



Arctic and International Relations Series



The Arctic Council at Twenty

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Preface

The Arctic Council is the leading intergovernmental forum promoting cooperation, coordination, and interaction among the Arctic nation-states, Arctic Indigenous organizations, and other Arctic inhabitants on challenges to the region. The Arctic Council is a unique international forum both historically and globally. It is the first international institution formed in dialogue with Indigenous peoples and the first where nation-states and Indigenous organizations work on almost equal par to provide coordination for international decision making concerning the circumpolar world.

On November 19, 2015, fifteen scholars, government representatives, Indigenous leaders, and practitioners from Canada, the United States, and South Korea participated in an all-day workshop held at the University of Washington titled *The Arctic Council at Twenty: Permanent Participants, Arctic Policy in Canada and the United States, and Stewardship*. Several of the participants followed up with short reports that contribute to the many discussions occurring this year, the twentieth anniversary year of the Arctic Council. These reports are captured in Issue #2 of *Arctic and International Relations*. The report is divided into four themes: the Arctic Council at twenty; policy-shaping occurring outside the Council and at the subnational level; the role of the Observers to the Council; and the ongoing challenges of oil and gas development for the region. Together, the reports provide insights by some of the top scholars in the field on current challenges to the Council and its future directions. There is no question that the Arctic Council has strengthened as an international regime with a broad impact in international relations. However, that growth and effectiveness is also being challenged by capacity – a theme expressed throughout the reports.

Two important videos were also released as part of the workshop. *Founding Visionaries* captures a delightful discussion between three of the early visionaries of the Arctic Council: Rosemarie Kuptana, former president of the Inuit Circumpolar Council; Franklyn Griffiths, Political Science, University of Toronto; and Oran Young, Bren School of Environmental Science and Management, University of California, Santa Barbara. *A Permanent Participant Perspective* is a thoughtful reflection on the current challenges to the Permanent Participants on the Arctic Council with Jim Gamble, Executive Director, Aleut International Association; Joe Linklater, Chairperson, Gwich'in Council International; and Chief Michael Stickman, International Chair of the Arctic Athabaskan Council. These videos are available for viewing at the University of Washington's Arctic and International Relations website, Arctic and International Relations Video Series (<https://jsis.washington.edu/arctic/series/videoseries.shtml>).

The editors wish to thank the workshop participants for their time and dedication to the workshop and report. A special note of appreciation goes to Dr. Chinsoo Lim, Vice President, Korea Maritime Institute for his vision and ongoing support; Dr. Jong-Deog (Justin) Kim, co-chair of the workshop; Jeehye Kim, researcher with the Korea Maritime Institute; Joanne Muzak, copyeditor, for her invaluable advice throughout this project; Helge Dascher for translation; and Monick Keo and Christine Tabadero, Canadian Studies Center staff, for their arrangements for the workshop.

In May of 2014, the Henry M. Jackson School of International Studies, University of Washington and the Korea Maritime Institute signed an Agreement for Academic Cooperation in the field of Arctic policy to engage scholars and researchers from Canada, the United States, and South Korea. The workshop was the inaugural activity of the Agreement. The workshop, report, and videos were funded by the Korea Maritime Institute, with additional funding provided by the Canadian Studies Center Title VI grant from the Office of Postsecondary Education, International Education Program Services, U.S. Department of Education.

The Canadian Studies Center, Henry M. Jackson School of International Studies, was established in 1987 as a U.S. Department of Education National Resource Center on Canada with the Center for Canadian-American Studies at Western Washington University. The Canadian Studies Center, a member organization of University of the Arctic, oversees the Arctic and International Relations initiative in the Henry M. Jackson School of International Studies and serves as the hosting unit for UW's Canada Fulbright Chair in Arctic Studies and the interdisciplinary minor in Arctic Studies (a partnership between the Henry M. Jackson School of International Studies and the School of Oceanography).

The Korea Maritime Institute, established in 1984, is a national policy research institute sponsored by the Korean government. The goal of the Korea Maritime Institute is to pursue development and innovation in order to establish national policies in the fields of marine and polar affairs, fisheries, and shipping and ports. The Korea Maritime Institute engages in joint research activities with prominent overseas universities, research institutes, and international organizations, thereby promoting Korea's status in the international community and enhancing domestic policy capacity. The Korea Maritime Institute is a member of University of the Arctic and publishes *The Arctic in World Affairs*.

Arctic and International Relations Series is the outcome of a partnership between the Canadian Studies Center/Arctic and International Relations and the International Policy Institute (supported by funding from the Carnegie Corporation of New York) in the Jackson School of International Studies, and UW's *Future of Ice*. The series is dedicated to translating scholarship into policy options to enhance understanding of the Arctic as a unique region in international affairs and to support the inclusion of Arctic Indigenous peoples in policy shaping for the region. This issue of *Arctic and International Relations* is dedicated to our dear colleague, Terry Fenge, who passed away just days before the November workshop. Terry was a close friend to the Canadian Studies Center. According to participant Chief Michael Stickman, Athabaskan, Terry was most passionate about "supporting the work of the Permanent Participants in the Arctic Council." In the words of Oran Young, "There are not many people with the energy, commitment, and sense of fair play that Terry exemplified." Terry will be sorely missed in the community of Arctic leaders and thinkers.



