledges the importance of cooperation, negotiation and international law in resolving maritime boundary disputes.

Economy: The link between sovereignty and economic motives can be found in the high importance of the Northern Sea Route for Russian Arctic policy. The Northern Sea Route represents the most important transport route for the Russian federation, therefore, through the 1998 Russian Law on internal sea waters basically included the route into Russia’s internal waters. (see Zagorski 2016: 89) In the 2013 strategy the Northern Sea Route was mentioned as *“a single national transmission backbone of the Russian Federation”* (Russian Federation,

2013), underlining the importance of the route for Russia. One of the central notions both Russian official documents on the Arctic share is that shipping on the Northern Sea Route shall only happen under Russian jurisdiction, Conley (2015: 83) asserts a “*sense of urgency in Russia to develop and exert sovereignty over the Northern Sea Route [...]*”. Klimenko (2016: 10) estimates the importance of the Northern Sea Route mainly in domestic shipping, as risks for international shipping remain high and infrastructural deficits along the route are persistent. (Perry/ Andersen 2012: 55) The Russian Arctic strategy addresses these obstacles and aims to improve the country’s infrastructure along the Northern Sea Route, “*but progress is slowly and costly.*” (Klimenko 2014: 10) Nevertheless, the route can be perceived as a central Russian interest.

For the exploitation of resources, there remain big obstacles. “*The absence of technology for exploration of the shelf resources, high costs of investment in the region and no immediate returns have forced Gazprom and Rosneft to involve foreign participation.*” (Klimenko 2016: 7) However, as a consequence of the Western sanctions against Russia because of the annexation of Crimea and the following conflict in Ukraine, technology transfer into Russia from Western countries has stalled and development of the technologies has been slow. This has hindered the ambition of expanding the resource base, as formulated in 2008. The 2013 strategy even admits the lack of technologies and know-how in order to efficiently extract resources, however, proposes infrastructural programs and establishing scientific programs in order to increase the balance of mineral resources in Russia’s Arctic. In addition, also the 2015 security strategy assesses a need for technological progress in technologies relevant for extracting resources. “*Leadership in exploiting the resources of the world's oceans and the Arctic is acquiring particular significance in this process.*” (Russian Federation 2015b)

Security: Security issues are crucial to Russia, as it is surrounded by NATO-states and is aware of the changing Arctic security environment. The military strategy offers a few key insights into Russia’s security approach towards the Arctic. One of the tasks of the Russian armed forces is “*to ensure security of economic activities of the Russian Federation in high seas.*” (Russian Federation 2010/2014) NATO in the military strategy, as well as in the 2015 security strategy is named as the biggest threat to Russia’s national security, especially the alliances expansive endeavors are criticized. Russia will therefore object any stronger NATO involvement in the High North and is likely to closely observe NATO exercises and movements in the area.

Security in the Arctic shall especially be reached through fortifying the military. Already in the Basics in 2008 Russia formulated the attempt to strengthen its armed forces, albeit mainly to

ensure border control and security. *“Among Russia’s major security concerns in the Arctic in 2008-2013 were so-called new security challenges emerging as a result of climate change and increasing economic and human activities in the Russian Arctic Zone.”* (Klimenko 2016: 14) The 2013 Arctic strategy focused more strongly on military security issues, readiness of forces in order to react to military dangers and threats was a main point. Sovereignty should be assured through better preparedness and it should serve as deterrent against possible hostile military actions. This signifies that Russia, in 2013 perceived stronger military threats than in 2008, therefore increasing the capabilities of the armed forces in the High North. The stronger inclusion of the Arctic in the 2015 security strategy proves this assumption.

Russia’s naval capabilities in the Arctic are the biggest among all Arctic nations. Klimenko (2016: 19) describes five tasks of the Russian navy in the Arctic, nuclear deterrence, protection of the EEZ, avoidance of illegal activities, guaranteeing safety of navigation and following Russia’s general foreign policy strategy in the economic important areas of the High North. Zysk (2011: 91) assesses that *“Russian military activity in the Arctic has been connected most closely to the region’s central role in the country’s nuclear deterrence strategy.”* A lot of the naval, but also aerial capabilities for Russia’s nuclear forces are found in the Arctic, making it a strategically crucial area. Russia follows a military modernization program and an increase in its Northern Fleet capabilities. (Wezemann 2012: 10) However, its military presence is considerably weaker than during the Soviet era and inferior to the Arctic NATO nations. (Konyshev/ Sergunin 2014a: 329)

Environment: Environmental security is a vital element of Russia’s Arctic strategy. The 2008 Basics define the preservation of the complex ecological systems as a basic national interest of the Russian federation in the High North. One of the measures described in the document is the introduction of special regimes regarding environmental protection, highlighting a cooperative aspect in Russia’s environmental strategy. Russia acknowledges the need for strong environmental protection due to the increasing military and economic activity, nuclear waste management poses a problem for the environment in the High North. (Konyshev/ Sergunin 2014c: 73)

The 2013 Arctic Strategy even calls for the *“[e]limination of the environmental damage caused by past economic, military and other activities in the Arctic Zone of the Russian Federation”* and further to *“minimize negative human impact on the environment of the Arctic Zone of the Russian Federation due to the current economic and other activities.”* (Russian Federation 2013) The size of the Russian Arctic Area renders effective environmental protection a

necessity, as Russia could massively suffer from an oil spill or continuing negative environmental effects of economic activity.

Cooperation: The 2015 security strategy states that “[t]he development of equal and mutually beneficial international cooperation in the Arctic is of particular significance” (Russian Federation 2015b) Russia sees cooperation as a crucial element in the High North, outlined in both the 2008 Basics as well as the 2013 Arctic strategy. Russia acknowledges UNCLOS as defining framework under which to operate regarding maritime border issues. In the 2008 Basics, Russia formulated multiple points in order to strengthen cooperation, interaction in maritime delimitation, building a collective system of SAR and strengthening regional organizations like the Arctic Council and the BEAC.

Similar aspects can be found in the 2013 Arctic strategy, Russia promotes a “*mutually beneficial bilateral and multilateral cooperation between the Russian Federation and the Arctic states on the basis of international treaties and agreements [...]*” (Russian Federation 2013) The joint SAR-system is also pointed out as a strategic goal for cooperation, as well as the strengthening of regional organizations, albeit the 2013 strategy, contrary to the 2008 basics, does not point out specific organizations such as the Arctic Council. However, Russia intends to increase its engagement in various regional institutions, therefore, cooperation is a strong issue in Russia’s Arctic policy. To conclude, the final remark of the 2008 Basics is of utmost importance as it points out the meaning of relative gains for the Russian Arctic strategy.

“Further, it is necessary to carry out a complex building up of competitive advantages of the Arctic zone of the Russian Federation with a view of strengthening positions of Russia in the Arctic, consolidation of international security, maintenance of peace and stability in the Arctic region.” (Russian Federation 2008)

6.3. Canada

Canada, as opposed to Russia, does not find itself in such a tense security environment, albeit tensions generally existent in the Arctic do obviously affect Canadian Arctic policy. A notion that however is important to make is that all official Arctic strategies as well as the defense strategy were developed and ratified under the Harper government. After the elections in fall 2015 and the change in government from conservative Prime Minister Stephen Harper to liberal Justin Trudeau, it will be important to closely follow if Trudeau changes Harper’s quite unilateral, realist foreign policy, also in regard of the Arctic. During a visit to Washington, D.C. in early 2016, Prime Minister Trudeau together with U.S. President Obama presented a “*shared*

Arctic leadership-model.” (Canada 2016) As the Canadian strategies have been planned for a longer term, it is also likely that the Trudeau government is continuing at least some aspects of its predecessor.

The documents that will be analysed are *Canada’s Northern Strategy; Our North, Our Heritage, Our Future* (Canada 2009) and the *Statement on Canada’s Arctic Foreign Policy* (Canada 2010). In addition, the *Canada First Defence Strategy* (Canada 2011) provides insight in Canada’s Arctic security policy as a part of the country’s general foreign and security policy. An important aspect that should be mentioned beforehand is that, according to the Canadian Arctic strategy, the Arctic is a big part of the country’s identity. “*Canada is a Northern nation. The North is a fundamental part of our heritage and our national identity, and it is vital to our future.*” (Canada 2009) This proves that the region in general is of higher significance for the country than, for example, for the U.S. as will be described in a later section.

Sovereignty and Security: As opposed to the description of the Russian Arctic policy, in the Canadian case sovereignty and security will be under joint investigation. This derives out of the fact, that Canada does not emphasize security in its Arctic strategy in other issues than defending sovereignty. As Huebert (2009b: 5) assesses “*sovereignty and security are interconnected and can not and should not be separated, which is specifically true in the Canadian Arctic.*” The absence of hard security issue in Canada’s Arctic strategy is an important notion for itself, as it clearly determines the focus of the Canadian Arctic policy.

Sovereignty, on the opposite, is probably the preeminent issue for Canada’s strategy. In the strategy it is stated that “[t]he Government of Canada is firmly asserting its presence in the North, ensuring we have the capability and capacity to protect and patrol the land, sea and sky in our sovereign Arctic territory.” (Canada 2009: 9) In line with that is the predication in the Statement, that Canada is “[...] putting the full resources of the Government of Canada behind the exercise of our sovereignty, sovereign rights and jurisdiction in the Arctic.” (Canada 2010) Canada follows a stronger militaristic approach towards security issues, which has especially resulted from former Prime Minister Harper’s assertive foreign policy, which also brought him criticism in the Arctic context. (Bergh 2012: 6) Military dimensions of Canadian sovereignty especially include a strong military build-up in order to protect sovereignty. Canada has taken a comprehensive approach of modernization, modernizing the navy as well as the air force, conducting exercises and patrols as well as using the *North American Aerospace Defense Command* (NORAD) for extensive aerial patrols.