Terry Fenge is pictured here at the University of Washington in 2010. He's pictured with Arctic Initiative interns Adam Akerblom, Sophie Hubbell, Zoe Cosford and Charlotte Dubiel.
Photo courtesy of University of Washington

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Part I: The Arctic Council at Twenty

The Idea of an Arctic Council a Quarter-Century On

FRANKLYN GRIFFITHS

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Thank you to our hosts for the invitation to be here in such outstanding company. I have been asked to speak about the early origins of the Arctic Council, in which Canada and Canadians had a hand, and also about the Council's current status and outlook. Happy to oblige, I feel pride in what has come of the effort we happened to start, but I am also prejudiced in wanting more from the Council as it enters its twenties in a world so vastly different from when the first glimmerings of a new international Arctic forum took shape.

ORIGINS

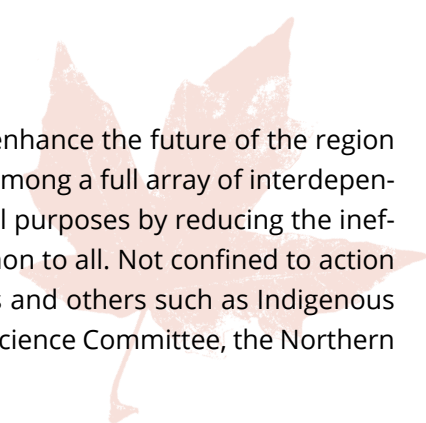
Stripped to its essentials, the story of the first steps toward an Arctic council runs from March 1989 to June 1991. During that time, and following extensive preparations in which many took part, Rosemarie Kuptana, former head of the Inuit Broadcasting Corporation and soon-to-be president of the Inuit Tapirisat of Canada, and I served as co-chairs of the Arctic Council Panel, which was set up in January 1990. Vigorously supported by the Walter and Duncan Gordon Charitable Foundation, the panel was blessed with a majority of Indigenous northerners to whom Rosemarie and I reported as we developed a proposal to establish what we initially called an Arctic Basin Council (ABC).

Between April and September 1990, the two of us traveled the Canadian Arctic from one end to the other seeking input and support for an ABC and for a detailed statement, which, in successive iterations, was presented to and discussed by the panel. In the autumn of 1990, I was able to get a copy of the panel's draft report into the hands of a speechwriter for Canada's foreign minister, Joe Clark. On November 28, at a public conference on Canadian and Soviet affairs in Ottawa, Mr. Clark stated Canada's intention to propose the creation of an Arctic council to the seven other Arctic countries the following summer. Canada made the proposal at Rovaniemi in June 1991, about a month after our report was released.¹ The Arctic Council itself came into being in September 1996, and only after a great deal of difficult negotiation in which ambassador Mary Simon, previously a member of the panel, played a lead role. But what was the idea in the first place?

With the Cold War just ending and climate change only just starting to gain public recognition, the panel's work was governed by two main objectives. The first was to lessen the force of continuing military-political confrontation as it threatened Arctic inhabitants and got in the way of civil or non-military collaboration on matters of common concern. Second, we sought to enhance Indigenous peoples' representation in southern-based national and international activity that would otherwise remain poorly adapted to the on-site practical and ethical realities of the region.

Written as a framework document, the panel's report considered alternative structures, participation and decision rules, mandate and agenda, founding articles and basic principles for an imagined council. It called for a mandate that permitted discussion of any matter judged to be of international Arctic significance. It also urged acceptance of an exceptional role for Arctic Indigenous peoples' organizations in having them sit side by side and intervene freely together with nation-states in the deliberation of agenda items. The council's consensus would, however, be stated by the Arctic States only. Although capable of initiating international projects with the use of working groups, the council

¹ Arctic Council Panel, *To Establish an International Arctic Council: A Framework Report* (Ottawa: Canadian Arctic Resources Committee, May 14, 1991).



was to be a purpose-building forum rather than an executive instrument. It was to enhance the future of the region and its inhabitants by serving as a central forum for the coordination of interaction among a full array of interdependent but hitherto disconnected Arctic actors and institutions. It was to serve national purposes by reducing the inefficiency and ineffectuality of parallel unilateral action in coping with problems common to all. Not confined to action on its own, the council would enable combinations of relevant players (Arctic States and others such as Indigenous organizations, the Arctic Environmental Protection Strategy, the International Arctic Science Committee, the Northern Forum, and so on) to identify and act on priority matters as conditions required.

Such, very briefly indeed, was the original idea for an Arctic council. Not twenty but a quarter of a century later, how has the notion fared?

CURRENT STATUS AND OUTLOOK

As I see it, the Arctic Council and the plethora of its Working Groups, Task Forces, Observer entities, and so on have evolved in a manner broadly consistent with our early imaginings of such a forum. Without wishing to detract from the Arctic Environmental Protection Strategy and other entities that existed prior to the Council, I would say that a rich and varied enterprise has followed upon the panel's first efforts on behalf of a central forum for the region. To be sure, prohibition of any discussion of military affairs has been the standing order for the Council since its inception and seems likely to persist as a denial of our original intention. On the other hand, the institution of the Permanent Participants has gone a good deal of the way in justifying our hope of creating new opportunities for Indigenous voices to be heard. Fundamentally, however, the Arctic and the world around it have both changed to a degree that risks making the Council, as presently motivated and configured, inadequate to the governance and indeed the stewardship challenges of our time.

Although the world economy continues to impose severe restrictions on human activity in the region, it is common knowledge that global warming and climate change are serving to transform the conditions for resource extraction and transportation, military operations, and life itself in the Arctic. At the same time and less well appreciated, globalization reveals new limitations in the ability of the nation-state to manage change. Of course, the Arctic Eight vary in their individual capacities, but they share the growing disability of the state everywhere. It is at once too big and too heavy-handed to respond effectively to global change on site, and too small and provincial to affect the global processes that shape local conditions. Missing from the picture that's emerging is transnational civil society activity that bridges the global-local gap and produces collective action adapted to local conditions. Missing also is a coherent regional discourse about the Council and about what and how it's doing. All of this presents us with very heavy going. To ease into a consideration of practical ways forward, perhaps we might start with something like the following.

The Permanent Participants are now in danger of being marginalized in the Council's proceedings as a consequence of the ever-growing complexity of the issues, the widening range of venues to be attended, and the growth of non-Arctic involvement, all of which makes it harder to be heard. If and as Indigenous voices fade in the Council, so also will opportunities both to adapt southern-based activity to Arctic conditions and to voice an Arctic perspective in world councils. In short, stewardship will suffer. Ways should be found, therefore, to strengthen Indigenous peoples' ability to cope, possibly by linking non-Arctic participation to the provision of material support for Permanent-Participant capacity building. Ways should also be found to employ the Arctic Indigenous presence in projecting to the wider world an Arctic awareness both of climate change and of the necessity to decarbonize the global economy without delay.

But while inner rearrangements of the Council are well within capacity of the Arctic Eight, can carbon-dependent Arctic States be brought to lead in world decarbonization? To me, this is now and will remain the prime question for the Council for years to come. Among other things, the answer will depend on whether a transnational discourse can be created for the Arctic and for the Arctic Council itself. Quite formidable, an enterprise like this would no doubt have simple beginnings.

Two or three highly informed and well-regarded individuals could start the process by securing foundation support for a series of Track-II meetings designed to support the Arctic Council and its proceedings in rapidly changing circumstances. Officials would participate in their capacity as private persons. Politicians, business and NGO leaders, consultants, academic experts, and public intellectuals would be invited to take part. To maximize freedom of expression, all would be present on the understanding that anything said could be quoted but not attributed. Reports would be prepared and published on this basis under the guidance of the co-chairs. Participation would vary with the topic, which itself would be keyed not so much to climate change per se as to the generation of an Arctic discourse that's lacking: one that makes for consensual knowledge, for regional solidarity back home as well as at the table, and for greater willingness to respond as stewards to the world we are creating for ourselves.

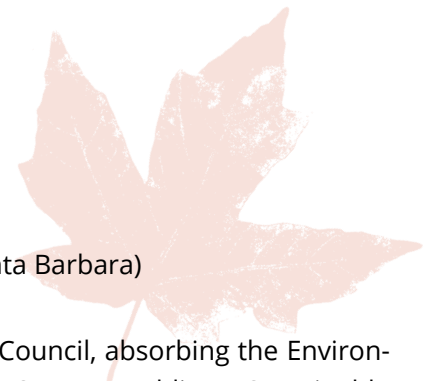
Over a period of years, a private initiative such as this should help to create a network of influentials and indeed a transnational attentive public for the affairs of a state-centered Council that's reluctant to lead in decarbonization.

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Strengthening the Arctic Council

ORAN R. YOUNG

Bren School of Environmental Science and Management, University of California (Santa Barbara)



Almost twenty years ago, in October 1996, the eight Arctic States created the Arctic Council, absorbing the Environmental Protection Programme established under the Arctic Environmental Protection Strategy, adding a Sustainable Development Programme, and formalizing the status of Indigenous peoples' organizations as Permanent Participants. Since then, the Member States have organized meetings of Deputy Ministers to supplement the biennial ministerial meetings, strengthened the role of the Senior Arctic Officials, added new Working Groups, created Task Forces to address specific issues, instituted Expert Groups, clarified the rules pertaining to Observers, and established a permanent Secretariat. During the recent Canadian chairship (2013–15), the Council launched the Arctic Economic Council (AEC), a formally independent body but one that mirrors the Council in its organizational arrangements and is clearly intended to work closely with other Council bodies regarding matters of economic development in northern regions.

While the dynamism of the Council is an indicator of its vitality and adaptability to changing circumstances, there is no getting around the fact that these developments have occurred in an ad hoc and somewhat unplanned manner. Accordingly, it is timely to take a step back to reflect on the current organization of the Council, evaluate its coherence, and ask whether there is room for structural adjustments that would strengthen the Council's performance going forward. No one advocates transforming the Council from its current status as a "high-level forum" into a normal intergovernmental organization based on a legally binding agreement among the Member States.¹ But one of the "overarching goals" of the current US chairship is to "continue strengthening the Council as an intergovernmental forum."² What opportunities does this US initiative afford? In this brief analysis, I touch on four issues that come into focus in response to this question: (1) the relationship between the Environmental Protection Programme and the Sustainable Development Programme; (2) the division of labor between the Working Groups and the Task Forces; (3) the role(s) of Observers; and (4) the status and functions of the Arctic Economic Council.

THE RELATIONSHIP BETWEEN ENVIRONMENTAL PROTECTION AND SUSTAINABLE DEVELOPMENT

There is a programmatic imbalance embedded in the organization of the Council arising from the normal practice of treating environmental protection as one of the three pillars of sustainable development. This imbalance is reinforced by the fact that most of the Council's Working Groups deal with matters of environmental protection and the Sustainable Development Working Group lacks a coherent program and a well-defined constituency. What is needed is a reconfiguration of the Council to identify sustainable development as its overarching theme or mandate and to recognize environmental protection as a critical element of sustainable development. This would highlight the fact that economic integrity and sociocultural well-being call for recognition at the same level as environmental protection. One way forward in this connection would be to treat the AEC as the mechanism for addressing the economic pillar of sustainable development, a development that would highlight the need to devise similar mechanisms to address critical issues of cultural vitality and health, education, and welfare as the third pillar.