Especially in the defense strategy the Arctic assumes a prominent role. By promoting “*Excellence at home*”, (Canada 2011: 7) Canada formulates protecting maritime border zones as well as the airspace as central aspects of Canadian defense policy. It is also stated that the Canadian armed forces are required to obtain enough capacities to protect Canada’s Arctic, which led to increased spending and investments in naval and aerial modernization. It will be interesting if the change in Ottawa will cause a change in the militarized understanding of Arctic sovereignty.

However, Canada recognizes UNCLOS and international law as the main framework of resolving sovereignty issues and maritime boundary disputes. The strategy highlights the importance of the Convention as it allows Canada to claim its continental shelf, a process Canada is determined to conclude with a positive outcome in order to secure further resources. (Canada 2009, 2010) Regarding border disputes, Canada does not perceive the disputes revolving around Hans Island, the Beaufort Sea or the Lincoln Sea as security threats and therefore attempts to resolve them according to international law. (Canada 2009: 13)

Economy: Canada is determined to exploit the vast amount of Arctic resources in order to improve the socio-economic circumstances, especially on a regional, but also on a national level. Sustainability is one of the central notions of economic development in the Arctic, even stated as the first necessary step in order to improve economic conditions. (Canada 2010) Canada merges environmental protection with economic usage of the area, as regulations are developed and clean energy is a clear focus of the country, therefore there are stronger regulations on extracting oil and gas.

The strategy describes Mining activities as well as oil and gas projects as the “*cornerstones of sustained economic activity in the North [...]*” (Canada 2009: 15) However, as these occur on land and therefore on Canadian territory, their importance for analysis is minor. Of bigger importance in this context the off-shore resource extraction, where Canada attempts to explore drilling opportunities in the Beaufort Sea. However, Canada admits that risks regarding off-shore drilling remain high and focuses more strongly on on-shore resource extraction, for example by investing in Geo-mapping infrastructures in order to detect resources. (Canada 2009)

A decisive economic factor therefore is Arctic shipping, which, as also in the Russian case, also causes sovereignty conflicts around the Northwest Passage. “*Canada claims that the waterways that comprise this Arctic passage are internal waters. Therefore this would mean that the Canadian government has the right to control who can enter these waters and under what*

conditions.“ (Huebert 2009b: 6) This will become significantly more important in the future, as the reducing ice extent will render the Northwest Passage a viable shipping route. In this context, Canada’s efforts in regard of developing the Polar Code and programs the Arctic Marine Shipping Assessment play an important role, as through claiming sovereignty over the Northwest Passage, Canada is also responsible for guaranteeing maritime safety in the Passage.

Environment: The protection of the Arctic environment takes a central role in the 2009 strategy as well as in the 2010 statement. Climate change is named as the most pressing challenge for the High North, although it results from actions that happen largely outside the Arctic. Vice versa, the effects from climate change in the Arctic will affect the entire world. (Canada 2010) Canada’s approach towards environmental protection comprises two main aspects, strengthening science and technology and setting measures to preserve the Arctic ecological system.

The 2009 strategy (Canada 2009: 24) outlines science and technology as cornerstone of Canada’s Arctic policy, Canada, is the largest contributor in global polar research. Key areas of research are climate change and life conditions of Northern indigenous communities. Canada’s scientific policies include various international collaborations with other countries and organisations, such as the United Nations.

Concerning the preservation of the Arctic ecological system, Canada is especially focused on protecting Arctic waters from pollution. Starting with Arctic Waters Pollution Prevention, Canada has taken various steps in order to reduce the risks of pollution. Another example is the Health of the Ocean’s initiative *“which strengthens the ability of Northern communities to respond to pollution and fosters greater cooperation with domestic and global partners for integrated ecosystems-based oceans management.”* (Canada 2009: 27) In the context of maritime ecosystem protection, Canada also emphasizes the important role of the Arctic Council. In addition, according to the 2010 statement, Canada will support international efforts to combat and mitigate the effects of climate change in the Arctic.

Cooperation: As already described before, Canada was one of the main driving forces behind the establishment of the Arctic Council. Canada estimates the role of the Council highly and assesses that *“the Council needs to be strengthened to ensure that it is equipped to address tomorrow’s challenges.”* (Canada 2010) Next to the Arctic Council, Canada also emphasizes the importance of other regional cooperation institutions as well as international organizations, such as the IMO. However, Canada opposes an engagement of security-related organizations

such as NATO or the Organization for Co-operation and Security in Europe (OSCE), as it *“believes that the region is well managed through existing institutions, particularly the Arctic Council.”* (Canada 2010)

Canada also aims for strong bilateral cooperation, especially with the United States, but also with other Arctic partners. Cooperation with the United States is central to the Arctic strategy, as there is a great amount of shared interests. Also other Arctic states like Norway and Denmark are important partners for Canada. (Canada 2009: 34p.) However, in the context of Russia, Canada seems to be caught in a struggle how to interact. *“The Russians are more of a wild card in Canadian foreign policy.”* (Lackenbauer 2011: 240) As Charron et al. (2012: 47) criticize, Canada is not acting in a coherent way regarding its relations Russia, but following a *“policy of self-sufficiency.”* The convincing rejection of NATO in Arctic affairs proves that Canada follows a path of minimizing conflict in the High North, it will be interesting to see if Trudeau’s liberal foreign policy will open further cooperation possibilities rather than Harper’s realist approach.

6.4. United States

The United States are an Arctic power by the virtue of Alaska, therefore, in the 48 mainland states and Hawaii, the Arctic is of low significance. *“Our Arctic policy also suffers from an acute lack of awareness by most Americans that we are an Arctic nation with a huge maritime boundary and very limited resources [...] to protect it.”* (Ebinger 2015) Klimenko (2015) assesses that the interest of members of an administration, such as former Secretary of State Clinton or present Secretary John Kerry in the region is crucial to put the Arctic more towards the center of American foreign policy. It was not before its end, that the Bush administration acknowledged the importance of the High North, albeit only in a reduced manner, which lead to the term of the *“Reluctant Arctic Power.”* (Huebert 2009a) The Obama administration gradually put more focus on the High North, especially regarding climate change, with Obama being the first President to travel to America’s Arctic while in office. (Myers 2015) That the U.S. inherited the Arctic Council Chairmanship in 2015 added to the increased interest in Arctic affairs in Washington. Ebinger (2015) describes the Chairmanship as chance for the U.S. to clearly formulate standpoints on Arctic policy and increase awareness on Arctic issues. In addition, President Obama established an Arctic Executive Steering Committee in 2015, *“which shall provide guidance to executive departments and agencies and enhance coordination of Federal Arctic policies across agencies and offices [...]”*. (USA 2015) In addition, local, private and academic institutions shall be included in the Committee

The first document that formulated an Arctic policy was the *National Security Presidential Directive 66* (NSPD 66) (USA 2009) that assesses that the US are an Arctic nation and follow interests in the High North. In 2013, the administration issued the *National Strategy for the Arctic Region* (USA 2013), followed by the *Implementation Plan for the National Strategy for the Arctic Region* (USA 2014). In addition, multiple government organizations have issued Arctic strategies, such as the Department of Defense (2013) and the Naval Forces (US Navy 2014). A fact to bear in mind is that the United States never ratified UNCLOS, which alters policies especially in regard of continental shelves.

Sovereignty: U.S. sovereignty claims are negatively influenced by the fact that formally, the United States are not a member of UNCLOS. However, all official documents by the government call for a ratification of UNCLOS through the Senate. “*Accession through the Convention would protect U.S. right, freedoms and uses of the sea and airspace throughout the Arctic region and strengthen our arguments for freedom of navigation and overflight through the Northwest Passage and the Northern Sea Route.*” (USA 2013: 9) The U.S. recognize the unclear legal situation caused through non-accession to the Convention and perceive this situation as disadvantageous for U.S. national interests. The 2009 NSPD also calls for a resolution of the maritime boundary issues in the Beaufort Sea with Canada and the Russian ratification of the resolution of the disputes in the Bering and Chukchi Seas.

While UNCLOS is the main aspect of U.S. sovereignty policy, protection of sovereignty in the Arctic and defining maritime boundaries is also crucial without the accession to UNCLOS. One of the main targets of the NSPD 66 was that the United States define “*with certainty the area of the Arctic seabed and subsoil in which the United States may exercise its sovereign rights over natural resources such as oil, natural gas [...].*” (USA 2009) However, it is recognized that this would be facilitated through claiming an ELCS. Protection of sovereignty in the High North is an important issue in the Navy’s roadmap as well as in the Arctic strategy of the Department of Defense (DoD), which also emphasizes the role the Navy should take in this regard. (Department of Defense 2013)

Economy: The United States follow clear economic interests in the High North. “*Energy development in the Arctic region will play an important role in meeting growing global energy demand as the area is thought to contain a substantial portion of the world’s undiscovered energy resources.*” (USA 2009) Economic interests for the U.S. are especially in the realm of energy security, not only through the extraction of natural resources but also through stimulating the development of renewable energies, especially in cooperation with local

stakeholders. (USA 2014). Still, oil and gas production remain the central goal of U.S. energy policy in the High North, interesting in this regard is the strong promotion of including the industry and local stakeholders.

Shipping, contrary to Canada and Russia, is not as meaningful for the United States. This results from the lack of profitable trade routes in U.S. seas and the fact that the U.S. cannot claim sovereignty over trade routes without acceding to UNCLOS. Also, the U.S. estimate the future volume of transit shipping in the Arctic relatively low. (US Navy 2014) The main interest in this context is that freedom of navigation in the Northwest Passage is ensured and that the Passage is treated as an international strait rather than as Canadian waters. In addition, the NSPD 66 prioritizes the guarantee of secure navigation in Arctic waters and the protection of maritime commerce.