¹ The 1996 Ottawa Declaration on the Establishment of the Arctic Council characterizes the Council as a high-level forum.

² Text available at <http://www.arctic-council.org>.² The full text of the US Chairmanship Program (2015–17) is available at <http://www.state.gov/e/oes/ocns/opa/arc/uschair>.

THE DIVISION OF LABOR BETWEEN THE WORKING GROUPS AND THE TASK FORCES

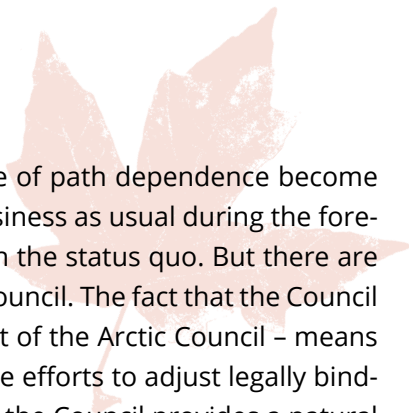
The Task Forces are an invention of recent years, designed to help in developing issue-specific agreements under the auspices of the Arctic Council (e.g., the 2013 agreement on oil spill preparedness and response). There is a rationale for this innovation; it can be helpful to have mechanisms that play important roles in addressing specific issues but go out of existence once the task at hand is completed. The problem is that the division of labor between the Task Forces and the Working Groups is often unclear, a situation that leads to debilitating tensions between those involved in the two types of activities. Under the current US chairship, for example, there is a Task Force on Arctic Marine Cooperation. But the remit of this Task Force is not precise, and the boundary between the efforts of the Task Force and the ongoing efforts of the Working Group on the Protection of the Arctic Marine Environment is far from clear. Both entities, for example, have identified ecosystem-based management as a priority concern without a clear division of labor regarding the way forward. What is needed is a procedure that makes the activities of the Working Groups and the Task Forces synergistic rather than competitive.

THE ROLE(S) OF OBSERVERS

Over time, the ranks of Observers have swelled to thirty-two, including twelve non-Arctic States and twenty inter-governmental and nongovernmental organizations. But there is considerable misunderstanding and unhappiness regarding the role(s) Observers are allowed or expected to play. In my judgment, much of the problem stems from the fact that the notion of an Observer suggests a purely passive role in contrast to the active roles of the Arctic States and the Permanent Participants. In reality, however, there are many issues where there is a need for Observers to act as partners (e.g., the Arctic Migratory Bird Initiative), to accept responsibility for addressing environmental threats originating elsewhere but affecting the Arctic (e.g., the impacts of persistent organic pollutants), or to become active exponents of the interests of Arctic actors in broader arenas (e.g., the Conferences of the Parties of the UN Framework Convention on Climate Change). Once we get over the tacit assumption that the role of Observers is a purely passive one, it will be possible to begin to define a more appropriate set of rules and procedures that allow Observers to engage in a range of constructive activities, without blurring the fact that their roles are quite different from those of the Arctic States themselves and the Permanent Participants.

THE STATUS AND FUNCTIONS OF THE ARCTIC ECONOMIC COUNCIL

Although the launching of the AEC is regarded as the main achievement of the 2013–15 Canadian chairship, there remain fundamental ambiguities concerning both the nature and the remit of this body. We are told that the AEC is an independent body, yet the Arctic Council launched the AEC, appears to play a critical role in identifying participants in the AEC, and is evidently the only real audience for the AEC's efforts. The result is a wholly unsatisfactory state of affairs. The AEC is neither an Arctic Council body of the sort referred to in the preceding discussion of sustainable development, nor an independent body capable of providing advice to the Arctic Council emanating from the full range of businesses active in the Arctic or interested in becoming active there in the future (including corporations that are not based in the Arctic countries). In my view, something needs to be done to rectify this situation. One obvious way forward would be to make the AEC an integral part of the Arctic Council, while turning to a truly independent body (e.g., the recently formed Arctic Business Council) to provide outside input reflecting the views of all segments of the business community. Of course, this strategy would only accentuate the need for a parallel mechanism within the Arctic Council to address the third pillar of sustainable development relating to issues of cultural vitality and health, education, and welfare.



CONCLUSION

Are any or all of these rebalancing measures politically feasible? Or has the influence of path dependence become so powerful within the Arctic Council that there is little prospect of departing from business as usual during the foreseeable future? Reorganization is never easy; the default option is always to stick with the status quo. But there are reasons for hope regarding the prospects for rebalancing initiatives within the Arctic Council. The fact that the Council is based on a soft-law agreement – the 1996 Ottawa Declaration on the Establishment of the Arctic Council – means that it is possible to introduce changes without triggering all the difficulties that plague efforts to adjust legally binding arrangements. The approach of the twentieth anniversary of the establishment of the Council provides a natural opportunity to take stock of existing arrangements and to consider suitable adjustments. The growing realization that the geopolitics and geoeconomics of the Arctic are undergoing far-reaching changes is creating an atmosphere in which many thoughtful commentators recognize that what was appropriate in 1996 may not be appropriate for the coming years. Of course, this does not mean that proposals for reorganization will not encounter stiff resistance. But taken together, these considerations surely suggest that we should make a concerted effort in the near future to think through organizational issues relating to the structure of the Arctic Council and to introduce adjustments that will maximize the effectiveness of the Council in the coming years.

Oran R. Young is Professor Emeritus at the Bren School of Environmental Science and Management at the University of California, Santa Barbara and a renowned Arctic expert.

The Arctic Council at Twenty: Growing Pains or Structural Limitations?

HEATHER N. NICOL

Geography and Canadian Studies, Trent University

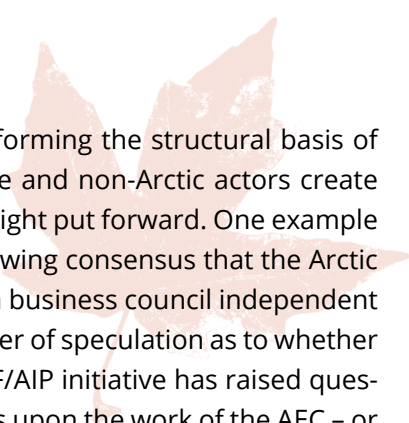
INTRODUCTION

The idea of the *Arctic Council at Twenty* reminds us that the idea of a circumpolar North has developed only recently, in tandem with the regionalization of international governance. This is no small achievement. At the same time, the idea that the Arctic Council is an exceptional or unparalleled organization is open to debate. If anything, we need to understand the way in which the Arctic Council follows the path already beaten by a number of other regional organizations.

True, the Arctic Council is certainly exceptional in that it is one of the only international organizations that includes Indigenous peoples' organizations as Permanent Participants. It includes an impressive roster of Observer States as well, and a number of organizations, such as the World Wildlife Fund. Does this mean that the organization has achieved balance between the interests of members, Permanent Participants, and variety categories of Observers? Hardly, as other contributors to this collection also remind us. And if Permanent Participants have reason to worry about the potentially larger role of Observer States in the future, there remain other would-be Observers, such as the European Union, who are clearly disgruntled with their exclusion. And indeed, there is the related problem that the Arctic Council is not the only organization with clout in the region. Apart from the informal alliance of the Arctic Five created by the framework of the United Nations Convention on the Law of the Sea (UNCLOS), there is also the problem of the role of other forms of regional and global governance, such as the Northern Forum, or even the Arctic Investment Protocol (AIP) group associated with the World Economic Forum (WEF) and its new regional bank and infrastructure initiative.

STRUCTURAL CHALLENGES

In this volume, Oran Young rightly identifies the heavy emphasis that the Sustainability Working Group places on environmental rather than economic development issues and highlights the need for new, innovative partnerships. It would be unreasonable, however, to suggest that the Arctic Council could manage all interest groups through its existing membership structure. There is a growing role for new non-state and even supra-state actors and relationships, essentially because of the way in which the role of states are themselves evolving. Dubbed model of the "relational state," subnational units of governance, private sector actors, and a roster of stakeholders may attain roles that were previously occupied by state governments, although this does not eliminate the role of state government entirely. Political geographers, such as John Agnew, assert that while the structure and role of states may change, states do not go away – they just operate by different means in different ways. This is a challenge for the Arctic Council, too. Regional actors like the Arctic Council can no more disentangle themselves from the broader global context than they can disentangle themselves from the local one. So it would not be unreasonable to suggest that what Young identifies as a problem of emphasis – that is to say, proper emphasis to be given to Observer States and agencies outside the region – actually speaks to an even bigger issue. This bigger issue revolves around the reconciliation of both state and regional interests within an international world that increasingly operates through a dense and connected network of state and non-state actors. In this sense, the Arctic Council is no exception.



Central to reconciling these different visions of regionalization, or any attempt at reforming the structural basis of Arctic regional governance, is an understanding of how, increasingly, these non-state and non-Arctic actors create new themes for regional government that are different from those that Arctic States might put forward. One example is the previously mentioned WEF/AIP initiative, which seems to be a response to a growing consensus that the Arctic Council's Arctic Economic Council (AEC), with its emphasis on business initiatives and a business council independent of state agency, might have a limited shelf life, in that it has increasingly become a matter of speculation as to whether or not it will gain legitimacy and traction within the international community. The WEF/AIP initiative has raised questions about whether this reflects a regional consensus – that is, a consensus that builds upon the work of the AEC – or whether, instead, the US investment and business interests unleashed by a process so intent on creating a regional development bank is something with which the AEC will have great difficulty competing. Similarly, the degree of bilateralism surrounding the need for cross-border infrastructure and coordination between the Canadian and American North, where product flows from one country through the other simply to reach global and domestic markets to the south, is a development issue that is unlikely to garner attention from Arctic Council Working Groups.

MOVING FORWARD

In other words, the structural issues may be bigger than Arctic Council actors can address. The inequality of relationships among Arctic Council actors (implicit in the Council's institutional design as a cooperation among the voting nation-states and the non-voting Permanent Participants) seems difficult to justify, especially as Indigenous rights continue to evolve internationally, and as polities such as states find their rights to creating exclusive mandates questioned. It would seem that there may well come a tipping point where the role of the Arctic Council will be to identify, rather than resolve, issue areas. To date, where the Arctic Council has succeeded, it has succeeded as an organization mindful of the varying scales at which it works to conceptualize and regionalize the circumpolar North – making the North an area of common experience and interest. Working closer with ever increasing numbers of Observer States as partners, for example, seems to suggest that the problem of the structural and functional relationships between global and local actors will be resolvable through an ever-larger and broader state-centered agenda. On the other hand, opening the door to a larger number of nation-state actors may result in greater impasses because the state-centered agency of the Council is itself increasingly problematic for local peoples and interests. Arctic policy expert commentator John Higginbotham argued that at the 2015 “Glacier” meetings in Anchorage, Alaska, a strategy of broadening the representation was used to overcome resistance to a significant change in course contemplated by the US Arctic Council Chairship. Higginbotham describes Glacier as a deliberate US strategy to leverage support for the American Chair's climate change agenda and to move interest away from its previous emphasis on economic development pursued under the Canadian chairship.¹ This attempt to deflect world attention away from regional development to climate science was achieved through leveraging the will of a broader community of non-Arctic States and bringing it to bear upon Arctic States and US interest in Arctic science and climate change agendas.