Security: Security seems to be the foremost interest of the United States in the Arctic. The national security interests comprise missile defense, nuclear deterrence, early warning, maritime security and ensuring freedom of navigation. (USA 2009) Especially in the field of missile defense the Arctic is a crucial region for American security, as it *“is a principle trajectory for nuclear or conventional medium-range and intercontinental ballistic-missile attack [...]”* (Kraska 2011: 254) The 2013 strategy puts sovereignty as the primary goal of Arctic security policy. It also formulates the possible threat of expansionism in the Arctic and promotes determination to protect the U.S. national security and its allies. Albeit not clearly formulated, this expresses concerns over Russia’s dominating role in the Arctic and the willingness to invoke Article 5 if necessary. The tense situation with Russia adds to American uncertainty. *“In Washington and other NATO capitals Russia’s military moves are seen as provocative – and potentially destabilizing.”* (Myers 2015)

One of the main objectives regarding maritime security is to *“[e]nsure the United States maintains icebreaking and ice-strengthened ship capability with sufficient capacity to project a sovereign U.S. maritime presence, support U.S. interests in the Polar Regions and facilitate research that advances the fundamental understanding of the Arctic”* (USA 2014) This, however, would require serious modernization efforts of the U.S. icebreaker fleet, as even Secretary of Defense, Ashton Carter, criticized the shortcomings of Arctic capabilities of the U.S Navy. (Martinson 2015)

The Department of Defense’s strategy as well as the Navy roadmap follow the national policy by describing sovereignty as the preeminent goal of U.S. security policy in the High North. The DoD promotes technological cooperation, however neither its strategy nor the Navy’s roadmap

include endeavors to substantially modernize the United States Arctic fleet, which would be absolutely indispensable, as commentators agree that the U.S. has fallen behind, especially in comparison to Russia. (Myers 2015)

Environment: Also in the U.S. strategy environmental protection is emphasized on various occasions. “*Protecting the unique and changing environment is a central goal of U.S. policy.*” (USA 2009, 2013: 7) The United States therefore follow a program to monitor Arctic ecosystems and thoroughly assess the negative effects of climate change on the Northern environment. Of particular importance for U.S. Arctic environmental policy is the *Integrated Arctic Management* (IAM) which “*is a science-based, whole-of-government approach for stewardship and planning in the U.S. Arctic that integrates and balances environmental, economic, and cultural needs and objectives.*” (USA 2014: 14) Within the IAM, the United States stress the significance of *Ecosystem-Based Management* (EBM) which through improved scientific work should improve decision-making processes and the conditions of marine ecosystems. Science and technology, as also in other strategies, is a central aspect of environmental protection in the High North. The U.S. calls for cooperative scientific programs in order to achieve progress in this field. (see USA 2009)

In addition, the U.S. attempts to mitigate the risks and effects of increased economic activity in the Arctic. This comprises a prevention of pollution of the Arctic seas by an oil spill for example, and furthermore the U.S. accentuates the importance of responsible resource management.

Cooperation: While cooperation remains of high importance for the United States, a variety of aspects in the strategies show that the interest of the U.S. is keeping cooperation to a limited extent. While the U.S. increasingly has appreciated the role of the Arctic Council, the standpoint remains that it “*should remain a high-level forum devoted to issues within its current mandate and not be transformed into a formal international organization, particularly one with assessed contributions.*” (USA 2009) Although the U.S. are willing to strengthen the Council’s decision-making structures, transformations should remain small. This highlights the ongoing rejection of the U.S. towards the Council as a comprehensive Arctic institution and especially highlights the unwillingness of the U.S. to lift the ban on debating security issues.

Nevertheless, the U.S. sees engagement in the Arctic Council as the most desirable way to achieve its national interests in the High North. The two legally binding agreements, the *Agreement on Aeronautical and Maritime Search and Rescue* and the *Agreement on Cooperation on Marine Oil Pollution, Preparedness and Response in the Arctic*, were

welcomed by the United States and the U.S. seek to continue supporting strong legally binding agreements, albeit only in the areas of competence of the Arctic Council. (USA 2013: 9)

Interesting though is the fact that the U.S., other than Russia and Canada, openly invites non-Arctic states to cooperate in order to “*advance common objectives in the Arctic region*”. (USA 2013: 10) The U.S. therefore signalizes openness towards a higher density of actors in the High North in order to pursue common interests. It remains to be seen if the Arctic Council Chairmanship and the government’s measures increase the importance of the Arctic in U.S. foreign policy.

6.5. Denmark

Of all the Arctic coastal states Denmark’s situation in the Arctic is the most complicated. As being an Arctic state by the virtue of Greenland, the Danish interests have to be accorded to the Greenlandic interests. This results from the self-government and therefore substantial autonomy of Greenland, which formally does not guarantee Greenland significant influence on Danish foreign policy, on an informal level however “*Greenland has gradually gained an important say over Danish foreign policy concerning Greenland.*” (Petersen 2011: 147) Through the stationing of U.S. troops at bases in Greenland, for example the Thule airbase, the security situation in Greenland, and therefore for Denmark, is a challenge to the Danish government’s Arctic policy.

The importance of Greenland in Arctic affairs is also found in the two documents analyzed, the *Strategy for the Arctic 2011-2020* (Denmark 2011) and the *Danish Defence Agreement 2013-2017* (Denmark 2012) The Greenlandic perspective will be applied where necessary, as there is also a variety of aspects where Denmark and Greenland pursue the same interests.

Sovereignty and security: As in the Canadian case, Denmark’s sovereignty and security policies in the Arctic converge as protection of sovereignty is the only major security concern in the High North for Denmark. Denmark underlines its ambition for a peaceful Arctic in its strategy. “*The Arctic is and must be a region characterized by peace and cooperation.*” (Denmark 2011: 20) Again, Arctic sovereignty for Denmark rests on two pillars, one given through the international legal framework and the other being the military protection of sovereignty.

Denmark assesses that the Arctic is not a “*legal vacuum*” (Denmark 2011: 13), but governed through a variety of regulations, most significantly UNCLOS. Denmark views the 2008 Ilulissat Declaration as central aspect for securing sovereignty, as it put the Arctic stronger in the framework of international law. However, Denmark recognizes a lack of regulation in various

areas, which require an extension of the legal framework given in the Arctic. One example is a comprehensive SAR-agreement, which was adopted in the Nuuk Declaration in 2011.

Denmark, like all littoral states that are members of UNCLOS emphasizes the importance of the continental shelf process in order to extend its sovereignty over the boundaries of an EEZ. Denmark has submitted its claim together with the Greenlandic government and claims an area including the Amundsen Basin and the Lomonossov Ridge (Denmark 2014), which is bound to cause territorial disputes between Denmark and Russia. Denmark, however, stresses its willingness to cooperate bilaterally in order to resolve disputes peacefully and also to accelerate the continental shelf process in order to avoid unclear boundaries through an enduring lack of clarity. (Denmark 2011: 15)

However, the military aspect of Denmark's Arctic policy is difficult to underestimate. Denmark mentions the possibility of invoking Article 5 in case of a hostile infringement of the Danish Arctic. (Denmark 2011: 20) Danish defense policy has become increasingly aware of protecting Denmark's Arctic areas, *"the defence must have the capability to carry out all current tasks in the Arctic."* (Denmark 2012: 3) Challenges in the Arctic are one of the main aspects in the Danish defense strategy, the Danish government vows to increase its naval and aerial capabilities in order to support scientific missions and protect Danish sovereignty.

Denmark's Arctic base lies in Nuuk, Greenland, and the *Joint Arctic Preparedness Force*, that is established in order to have a better ability to react to challenges needs to be able to operate in Greenland. Greenland therefore plays a vital role in Danish security and sovereignty policy in the Arctic. *"Greenland is under the military security umbrella of Denmark, the United States and NATO. The government of Greenland, however, does not define Arctic security in purely military terms."* (Worm 2011: 173) Greenland is not worried about the outbreak of a military conflict, however, aspects of human and maritime security are more salient for the local government. Greenland's influence on Denmark regarding these issues is especially visible in the inclusion of maritime security as security aspect in its Arctic strategy.

Economy: The increasing maritime activity in the Danish case has viable effects on security. Improving maritime security is one of the focal points of the Danish Arctic strategy, this should be reached through a variety of measures. Ships operating in the High North are obliged to abide strict regulations in order to prevent vessel accidents that may cause an oil spill or a massive amount of casualties. Vessels need to be prepared for the harsh conditions present in the Arctic. (Denmark 2011: 16p.) In addition, infrastructural needs have to be addressed, such as the improvement of satellite navigation and improved weather forecasts. However, Denmark

does not reduce its interests on maritime security, but realizes, that increasing navigation will lead to increasing trade in the region. Especially in the context with Greenland, Denmark aims for adapting and opening Greenland to the global trade market. (Denmark 2011: 33)

However, the main focus of economic gains in the Arctic is found in resource exploitation. Greenland is estimated to be extremely resource rich, therefore, for the Greenlandic government exploiting this resources would turn out to be very profitable. It would, however, not foster Greenlandic independence, as is feared by some. (Economist 2015) Mentioning this fact is important because, if Greenland saw an opportunity for independence through oil wealth, policy divergences between the government in Copenhagen and the Greenlandic government would likely grow, therefore changing the strategy, making especially Copenhagen more cautious.

“The vision is to exploit mineral resources under the best international practices [...]” (Denmark 2011: 24) Denmark envisions to put strict regulatory guidelines on oil extraction but still profiting from the great amount of resources found in the Danish Arctic. In addition to oil and gas, mining assumes a crucial role in Danish economic interests and is also of special significance for Greenland. (Denmark 2011: 27)

Environment: “In order to anticipate how global climate and environmental conditions will evolve, it is crucial to understand how climate change affects the Arctic and in turn how changes in the Arctic affect global climate trends.” (Denmark 2011: 44) As for other countries, combating climate change in the Arctic is central to Denmark’s Arctic environmental protection strategy. Also, Denmark emphasizes the important role of science and technology in this regard. In environmental protection, Greenland assumes an important role as a research base, as in Greenland effects of global warming can be investigated closely. Denmark has set up research infrastructures in Greenland, such as the Arctic Technology Center, in order to improve its scientific abilities in order to tackle Arctic challenges and achieve sustainable development. Another example is the Regional Climate Modelling that is conducted by the Climate Research Center and the Danish Meteorological Institute. (ibid.)