Indeed, the problem of sustainable development versus environmental protection is more than a matter of competing interests; it is a landscape of interest and agency engendered by competing national models that do not align well or offer reconciliation among all state-centered, non-state, Indigenous and global actors and agencies. This could well be a harbinger of the choppy waters ahead. If the model of cooperative state agencies supplemented by non-state and extra-regional actors has been manageable through state-centered funding and agency, in recent years the cracks have emerged – particularly in context of the putative economic development versus environmental protection discourse.

¹ Jeannette Lee Falsey, “On Road to Paris Climate Change Talks, Obama Detours through Alaska,” *Alaska Dispatch News*, August 31, 2015, rpt. CIGI Online, <https://www.cigionline.org/articles/road-paris-climate-change-talks-obama-detours-through-alaska>.

CONCLUDING THOUGHTS

In summary, the Arctic Council has, over the past twenty years, successfully negotiated cooperative international relations based upon the notion of Arctic exceptionalism. Some might say it has been too successful for its own good, in the sense that the recent Arctic Council slogan associated with the US chairship – *One Arctic* – is perhaps becoming more ironic than prophetic. It clearly glosses the growing problem that, increasingly, the Arctic is not a singular environment, and no regional organization rooted in an agreement among nation-states – and nation-states alone – can make it so. Such thinking obscures very different relationships and scales that are networked and intertwined therein. It leaves hanging issues such as the existing impetus for economic development and shifts attention to other competing “big ideas” whose currency may depend upon the jockeying among national lobby groups of powerful states. Issues may rise and fall on this basis. Indeed, if 2015–17 is the period of the US Arctic Council chairship, for example, it is also the time when powerful economic development agencies may align to better consolidate environmental science and “disappear” sustainable economic development from the Arctic Council agenda. Not only would that be a shame; it would also speak to the way in which, in an age of networked and multiple interests of actors and agencies, Arctic Council agendas remain entrenched in the agendas of a few powerful states.

Heather N. Nicol is a Professor of Geography at Trent University in Peterborough, Ontario, and 2015–16 Canada Fulbright Chair in Arctic Studies at the University of Washington.



Part II: Policy Making at the Subnational Level

Pacific NorthWest Economic Region Arctic Caucus: Opportunities for the North American Arctic

STEVEN R. MYERS

Pacific NorthWest Economic Region (PNWER)

The North American Arctic is an important region of the world. This vast area is home to thousands of people and great quantities of natural resources that impact our world's economy, but these resources should not be developed without the input of the people that work and live there. As the Cold War ended in the early 1990s, the Arctic nations of Russia, Canada, United States, Finland, Norway, Sweden, Denmark, and Iceland agreed that cooperation was necessary to build a future for the region. Now more than ever, people of the North have seen a greater need to become more vocal about policies that impact their lives. Subnational governments in the North American Arctic are sharing their strategies and visions for the future of the North with their federal partners to ensure that policy decisions are not negatively impacting Arctic populations.

More than twenty years ago, the Arctic nations created the Arctic Council as a "high-level intergovernmental forum to provide a means for promoting cooperation, coordination, and interaction among the Arctic States, with the involvement of the Arctic Indigenous communities and other Arctic inhabitants."¹ The Arctic Council has served as a forum for international government and Indigenous communities. Subnational governments do not have the same representation at the forum, and local perspectives have not been always included in the direction of their member state. To fill this gap, the Pacific NorthWest Economic Region (PNWER), through the leadership of Alaska, Yukon, and Northwest Territories, created a caucus where subnational governments could coordinate.²

THE PNWER ARCTIC CAUCUS

In 2009 the Pacific NorthWest Economic Region created the PNWER Arctic Caucus. A partnership between Alaska, Yukon, and the Northwest Territories, the caucus provides a forum to share information, discuss issues of mutual concern, and identify areas of potential collaboration between the three jurisdictions and the rest of North America. The forum provides Arctic-relevant input to PNWER members and the region at-large. The caucus is made up of PNWER public- and private-sector members from the three core jurisdictions; other PNWER members participate and provide input on relevant Arctic issues.

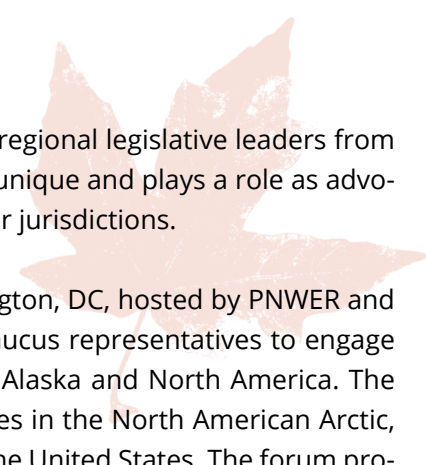
The main goal of the caucus is to increase the visibility and priority of Arctic issues in all PNWER activities. It also aims to

- support each other in achieving mutual goals;
- identify areas regarding opportunities for mutual economic development in the Arctic; and
- provide support to other jurisdictions to help them achieve their individual goals.³

¹ 1 Arctic Council Panel, To Establish an International Arctic Council: A Framework Report (Ottawa: Canadian Arctic Resources Committee, May 14, 1991).