The second central issue next to climate change is, similar to other cases, the protection of the ecological system in the High North. In this context, Denmark pursues a policy of regulating the usage of resources and preventing pollution of the Arctic environment. Through the importance of maritime security, only a few special measures are proposed in the strategy, Denmark is also strongly in favor of the IMO’s Polar Code.

Cooperation: Denmark's Arctic strategy can be interpreted a bit more global than other strategies. For example regarding climate change, Denmark seeks to find a solution through a global, comprehensive climate agreement and strong cooperation within the UN's Framework Convention on Climate Change (UNFCCC). Also, in the realm of maritime safety and security, the IMO is mentioned as the central institution for cooperation. (Denmark 2011: 51)

Regarding Arctic cooperation, Denmark envisions a strong Arctic Council that *"must evolve from a 'decision-shaping' to a 'decision-making' organisation."* (Denmark 2011: 52) Denmark also seeks to establish the Arctic Council as the only institution in the High North dealing with political matters. What is special about Denmark's strategy is the resolute mentioning of the Arctic Five and the desire to retain this informal forum of the five coastal states.

Being the only member of the EU among the littoral states has visible effects on Denmark towards cooperation. Denmark welcomes the EU's engagement in Arctic matters and is dedicated to cooperate and shape the Union's Arctic policies. In addition, Denmark emphasizes the significance of the NCM in the High North and promotes further Nordic cooperation in the region. Every cooperation includes Greenland as an autonomous part, so the Greenlandic dimension of the Danish Arctic strategy is definitely visible.

6.6. Norway

Norway can be seen as one of the most engaged Arctic nations, as stated in the introduction, Norway's Minister of Defense Ine Eriksen Søreide calls it a *"key priority for the Norwegian government."* (Søreide 2014: 1). The Arctic has historically assumed a central role in Norwegian foreign policy and will continue to do so. Norway, as neighboring state to Russia is facing specific security challenges, however, has proven to follow cooperative policies in the High North, especially in its relations to Russia. *"[...] Norway's High North policies are a function of liberal expectations and the continuity of legal regimes."* (Flikke 2011: 65) Norway does not estimate security as high as other states in its strategy, however it is still a central topic. The Norwegian Government's High North Strategy (Norway 2006) titles the Arctic as a *"new dimension of Norwegian foreign policy"*. As the Norwegian Arctic strategy dates back to the year 2006, the document New Building Blocks in the North: The Next Step in the Government's High North Strategy (Norway 2012) offers an additional insight into the development of Norway's Arctic policy. It should however be mentioned that after the Solberg cabinet replaced the Stoltenberg cabinet, new Arctic and defense strategies have been planned, which might cause a substantial shift in Norway's Arctic policy in the future.

Sovereignty: Even though the protection of sovereignty is emphasized it does not assume a similar prominent role that in the other Arctic strategies. In its 2006 strategy, Norway outlines the influence of protecting sovereignty on its international position. Norway however does not describe sovereignty as a solely military issue, but includes other security forces such as the police and the coast guard. (Norway 2012: 38p.) Still, Norway, acknowledges the importance of its armed forces in the High North, especially for economic reasons. *“It is important to maintain the presence of the Norwegian Armed Forces in High North both to enable Norway to exercise its sovereignty and authority and to ensure that it can maintain its role in its resource management.”* (Norway 2006: 19)

The *“vision that the Barents Sea should become a ‘sea of cooperation’”* (Norway 2006: 16) has largely been realized through the bilateral treaty with Russia and the establishment of the BEAC. Norway does not face any maritime boundary disputes currently, and its submission for extending its continental shelf has been accepted by the CLCS. Norway is focused on protecting its sovereignty by joint efforts of the coast guard and strengthening its border controls, but sovereignty does not play the same important role in Norway’s strategy than it does in other strategies.

Economy: Norway is one of the wealthiest economies in the world, thanks largely to its sustainable income through oil and gas exports. Therefore, the Arctic is seen *“as a strategic resource base that is extremely important to the national economy.”* (Bergh/ Klimenko 2016: 64) Norway aims for a shift to its Northern regions in its energy policy, while acknowledging that energy supply and security become an increasingly global issue. The oil reserves that are assumed in the Barents Sea, according to Norway, could possibly provide a long-term energy supply in Europe and the U.S. (Norway 2006: 55)

Norway’s target of stimulating petroleum activities in the High North follows two principles. First, Norway emphasizes the importance of knowledge of the area in order to create a basis for extraction activities in the Arctic. This should happen particularly through extensive exploration efforts, but also through data collection, (Norway 2006: 55, 2012: 24) Second, Norway aims to develop the infrastructure in the oil fields in the Barents Sea. Central elements in this regard are the Snøwhit Oil Field and a gas processing unit on Melkøya Island at the shores of Northern Norway, in this case Norway is willing to invest great amounts of money. (Norway 2006: 55)

Shipping is also seen as an opportunity for economic prosperity for Norway’s northernmost regions. *“It is particularly important that Norwegian ports in the north position themselves and*

engage in relevant cooperation to attract activity.” (Norway 2012: 22) Norway especially recognizes the need for improving infrastructure in order to profit from increased shipping activities in Arctic trade routes. This infrastructure also includes an upgrade of Norway’s shipyards and other maritime industries. However, Norway views the issue of maritime security with diligence. Obviously, it is attempted to keep shipping as friendly to the environment as possible, but the central aspects of Norway’s maritime security endeavors are different projects. The centerpiece is the satellite-based *Automatic Ship Identification System* (AIS) which will serve as an important monitoring and notification system, but does not only appear important in the issue of maritime security. *“A satellite-based AIS would help Norway to exercise its sovereignty and monitor resources more effectively.”* (Norway 2006: 60) In addition, Norway put a considerable effort into the increased preparedness in SAR-missions.

Security: Norway’s Arctic security policy is especially shaped by Russia as its closest neighbour. *“Russia and Norway are unique among the Arctic states in their long-lasting and wide-ranging engagement in the north, and in both cases there is a high degree of continuity in their policies.”* (2011: 56) Russia is a defining dimension of the Norwegian Arctic strategy, as Norway emphasizes especially the importance of cooperation with Russia. Norway’s approach towards Russia is marked by *“pragmatism, interests and cooperation.”* (Norway 2006: 18) Norway also stresses the importance of a defence cooperation, in order to facilitate solutions of incidents.

However, as a founding-member of NATO, Norway obviously is devoted to the principles of the alliance. *“Norway is positive towards further engagement by the alliance in the region and is probably the member that most strongly advocates such a development.”* (Bergh/ Klimenko 2016: 64) NATO is the central cornerstone of Norwegian security and defense policy, which also applies to its Arctic policy. Norway conducts the NATO exercise *Cold Response* on a biannual base with several other NATO states in order to improve preparedness and readiness in the High North (NATO 2016) and engages in other military exercises in the area. Norway’s security policy in the Arctic can therefore be interpreted as a dichotomy between encouraging a strong role of NATO and a cooperative approach towards Russia.

For its national security interests, Norway describes the challenges as cross-sectoral and encourages a stronger collaboration of civilian and military forces. It also emphasizes the significance of up-to-date surveillance and intelligence for improving information for decision-making. *“Surveillance and intelligence will continue to be a key task for the armed forces in the north.”* (Norway 2006: 19)

Environment: Environmental protection has an important role in all sectors of Norwegian Arctic policy. “Norway intends to be a leading nation as regards environmental policy and will play a long-term and credible role as a steward of the natural and cultural heritage in the High North.” (Norway 2006: 45) Mitigating climate change and its effects are the primary objective of Norway’s environmental protection policy. Especially during its chairmanship of the Arctic Council from 2007 to 2009, Norway promoted an in-depth debate on the negative effects of climate change on the High North and on solutions.

As other states, Norway views science and technology as the central mean in order to combat climate change. Its most prominent project in regard of strengthening scientific research is the development of a center for climate change and environmental research in Tromsø in Northern Norway. The center’s research should comprise all areas of Arctic environmental protection, from climate research to maritime research. (Norway 2012: 8) Norway also aims to strengthen the research infrastructure in other parts of the Arctic, for example by installing an Arctic earth observing system in the Svalbard Archipelago, and promotes various platforms of cooperation, such as the University of the Arctic-network, a network of circumpolar research institutions. (Norway 2006: 30p.)

Marine and maritime protection are vital interests of the Norwegian state. Increasing human activity in the High North render emergency response systems indispensable, Norway has formulated the improvement of these as a central objective. Emergency response systems should give a clear indication in case of any pollution incident in Arctic waters. An interesting fact is Norway’s special focus on the strengthening of the oil spill response. (Norway 2012: 16) This results from the increasing resource activity and resource shipments in the High North. In this regard, the decisive fact is given through Norway’s focus on oil spill response rather than oil spill prevention, which could let one assume that Norway estimates the risk of oil spills higher than other countries do and therefore attempts to handle the consequences and mitigating the negative effects rather than the risk.

Cooperation: As stated in the beginning of this section, Norway’s approach to the Arctic can best be described through a liberal institutionalist view. Norway encourages strong cooperation in all areas and aims for the strengthening of cooperative institutions in the High North. The Arctic Council is seen as the central institution for Arctic cooperation, the establishment of the Permanent Secretariat resulted from a Norwegian initiative formulated in the 2006 Arctic strategy (Norway 2006: 15p.) In addition, Norway underlines the importance of including the

European Union in Arctic policy processes and encourages stronger Nordic cooperation in Arctic matters.

A particularity of Norway's cooperation is the before mentioned strong desire to cooperate with Russia in various areas, however, especially the Barents cooperation is drawn as fundamental for Norway's cooperative endeavors. Norway and Russia pursue collaborations in environmental and scientific programs in the Barents area, which manifested itself in the signature of a Memorandum of Understanding concerning maritime safety and oil spill preparedness in the Barents Sea in 2006. However, it remains to be seen how this cooperation develops going into the future under the tense circumstances and the broken relationship between the West, especially NATO, and Russia.

6.7. Sweden

The following analyzed strategies by the non-coastal Arctic states Sweden, Finland and Iceland differ significantly from the strategies of the Arctic Five. A variety of issues does not apply to the three states, such as sovereignty, maritime security and oil spill, the extraction maritime resources and military security on seas. However, they still follow vital interests in the High North and as members of the Arctic Council and other regional and international cooperative institutions play an important role in decision-shaping and decision-making processes. As not all categories apply to these states, their policies will not be analyzed as strictly along the existing categories, but will rather focus on the central issues and their cooperative approaches.

In the Nordic area, Sweden can be perceived as the most influential country. Swedish policies and initiatives have strongly shaped the region and also internationally, Sweden has shown extensive engagement in environmental, economic and security affairs. However, as Bergh/Klimenko (2016: 65) assess, "*Sweden does not have a particularly strong Arctic identity and before it took over chairmanship of the AC in 2011 there was little in terms of Swedish Arctic policy.*" However, during its chairmanship Sweden engaged strongly in Arctic affairs, establishing the Permanent Secretariat and agreeing on the legally binding SAR and oil-spill agreement, therefore helping in fortifying the Council. (ibid.)

Sweden formulated its goals and objectives in the 2011 *Strategy for the Arctic Region* (Sweden 2011) Sweden stresses its ties to the Arctic region in a variety of aspects, such as security, economy and environment. Sweden also underlines its strong interest in an inclusive and comprehensive Arctic cooperation. For security issues, Sweden sees its security influenced by Arctic developments, but assesses that "*current security policy challenges are not of a military*

nature.” (Sweden 2011: 14) Sweden also views Arctic security as being highly dependent on the relationship between Russia and the United States. Sweden is not a NATO member, so Article Five would not apply in case of an eventual attack, but as member of the *Partnership for Peace*-program (PfP) it holds close ties to the alliance.

Economically, Sweden is engaged in the Arctic by virtue of its private industries and businesses. Central fields of economic interests are mining and forestry, in addition Swedish shipping industries expect growth through the increased interest in resource extraction in the High North (Sweden 2011: 15) Also the augmenting focus on oil and gas extraction in the Barents Sea and beyond is seen as an opportunity. However, Sweden admits that it “*has no direct national energy interest in the Arctic and does not take part in energy policy cooperation initiatives in the area*”. (Sweden 2011: 37) Sweden can especially profit from providing know-how and technologies for resource extraction. The same motive appears in Arctic shipping, where Swedish ice-breakers can provide assistance in opening sea lanes and trade routes. However, Sweden stresses the importance of risk mitigation through excessive resource extraction and aims for sustainable and safe resource development in the High North.

Environmentally, Sweden’s main concern are the effects of climate change in the Arctic. “*Global climate change has made the Arctic one of the world’s most vulnerable areas.*” (Sweden 2011: 25) The Swedish strategy aims for a mitigation of this vulnerability by reducing greenhouse emissions on a global level, which is mentioned as the central measure to combat climate change. Sweden also sees a necessity to react to the increasing volume of activity in the Arctic, especially in resource extraction and shipping. Resource extraction is deemed as one of the main producers of emissions that harm the Arctic environment, therefore Sweden aims for a prohibition of extraction in some areas (Sweden 2011: 27) The main instrument for combating negative environmental effect next to stronger regulations is scientific research in the High North, one aim in this context is the modernization of the Abisko Scientific Research Station in Northern Sweden.

Cooperation is a central element of Sweden’s Arctic strategy, as through cooperation the level of conflict in the Arctic will remain low. Sweden highlights the importance of the Arctic Council, which, according to the Swedish strategy, works as an international institution despite the lack of a legally binding founding agreement. However, Sweden seeks to even strengthen the Council’s competences by including joint security, infrastructure, social and economic development. (Sweden 2011: 19) Sweden therefore is, in opposition to the Arctic Five, openly calling for lifting the ban on security issues in the AC. Through a stronger Council, Sweden

also tries to push back the Arctic Five format. *“An energised Arctic Council could reduce the need for the coastal states to drive forward issues in the Arctic Five format.”* (Sweden 2011: 22) Sweden is also welcoming further European engagement in the Arctic, as well as promoting the strengthening of Nordic cooperation and the BEAC.

6.8. Finland

Finland’s situation is comparable to the Swedish one, with the one main exception that Finland shares a long border with Russia, and therefore, it needs to balance between Russia and the West. Finland is an integral part of the Nordic community, member of the European Union and engaged in NATO’s PfP. Finland sees itself as an Arctic country with a strong Arctic identity and strong interests. Finland was one of the initiators of the AEPS that eventually led to the establishment of the Arctic Council. (Heininen 2014: 100)

Security and sovereignty assume only a little role in *Finland’s Strategy for the Arctic Region* from 2013. Finland emphasizes the importance of stability in the Arctic, the Finnish strategy outlines preparedness and cooperation as the central elements of its Arctic security policy. The strategy prescribes vigilant observation of security developments in the High North, on the other hand lauds the Finnish Defense Force’s *“excellent capabilities for the Arctic environment due to its cold climate expertise and the material suited for northern conditions.”* (Finland 2013: 40) Although Finland deems military conflict in the Arctic as highly unlikely, it aims to engage in maritime security measures and SAR missions.

Finland’s economic interests can be found both in the realm of energy and resources as well as in maritime industry and shipping. The Finnish strategy states that the extraction of the massive oil and gas reserves in the High North requires modern infrastructure. Here, Finland sees an opportunity to provide expertise and technology in order to achieve improved extraction of resources. A special emphasis is put on the opportunities for Finland’s energy industry owing to the increased interest in the extraction of fossil fuels in the High North. (Finland 2013: 28) Industrial motives also drive Finnish interests in shipping and maritime industry. *“As an expert in shipbuilding for Arctic conditions, shipping, winter navigation and maritime and offshore technology, Finland is one of the leading countries in the world.”* (Finland 2013: 29) Objectives of Finnish industrial policy regarding Arctic shipping comprise the manufacturing of ice-breakers and specialised offshore vessels. The goal to strengthen maritime security is also pursued, safe navigation through emerging sea lanes should especially be achieved through satellite monitoring in the Arctic.

Environmentally, Finland's interest do not strongly diverge from the ones of the other states. Like its peers, Finland emphasizes the importance of the observation of the effects of climate change on the Arctic and adapting to the changing realities that appear in consequence. Finland, however, sees the opportunity to gain from the endeavors to mitigate climate change as one of the world's leaders in clean technology. *"Finnish environmental technology is suitable for cleaning up the environment in the Arctic and ensuring efficiency of production facilities and a low level of emissions."* (Finland 2013: 34) These technologies could also be used to clean up oil-spills, rendering the production and advancement of these technologies to an important aspect of Arctic environmental protection.

"One of Finland's key objectives is to bolster its position as an Arctic country and to reinforce international Arctic cooperation." (Finland 2013: 43) Key to this cooperation is the Arctic Council, whose role Finland embraces and desires to see strengthened. In its strategy, Finland expresses its support to establish the Council on the base of an international legally binding treaty which would pose a massive upgrade of the AC's position. In addition, Finland stresses the significance of regional institutions such as the BEAC in order to strengthen regional dialogue and fortify cooperation with Russia. *"Finland is unique in the Arctic because of its outspoken support for the EU to take on a larger role in the region."* (Bergh/ Klimenko 2016: 62) Finland encourages a stronger dialogue between the EU and the Arctic Council as well as the involvement of European agencies in scientific programs, for example the European Space Agency (ESA) in regard of Arctic monitoring capabilities.

6.9. Iceland

Iceland's situation in the High North is shaped by the fact that the country does not possess regular armed forces, rather, through treaties with Norway and Denmark these countries have the responsibility to protect Iceland's aerial and maritime spaces. Ingimundarson (2011: 174) describes Iceland's situation as *"based on its strategic location, for material rewards, and Arctic identity politics."* Iceland's Arctic strategy is formulated in the *Parliamentary Resolution on Iceland's Arctic Policy* (Iceland 2011) which outlines twelve principles of Iceland's Arctic policy. These principles basically comprise nearly all important categories, with the exception of clearly defined economic objectives.

Sovereignty and security are comprised in several of the principles, especially in terms of sovereignty Iceland's policy differs significantly from Sweden's and Finland's and resembles more of the policies of the littoral states. Iceland views itself as an Arctic coastal nation by virtue of its EEZ falling partly in the Arctic Sea and therefore claims territory north of the Arctic Circle. *"Iceland's legal position needs to be further secured in order to put Iceland on equal footing with the other Coastal states in the region."* (Iceland 2011) The country also recognizes that UNCLOS should serve as the base for the settlement of all disputes. The importance of UNCLOS however exceeds the settlement of maritime disputes by including the responsible handling of resources. (Iceland 2011) Regarding security issues, Iceland pursues a policy of preventing militarization in the High North and increase cooperation in the realm of security. Iceland, in this context, mentions the importance of Nordic cooperation in fields like a joint maritime monitoring and surveillance system.

As for cooperation, Iceland stresses the need for a stronger position of the Arctic Council, and firmly rejects the debates within the Arctic Five. *"Importantly, individual member states must be prevented from joining forces to exclude other Member States from important decisions, which would undermine the Arctic Council and other Arctic States, including Iceland."* (Iceland 2011) Within the Resolution the role of observers is also addressed and welcomed as sign of increasing global interest in the region without providing a position on the role of these.