² The Pacific NorthWest Economic Region (PNWER) is a public/private non-profit created by statute in 1991 by the states of Alaska, Idaho, Oregon, Montana, and Washington, the Canadian provinces and territories of British Columbia, Alberta, Saskatchewan, the Northwest Territories, and Yukon. PNWER's mission is to increase the economic well-being and quality of life for all citizens of the region; coordinate provincial and state policies throughout the region; identify and promote "models of success"; and serve as a conduit to exchange information. For more information, consult the PNWER website at <http://www.pnwer.org/background--history.html>.

³ PNWER Arctic Caucus homepage, accessed January 14, 2016, <http://www.pnwer.org/arctic-caucus.html>.



Prior to the creation of the PNWER Arctic Caucus, no other forum brought together regional legislative leaders from North America to discuss Arctic best practices and regional concerns. The caucus is unique and plays a role as advocate between the federal governments of Canada and the United States and member jurisdictions.

Since 2011 the caucus has held the North American Arctic Leaders Forum in Washington, DC, hosted by PNWER and US Senator Lisa Murkowski of Alaska. The forum is an opportunity for our Arctic Caucus representatives to engage with US and Canadian federal Arctic policy makers and highlight key issues within Alaska and North America. The high-level forum has focused on promoting economic development and safety issues in the North American Arctic, and has advised on the transitional leadership of the Arctic Council from Canada to the United States. The forum provides not only an opportunity for Canadian and US policy makers to discuss key priorities for the Arctic but also for local stakeholders to share their insights.

US ARCTIC IDENTITY CRISIS

The dynamic between the US federal government and the state of Alaska makes it difficult for Arctic issues to be treated as national concerns, rather than issues that only impact Alaska. In 2015 the Alaska Arctic Policy Commission completed its report to the legislature with a vision for the Arctic “based on economic and resource development, a healthy environment, secure and safe communities, and transparent decision making.”⁴ At the federal level, US Senator Lisa Murkowski, R-Alaska, has been an advocate for the Arctic and formed a US Senate Arctic Caucus with Co-Chair Senator Angus King, I-Maine. Senator Murkowski explained, “What I am trying to do is raise awareness about all things Arctic. I’m trying to allow members to see and appreciate that the Arctic is not just about Alaska.”⁵

Unfortunately, many congressional leaders see Arctic appropriations as earmarks for Alaska, which has led to a lack of investment in the US Arctic from the federal government. Compared to other Arctic nations, the United States invests less in Arctic programs. This has led to a lack of investment in the US Arctic from the federal government in comparison to other Arctic nations. “On par with the other Arctic nations, we are behind – behind in our thinking, behind in our vision,” Senator Murkowski said. “We lack basic infrastructure, basic funding commitments to be prepared for the level of activity expected in the Arctic.”⁶

Conversely, a majority of Canadians see their country as an Arctic nation and the Arctic as a cornerstone of their national identity. Canadians have a strategic approach to the Arctic and Arctic issues.⁷ The previous Conservative federal government formed its Northern Strategy⁸ with input from the Yukon, Northwest Territories, and Nunavut’s *A Northern Vision*.⁹ In 2008, evoking Canada’s national anthem, former Prime Minister Stephen Harper remarked, “The geopolitical importance of the North and Canada’s interest in it have never been greater. That is why this government launched an ambitious Northern agenda, based on the timeless responsibility so elegantly captured by our national anthem – to keep the True North strong and free.”¹⁰

⁴ Alaska Arctic Policy Commission, *Final Report and Implementation Plan: Executive Summary* (Alaska Arctic Policy Commission, 2015), 2, http://www.akarctic.com/wp-content/uploads/2015/01/AAPC_Exec_Summary_lowres.pdf.

⁵ Yereth Rosen, “Murkowski, King Seek to Enlist Other Senators in an Arctic Caucus,” *Arctic Newswire*, March 4, 2015, <http://www.adn.com/article/20150304/murkowski-king-seek-enlist-other-senators-arctic-caucus>.

⁶ Deb Reichmann, “America Is Losing the Competition for the Arctic,” *Business Insider*, January 1, 2014, <http://www.businessinsider.com/america-is-losing-the-competition-for-the-arctic-2014-1>.

⁷ Jill Mahony, “Canadians Rank Arctic Sovereignty As Top Foreign-Policy Priority,” *Globe and Mail*, January 25, 2011, <http://www.theglobeandmail.com/news/politics/canadians-rank-arctic-sovereignty-as-top-foreign-policy-priority/article563348/>.

⁸ See Government of Canada, “Canada’s Northern Strategy,” last modified April 13, 2015, <http://www.northernstrategy.gc.ca/index-eng.asp>.

⁹ For details of this pan-territorial collaborative vision of the North, see *A Northern Vision: Building a Better North*, <http://www.anorthernvision.ca/>.

¹⁰ Government of Canada, “Canada’s Northern Strategy: Strengthening Our Arctic Presence,” accessed January 15, 2016, <http://www.northernstrategy.gc.ca/cns/cns-eng.asp#cp2>.