Regarding the environment Iceland sets endeavors to prevent climate change and mitigate its negative effects especially on Arctic populations, stressing the human security narrative. Economic activity shall only happen under the notions of sustainable development and responsible handling. In this context, Iceland pursues a stronger involvement of the IMO and the UNFCCC. (Iceland 2011)

6.10. European Union

Interest in Arctic affairs has increasingly grown within the European Union, with the EU attempting to shape and influence the High North. This becomes especially evident through the EU's application to become an observer in the Arctic Council, which still has to be decided by the AC. However, as mentioned before, various Arctic states, especially those which are EU members acknowledge the importance and even appreciate increased EU engagement in the High North.

The European Union's Arctic policy derives from its Northern Dimension Policy, within which the EU cooperates with Norway, Russia and Iceland in regional affairs. The aim of the Northern

Dimension is a stronger dialogue and cooperation in Europe's Northern regions, including the European Arctic. "The Northern Dimension is, of course not a distinct Arctic initiative but has an Arctic dimension attached to it." (Rosamond 2011: 30) Six areas of cooperation are described as pivotal in the Northern Dimension: economic cooperation; freedom, security and justice; external security; research, education and culture; environment, nuclear safety and natural resources, and social welfare and health care. (EU 2006: 5) As these areas are relevant to the Arctic strategies of the Arctic countries that are included in the Northern Dimension, there are opportunities for cooperation. In the framework of the Northern Dimension the EU also cooperates with various regional institutions, such as the AC, the BEAC and the NCM.

Within the Northern Dimension Policy, the EU has taken crucial steps in order to develop a proper Arctic strategy, which was issued in April 2016. (EU 2016) In the communique An integrated European Union policy for the Arctic, the EU formulates its strategic interests in the Arctic. The strategy comprises three key areas for EU policy in the Arctic, climate change and environmental protection; sustainable development and international cooperation.

Regarding climate change and environmental protection, the EU aims to remain engaged in Arctic research and to continue supporting research initiatives scientifically and financially. Therefore it is important that the funding that is currently provided through the Horizon 2020 program remains on the same level. The EU also aims to use its space programs to contribute to Arctic research, especially the Copernicus-program that provides earth observation data is of importance.. Other aims of the EU's strategy are reducing greenhouse emissions on a global level to reduce warming in the Arctic and protection of the diverse ecological areas by establishing marine protected areas and mitigate the risks of pollution, especially concerning oil and gas activities.

Sustainable development shall be reached through various, predominantly technological initiatives. Innovative technologies "could be applied to a wide range of activities such as the development of advanced materials capable of working in extreme conditions in Arctic winter that could stimulate investments in energy efficiency and renewable energy solutions." (EU 2016: 10) In the regard of technologies, the EU sees a necessity of opening the Single Market to Arctic technology research. Investments in various sectors, such as transport, shall happen through the European Investment Bank (EIB) and the EU is determined to continue investing in infrastructure projects in the High North. This also includes the enhancement of maritime security and the safety of navigation, where the EU also proposes a cooperation between the European Coast Guard Functions Forum and the Arctic Coast Guard Forum. (EU 2016: 13)

International cooperation is the third central aspect of the EU's Arctic policy. The EU acknowledges the importance of UNCLOS for regulating maritime boundary and sovereignty issues. Of utmost importance is the EU's approach to the Arctic Council, as the EU continues to aim for observer status in the Council and seeks cooperation in a wide array of issues. In addition, regional cooperation such as the BEAC is one aspect of the cooperation policy of the EU, in this context, the Northern Dimension becomes crucial. One particularity of the EU's Arctic strategy is the mentioning of enhancing scientific cooperation, for example in the framework of the Transatlantic Ocean (and Arctic) Research Alliance, a cooperative initiative on ocean research by the EU, Canada and the United States. This opens the opportunity for deeper integration through scientific collaboration and represents an approach marked by science diplomacy.

In conclusion, the EU remains engaged in Arctic affairs and attempts to progressively become a more decisive actor in the High North. However, especially given through the fact that Russia has a veto right in the vote on the EU observer status in the AC, it remains to be seen if this goal can be achieved. It is rather expected that *"the Union will continue to hold a relatively weak hand in Arctic affairs for the foreseeable future."* (Perry /Anderson 2012: 154)

6.11. China

China as one of the frontrunners of the emerging powers is progressively growing important as an international actor. Its foreign policy has a strong global dimension as China attempts to challenge the U.S. as the world's biggest power, this also includes an increasing interest and engagement in Arctic affairs. However, even as interest increases, as of yet, China has not formulated an Arctic strategy, and the general interest of China in the Arctic remains relatively low.

"As the Chinese government considers economic development the main priority in all policies, China's activities in the Arctic are undoubtedly motivated by economic drivers." (Kopra 2013: 7) Shipping is a key factor of the Arctic policy. As China's economy is highly dependent on shipping (Jakobson 2010: 5) the opening of the Northern Sea Route in Arctic summers could prove to be profitable to the Chinese. China also attempts to strengthen its access to Arctic resources as a part of the government's *"going out"* strategy, (Jakobsson/ Lee 2016: 122) in which Chinese businesses try to build up joint ventures in order to secure access to resources. However, as Jakobsson/ Lee (ibid.) assess, China's enterprises in this regard so far had only *"modest success."* However, China has also a considerable scientific interest in the region as it *"has one of the world's strongest polar scientific research capabilities."* (Jakobsson 2010: 3)

Especially regarding climate change in the Arctic, China has set up numerous research collaborations and Chinese research in the region is increasing.

When Arctic governance is concerned, China especially focuses on the Arctic Council which it regards as “*the most influential international institution for developing Arctic governance and cooperation.*” (Jakobsson/ Peng 2012: 11) China was admitted as a permanent observer in the Arctic Council, however, it seeks more inclusion in the institution. Criticism arises that the littoral states are the only decision makers for the region, while events and developments in the region have a global impact, especially in climate questions. China also insists on the right of peaceful navigation in the Arctic and desires to explore the Arctic Ocean under the guidelines of UNCLOS. “*In the bilateral relationships that China has with the eight AC members it would be an overstatement that the Arctic is the dominant factor – possibly with the exception of Iceland.*” (Jakobsson/ Lee 2016: 124) In the context of bilateral cooperation, especially the relations to Russia are important in energy issues, which will be one of the main strategic question of the Arctic future.

In conclusion, China can be seen as an emergent, albeit still minor actor in the Arctic. Its interests are clear and reduced to predominantly economic motives, however, it seeks a stronger influence in the Arctic Council in order to pursue its interests. Cooperation is mainly seen as a tool, not a necessity, however, China acknowledges it needs to cooperate in order to become a more influential actor in the Arctic.

7. Interpretation of the strategy analysis and implications for Arctic futures

7.1. Interpretation of the strategies in context with Relative Gains

The analysis of the strategies discloses various patterns that are of significance when investigating the Arctic regime through the lens of relative gains. Table 1 provides an overview of the significance of the categories in the respective strategies. If the category is of great importance, this will be pictured by a “+”, if a category is somewhat important, meaning that it is mentioned in the strategy but not a central objective it will be pictured by a “~”, and if a category is not important at all or does not even appear in the strategy it will be pictured by a “-“

	Sovereignty	Economy	Security	Environment	Cooperation
Russia	+	+	+	+	+
Canada	+	+	~	+	+
USA	+	+	+	+	+
Denmark	+	+	+	+	+
Norway	~	+	+	+	+
Sweden	-	+	~	+	+
Finland	-	+	~	+	+
Iceland	+	~	~	+	+
EU	-	+	-	+	+
China	-	+	-	~	+

Table 1: Importance of the Categories in the Arctic strategies

The first pattern that is clearly evident is that the Arctic Five consider nearly all categories as at least somewhat important, predominantly even as very important. This means that in all these issue areas, states will firmly pursue their objectives and are interested in gaining as much as possible. The question that arises out of this observation is how states interpret the gains in the respective issues, if absolute gains are possible or gains are seen as more relative, and therefore, how this interpretation affects the willingness to cooperate on the issue and in general.

The second observation that can be derived is that all states value cooperation and the existing cooperation institutions as central and very important. Albeit, as will be described later, the significance of the different organizations varies, the general tenor towards cooperation can be interpreted as very positive. Differences, as also will be described, occur also in the perception what the key areas for cooperation should be.

The third observation that can be made is that in areas that, on a first glance promise more absolute and immediate gains, notably economy and environmental protection, basically all states have a high interest and also formulate a higher desire to cooperate. More complex issues, such as security and sovereignty, are at maximum of low interest for non-littoral Arctic states, with the exception of Iceland, and states are more assertive to protect their interests rather than they seek to deepen cooperation.

Looking at the different issue areas, there are a lot of commonplaces to be found in the strategies, however, also key differences. The protection of sovereignty is one of the issues that is mainly dominated by unilateral interests, as it influences economic and security interests as well and stands above the other issues. Especially the interdependence with security is central in this regard, as for example Canada formulates the protection of its sovereignty as the main motivation of its security policy. All states recognize the importance of UNCLOS in the settlement of disputes, even the United States as non-UNCLOS member and underline the importance of the continental shelf process. International law should serve as the basis for the settlement of maritime boundary issues and as Russia and Norway have proven, this policy is strongly pursued.

Even though cooperation is regarded as important in sovereignty issues, national interests continue to dominate. Sovereignty can be seen as an issue of relative gains, mutual gains are close to impossible, maritime boundary issues will often prove unfavorable for one of the parties. As sovereignty is the underlying matter for all other Arctic affairs, maybe with the exception of environmental protection, Matthew's theory of Cumulative Relative Gains seems to be viable to describe the behavior of states. When states win in sovereignty issues, they might have access to more resources, therefore are able to increase their economic interests and in consequence, can invest the growing wealth in fortifying their positions. That would lead to a positional loss for the state disadvantaged by the resolution of the disputing sovereignty claims, therefore decrease the willingness to cooperate. An all-encompassing border regime therefore proves to be difficult, albeit not impossible, as clear borders could reduce need to enforce sovereignty through military means. This increased security could be interpreted as a mutual

absolute gain, therefore making it more interesting for states to cooperate in this regard. Thus, sovereignty, with its implications for other issues, is a critical topic and it is difficult to assess how relative gains shape this matter, as the resolution of border disputes almost always results in one state winning and the other losing, therefore making cooperation unattractive. However, if all states agreed on a comprehensive border regime in the Arctic, security concerns would mostly vanish, as sovereignty is the central aspect of Arctic security, which renders cooperation possible. It should also be stated that sovereignty is an issue mainly addressed by the coastal states, with the exception of Iceland. Iceland serves as a perfect example for the significance of sovereignty, as an extension of its territory would cause bigger gains in economic affairs. However, Icelandic claims would likely hurt other states as they would lose territory, which renders an easy resolution practically impossible.

For economic affairs, it seems viable to apply Tucker's Partners and Rivals model. That derives out of the fact, that economic issues can produce absolute as well as relative gains, for example in the realm of maritime security and secure shipping, gains are more absolute whereas in the context of resource extraction, relative gains apply. This makes cooperation in economic affairs complicated, but far from impossible. Applying the Partners and Rivals model, cooperation in extracting resources can help one country through receiving technology and know-how, while the other gains in the amount of resources. The question in this case is how strongly the achieved wealth through resource extraction can be used in order to strengthen one's position.

"All the Arctic states are aware and explicitly discuss, even emphasize, the Arctic's economic potential due to its rich natural resources and/ or strategic location for the whole county." (Heininen 2012: 32) Economic interests are influenced by the desire to create added income and wealth. Therefore, all economic interests can be classified as predominantly national, however there are different approaches. Bigger, more powerful states are especially trying to secure their great potential and therefore are likely to pursue a rather unilateral policy. Smaller states, or in the case of the Arctic non-littoral states view cooperation as the key to pursue their economic interests, as the example of Finland's vessel construction proves. Big states can however profit as well from cooperation, as technology transfer empowers them to achieve greater gains. Here, the Partners and Rivals model comes into effect. Cooperation is strengthening the position of the smaller state, so the absolute gains through technology transfer need to outweigh the positional losses that could occur through high dependency of foreign technologies. In this case, the four modes of cooperation described by Tucker assume an important role, as pre-existing circumstances are likely to shape Arctic economic cooperation.

An added factor however in this case is risk, both in shipping as well as in resource extraction. As a consequence of the extreme conditions, oil spills or shipping accidents could prove extremely harmful, therefore even damaging the position of states. Hypothetically, if a ship sank in the Northern Sea Route with a high number of casualties, and Russia is responsible for control of the route which it could not provide sufficiently, this situation would likely harm Russia. Risk mitigation is one of the motives for stronger cooperation, manifested in the Arctic Council's SAR agreement and oil-spill agreement, which both prove that states cooperate in order to mitigate the risk of losing through an unpredictable incident. Generally, cooperation in economic affairs is rather sought by smaller states in order to eliminate their geographic disadvantages, such as non-existing access to the Arctic Sea, but bigger states, as long as it seems profitable to them, are willing to cooperate. Especially regarding sustainable development and risk mitigation, both issues that could prove costly to a state's position, all states follow a cooperative behavior.

Security is often described as the issue where relative gains seem to dominate, there are no absolute gains to be made in security issues. (see Matthews 1996: 118) A prove of this is certainly the ban on discussing security issues in the Arctic Council, pushing security out of the competences of the most important cooperation institution in the High North. Security therefore remains a nationally dominated matter, and especially more powerful states such as Russia and the U.S. support a continuation of this. However, as can be seen in the case of Sweden, smaller states want to lift the ban and therefore create a more comprehensive security cooperation in the Arctic. Especially interesting is the case of Norway, which as a NATO member still seeks strong cooperation with Russia, which could be interpreted that Norway focuses on keeping tensions low. While Heininen (2012: 29) assesses that "*[a]ll the Arctic states recognize, and many of them emphasize, the current stability of the Arctic region*", unilateral actions always carry the danger of rising tensions. In this case, the special configuration of the Arctic becomes important, as NATO and Russia are fierce competitors on a global level, therefore they are very concerned about their relative positions. Insecurities for smaller states like Denmark and Norway vanish by virtue of Article Five and Collective Defense, reducing their desire to enter a comprehensive security agreement, especially, as can be seen in the case of Norway, if bilateral cooperation proves to be more valuable. In this case, relative gains impede deeper security cooperation, as patterns of competition also exist in the High North. Even though the region is stable and tensions are low, stronger security cooperation could harm a state's relative position in a global context.

Environmental protection, in opposition, is the issue that offers the greatest opportunity for further cooperation. As there are practically no relative gains to be made in environmental protection, gains are absolute for all states, and environmental protection is a central issue to all Arctic states. Especially the fact that all states emphasize the importance of science and technology and multiple collaborations in this sector are already existing, environmental protection is the issue where cooperation predominantly happen. Even the creation of the Arctic Council was based on cooperative efforts in the sector of environmental protection by virtue of AEPS, proving the importance of the issue for cooperation. In this case, relative gains have no visible influence or effect.

Having discussed the four central issue areas, how is the position towards cooperation in the Arctic strategies affected by this. Heininen (2012: 42) assesses that cooperation is mentioned as a central aspect in all strategies, and especially the Arctic Council is emphasized. The cooperative nature of the High North contributed to the low level of tensions, which is one major reason why cooperation is important to all Arctic states. However, there are strong differences in the way how cooperation is regarded. While for example the U.S. object the institutionalization of the Arctic Council through a legally binding agreement and do not seek to extend the AC's competences, countries like Norway and Sweden have called in their strategies for a strengthening of the Council. An interesting issue in this regard is represented through the Arctic Five. Denmark, for example, stresses the importance of the informal meetings, whereas non-Arctic Five states like Sweden and Finland call for a termination of this informal forum. There, the concerns for relative gains in cooperation become visible, as the non-littoral states fear their position could be undermined through a strong Arctic Five. For the Arctic Five however, it is easier debating issues as sovereignty and security without paying attention to diverging interests, therefore they fortify their position. A stronger Arctic Council could also undermine national interests, especially if the security ban is lifted eventually, which is unlikely though. (see Klimenko 2015) Smaller states however, could formulate their interests more strongly in an institutional framework based on a legally binding agreement, which would put their positions as equal to bigger states, therefore elevating their positions.

China and the EU prove to be interesting examples, especially the EU, as it has formulated a clear Arctic strategy. For both, stronger and more comprehensive cooperation is a mean to strengthen their status as actors in the Arctic. This is a prime example how cooperation can be regarded as a way to improve relative positions instead of concerns about deteriorating in relation to other actors.

To conclude the analysis, relative gains are definitely visible in Arctic cooperation and do in some regards impede deeper cooperation. However, there are extensive variances how relative gains influence the different policy areas. Before answering the two research questions of this thesis, three possibilities to overcome the difficulty of relative gains will be explained – strengthening the Arctic Council, Confidence-building measures and Science diplomacy.

7.2. Possibilities to overcome the problem of relative gains in the Arctic

7.2.1 Strengthening the Arctic Council

The Arctic Council is regarded as the most important cooperative institution in the High North by all states. A strong Arctic Council could therefore provide more comprehensive cooperation and more effective measures to tackle the challenges in the High North. The SAR and oil-spill agreements have proven that in some areas, the desire of achieving cooperative agreements is existing. However, for instance the rejection of lifting the ban on debating security issues by the U.S. proves that the transformation of the Arctic Council into a comprehensive cooperation institution based on a legally binding agreement needs to overcome major obstacles and challenges.

Wilson (2016) sees three future roles for the Arctic Council. First, the Arctic Council can be interpreted as a society of states, which means that states with common values form a society within which they follow common rules and work in common institutions. (Wilson 2016: 56) According to Wilson, the contemporary state of the AC can be interpreted as a society of states, this perception however threatens its effectiveness and its legitimacy.

The second option for the Arctic Council is becoming a regional steward, a concept that derives mainly from environmental politics. *“In its basic form, stewardship has been identified as conduct in the sense of administration or management over something [...]”* (Wilson 2016: 59) As a regional steward, the Arctic Council would largely remain a policy-shaping body, as stewardship needs to create creation of shared knowledge and values, normative and epistemic foundations and respectful governance. The Arctic Council in this context would become an ideological leader in the High North, shaping national policies through the promotion of common values and interests.

“A third vision re-imagines the Council as an organization built on solid legal and institutional foundations, with an unlimited mandate over the wide range of existing and emerging issues affecting the Arctic.” (Wilson 2016: 63) This would envision the before-mentioned transformation of the AC into a comprehensive institution, or as Wilson defines it, a security

actor. This transformation would help overcoming various challenges the Council faces, for example in regards of funding or coordination with regional sub-fora. Opposition against this transformation remains existent, however, this vision eventually could reduce the influence of relative gains in Arctic matters as a legally binding agreement would set stricter guidelines for the states to act within.

7.2.2. Confidence- and Security-Building Measures (CSBMs)

“[...] CSBMs have made a major contribution to the lowering of military tensions and the reduction of false threat perceptions [...]” (Schaller 2014: 1) Confidence- and Security-Building Measures (CSBMs) could be one key to lift the ban on security issues in the Arctic Council, as they represent a cooperative image of security and aim to reduce uncertainties and lead to cooperative efforts in order to achieve security.

There is a distinction between military and non-military CSBMs. Military CSBMs *“include information exchanges, means for compliance and verification, and different forms of military cooperation. They aim to reduce risk of conflicts, increase trust [...] and contribute to greater openness and transparency in the field of military planning and activities.”* (OSCE 2011) Non-military CSBMs, or Confidence Building Measures (CBMs) are *“actions and processes [...] with the aim of increasing transparency and the level of trust and confidence [...] to prevent [...] conflicts from emerging, or (re-) escalating and to pave the way for lasting conflict settlement.”* (OSCE 2012: 9) CBMs can be achieved in the fields of politics, economics, environment, society and culture, measures for example are economic cooperation and the management of resources, opportunities that seem viable for the Arctic context.

Schaller (2014: 9) sees four improvements through the implementation of CBMs, increasing military transparency, establishing mutual understanding of military intentions, signalize the abidance to international law and assure the defensive nature of military presence in the region, therefore increasing military security. In addition CBMs can achieve a more comprehensive security agreement, as through political, economic and environmental cooperation, integration in a common Arctic institution is stronger.

7.2.3 Science diplomacy

One of these confidence-building measures could be found in the sector of science. As the analysis of the strategies has disclosed, science and technology are seen as key aspects of combating climate change and the desire to cooperate in this sector is high. Science and technology can be a way to deepen general cooperation through science diplomacy.

Science diplomacy links the fields of science and diplomacy and seeks to increase interdependences between science and diplomacy, improving the relations between states through scientific cooperation or using diplomatic relations to improve scientific cooperation. There are three dimensions of science diplomacy (Royal Society/ AAAS 2010), science in diplomacy, diplomacy for science and science for diplomacy. Science in diplomacy is focusing on the scientific consultations in international relations, through valuable scientific consultations, international relations shall be improved. Diplomacy in science encompasses the dimension where state initiatives shall attempt to facilitate international scientific cooperation.

For the Arctic context, the dimension of science for diplomacy is the most important however. “[S]cience for diplomacy primarily draws on the ‘soft power’ of science: its attractiveness and influence both as a national asset, and as a universal activity that transcends national interests.” (Royal Society/ AAAS 2010: 11) This approach follows the “soft power” approach made famous by Joseph Nye (2011) which explains that states attempt to influence other states with non-military means, for example culture or science. Scientific stewardship could lead to deeper cooperation in various sectors, as science cooperation assumes an important role in the Arctic, science diplomacy, especially the third dimension could become a viable option for strengthening comprehensive cooperation.

8. Conclusion

This thesis followed the questions if state's policies in the Arctic are shaped by relative gains and if these relative gains impede deeper cooperation. In a broader sense, this could be an explanation if realist or institutionalist thought prevails in the High North and how the interests of states can be interpreted. As the configuration in the Arctic is unique, the environment and the circumstances are changing rapidly and its global significance is increasing, there is a high number of influential factors for Arctic policies.

In regard of the first question, there can be no clear answer if relative gains are the dominant influence in Arctic strategies. As sovereignty, which represents an issue that predominantly produces relative gains, underlines the entire debate in the Arctic, it is clear that at least to some extent, relative gains play an important role in Arctic policy-shaping and policy-making. The limitation of cooperation to certain topics that produce mostly absolute gains, such as environmental protection, whereas in issues dominated by relative gains, such as security, the level of cooperation remains low. It is also evident, that smaller states encourage stronger cooperation, whereas bigger states are inclined to keep it at the contemporary level, which is also a typical behavior when relative gains are sought. However, there is a variety of issue areas where relative gains are less prevalent, reducing the absolute influence of relative gains. In order to answer the question, there is no clear coherence in the pattern of relative gains in Arctic policies, but at least to some extent, relative gains do influence Arctic policies.

Similarly, the question if relative gains impede further cooperation cannot be answered clearly, however, the influence can only be estimated low. The ban on debating security issues within the Arctic Council and the objection towards a legally binding agreement as base for the AC can be seen as example where relative gains impede cooperation. However, the establishment of a permanent secretariat, the SAR and the oil-spill agreement as well as various collaborative projects prove that the willingness to cooperate remains on a high level in the Arctic. Relative gains pose an obstacle in regard of security and sovereignty issues, therefore to some extent impede deeper cooperation, however in various other areas cooperation has increased, weakening the influence of relative gains.

“[T]he Arctic is subject to profound change. There is also large agreement that transformations in the Arctic are driven by developments outside the region and will have repercussions well beyond the region.” (Arbo et al. 2012: 178) The global interest in the region is rising and the Arctic is likely to become of the main zones of interest in the years to come. The highly cooperative model could serve as role-model, even though it requires reforms and

improvements. The high density of institutions in the Arctic complicate cooperation, as different institutions possess different competences and not all states are members of all institutions, with the U.S. not having ratified UNCLOS being the most prominent example. Rapid developments in climate affairs will further open access to resources and trade routes, causing augmented interest of outside actors. Therefore, a clear institutional structure will become indispensable in the future. It will be interesting to see if the process of fortifying the Arctic Council progresses, especially during the U.S. chairmanship. Conflict is very unlikely to happen, however, the situation in Ukraine has increased tensions also in the High North. The area cannot be regarded without its international surroundings, therefore, NATO-Russia relations will be a decisive factor in the future to come. To conclude, it is safe to say that the necessity for a comprehensive Arctic regime will arrive quicker than the regime itself. Cooperation, as said, is on a high level, but still, the distance to a comprehensive regime is big and endeavors to achieve such an agreement are too minor. However, in a quickly changing environment the region is likely to experience quick political change as well. It would be necessary in order to prevent incidents such as the Russian submarine putting the flag into the seabed.

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Image Sources

Fig 1.1. <http://geology.com/world/arctic-ocean-map.gif>

Fig. 1.2. <http://russiancouncil.ru/common/upload/fin1.jpg>

Fig. 1.3. <http://data.giss.nasa.gov/gistemp/maps/>

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Fig. 2.1. <http://www.nordregio.se/en/Maps--Graphs/05-Environment-and-energy/Resources-in-the-Arctic1/>

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List of Abbreviations

AC	Arctic Council
ACIA	Arctic Climate Impact Assessment
AEPS	Arctic Environmental Protection Strategy
AMAP	Arctic Monitoring and Assessment Program
BEAC	Barents Euro-Arctic Council
CBM	Confidence Building Measures
CBT	Cross-Border Training
CLCS	Commission for the Limits of the Continental Shelf
CSBM	Confidence- and Security-Building Measures
DoD	Department of Defense
EBM	Ecosystem-Based Management
EEZ	Exclusive Economic Zone
EIB	European Investment Bank
ELCS	Extension of the Limits of the Continental Shelf
EU	European Union
IAM	Integrated Arctic Management
ICJ	International Court of Justice
IMO	International Maritime Organization
NATO	North Atlantic Treaty Organization
NCM	Nordic Council of Ministers
NORAD	North American Aerospace Defense Command
NORDEFCO	Nordic Defense Cooperation
NRC	NATO-Russia Council
NSPD	National Security Presidential Directive
OSCE	Organization for Security and Cooperation in Europe
PfP	Partnership for Peace
SACEUR	Supreme Allied Commander Europe
SAO	Senior Arctic Official
SAR	Search and Rescue
SACEUR	Supreme Allied Commander Europe

SAO	Senior Arctic Official
SDWG	Sustainable Development Working Group
UNCLOS	United Nations Convention of the Law of the Seas
UNDP	United Nations Development Program
USGS	United States Geological Service

Anhang: Abstract

Die Arktis ist eine sich rapide verändernde Region der Erde in der eine Vielzahl an politischen Prozessen vonstattengeht. Insbesondere ökonomische Nutzung nimmt hierbei eine zentrale Rolle ein, es werden große Mengen an Erdöl und Erdgas in der Arktis vermutet. Zusätzlich werden durch das Auftauen der Eisdecke Handelsrouten freigelegt, die sich auf lange Sicht für viele Staaten profitabel erweisen könnten. Das durch den Klimawandel bedingte rasche Abtauen der Eisdecke verstärkt das Interesse am hohen Norden, insbesondere jenes der Anrainerstaaten, Russland, Kanada, die USA, Dänemark und Norwegen. Ebenfalls als arktische Staaten gelten Schweden, Finnland und Island, welche allerdings keinen Zugang zum arktischen Ozean innehaben. Die ökonomische Nutzbarkeit der Region führt jedoch zu weitreichenden Spannungen, etwa in Fragen der militärischen Sicherheit oder der Souveränität der Meeresregionen.

Das grundsätzliche Klima in der Arktis lässt sich als kooperativ beschreiben. Mit dem Arktischen Rat existiert eine regionale Institution, die Seerechts-Konvention der Vereinten Nationen (UNCLOS) reguliert Gebietsansprüche auf Hoher See. Beide Institutionen weisen jedoch eklatante Mängel auf, um als umfassende kooperative Strukturen wahrgenommen zu werden. Dem Arktischen Rat wurde in der Erklärung von Ottawa, dem Gründungsdokument, ein Bann auf Debatten über militärische Sicherheit auferlegt, die Seerechtskonvention wurde von den USA bis dato nicht ratifiziert.

Theoretischer Hintergrund der Arbeit ist die Theorie der Relative Gains. Insbesondere ist die Theorie eine Kritik aus Sicht des Realismus am Institutionalismus und beschreibt das Handeln von Staaten geprägt durch ihr Streben nach relativen Vorteilen und der Stärkung ihrer eigenen Position in Relation zu anderen Staaten. Zentraler Aspekt der Debatte um relative Gewinne ist, ob das Streben nach diesen Kooperation verhindert.

Vorliegende Arbeit beschäftigt sich mit politischen und kooperativen Prozessen in der Arktis vor dem Hintergrund der *Relative Gains* Theorie. Die Arbeit geht hierbei der Frage nach, ob relative Gewinne in der Arktis stärkere Kooperation verhindern. Dazu werden die Strategien der arktischen Nationen, sowie zwei externer Akteure, der EU und China analysiert um zu untersuchen, ob das Streben nach relativen Gewinnen in den Arktispolitiken der jeweiligen Staaten zu erkennen ist und wie sich das auf Kooperationen in der Arktis auswirkt. Untersucht wird diese Frage anhand der zentralen politischen Debatten um Wirtschaft, Souveränität, Sicherheit und Umweltschutz.