LESSONS TO LEARN FROM CANADA

During the 2013–15 Canadian chairship, the federal government was closely aligned with local communities. Immediately following the 2007 release of *A Northern Vision*, the federal government published its own *Northern Strategy*. This federal strategy followed the direction the northern premiers had taken, and emphasized healthy, sustainable communities and the economic potential of all three territories.¹¹ Canada also appointed then Member of Parliament Leona Aglukkaq, an Inuk representing Nunavut, to be the country's chair of the Arctic Council.¹² These actions provided an avenue for Indigenous communities and other Arctic inhabitants of Canada to present their communities' voice to the Arctic Council.

The Arctic Council's focus has been on environmental issues, though northern stakeholders argue that the Council needs to do more to address economic development for the people of the Arctic. Healthy Arctic communities need to balance the environment and cultural importance of subsistence living, while ensuring opportunities for youth to continue to live and work in the communities. As the Council has matured, specific Working Groups and other unique groups, such as the Arctic Economic Council (AEC), which was initiated during the Canadian chairship of the Arctic Council, have emerged. The PNWER Arctic Caucus saw the creation of the AEC as a great step forward in advancing the voices of Arctic Indigenous communities and other Arctic inhabitants within discussions of economic development. In addition to economic development, and enhancing oil spill response as well as search-and-rescue needs in the Arctic, the private sector can offer resources that government might not be able to provide. The AEC could be a bridge for public-private partnerships in the Arctic. The 2015 appointment of Anu Fredrikson as director of the AEC Secretariat¹³ will provide the AEC with the structure necessary to fulfill the mandate of the Arctic Council.

CONCLUSION

The North American Arctic is an important region to Canada, the United States, and the world, but I would argue that it is most important to the people that have lived there for generations. Economic opportunities within the Arctic have provided our nations and people financial benefits that have improved standards of living. Continued development needs to take into consideration the freedom for inhabitants to practice a subsistence lifestyle if they choose. Governments need to acknowledge that subsistence living is more than food security. In most cases, it is a way of life and state of knowing one's heritage. Development of the region needs to ensure that Arctic communities can be sustained without compromising cultural identity. Work needs to be done to increase the opportunities for the people in the North while maintaining a balance with the pristine environment of the region. Incorporating the voice of the people that live in the Arctic into the strategies of Arctic nations is paramount. Along with ensuring a voice for the people of the Arctic, education about the Arctic to the broader US and Canadian populations needs to continue to be an important mission.

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¹¹ Northwest Territories, Yukon, and Nunavut, *A Northern Vision: Building a Better North* (Yellowknife, NWT: Northwest Territories, Yukon, and Nunavut, 2014), 5, <http://www.anorth-ernvision.ca/Northern%20Vision%20website%20files/pdf/NorthernVisionEnglish.pdf>.

¹² Peter Varga, "Nunavut MP Leona Aglukkaq: 2013 Was a Year of Many Milestones," *Nunatsiaq Online*, December 20, 2013, http://www.nunatsiaqonline.ca/stories/article/65674nun-avut_mp_leona_aglukkaq_2013_was_a_year_of_many_milestones/.

¹³ "Director AEC Secretariat Appointed," Arctic Economic Council, December 14, 2015, <http://arcticeconomiccouncil.com/director-aec-secretariat-appointed/>.

Establishing a True Arctic Policy for Québec

JEAN-FRANÇOIS ARTEAU

Kesserwan Arteau



It is generally acknowledged that Québec possesses a territory that can be qualified as Arctic. Although Québec's territory is not strictly speaking circumpolar and has no settlements above the 66th parallel, Québec is considered to have an Arctic that essentially covers the geographic area called Nunavik.

Almost half of Nunavik's communities are located above the 60th parallel, which in Canada more or less represents the boundary of what we consider to be the Arctic region. The Northern Strategy adopted by the previous Conservative government in 2009, for instance, takes the 60th parallel as its dividing line. However, due to political considerations, Québec has not been able to truly participate in the Strategy, nor reap its benefits. Since the Northern Strategy is a development strategy geared to Canada's territories (Nunavut, the Northwest Territories, and the Yukon), the provinces, despite having territories that could qualify within the framework of the strategy, have been systematically excluded from its application.

The question under consideration here is whether Québec – which has been seeking to position itself as a world leader in sustainable resource development through its management of its boreal territory – has a true Arctic policy. How does it intend to develop its Arctic territory in the years to come, and in the presence of what constraints?

RESOURCE DEVELOPMENT AS A CONTEXT FOR TERRITORIAL DEVELOPMENT

At first glance, it may seem incongruous, if not inexplicable, that Québec has, until very recently, shown little interest in the development of its Arctic territory, Nunavik. It was only when planning got underway for the massive development of hydroelectric power in the 1970s that the Québec government began to take stock of the region's development potential and undertake negotiations with Indigenous communities in the territory. Let us not forget that this vast territory was transferred from the Government of Canada to the Government of Québec in 1912. The negotiations leading up to the James Bay and Northern Québec Agreement (JBNQA), which were conducted over a two-year period, created an awareness among Québécois that Québec is vast and comprises a northern region rich in resources of all kinds. They also opened the way, notably for the Cree and Inuit, for direct negotiation with the Québec government – a path that has remained open ever since. I would posit that the James Bay negotiations shaped the Québec public's perception of the North: the North came to be equated with the James Bay territory and the construction of the La Grande Complex of generating stations. The question of the Arctic and its contribution to a sense of collective identity has generally had more resonance with English Canadians than Québécois. It is interesting to note that the English version of Canada's national anthem refers to the "true North strong and free," a point on which the French version is silent.

This perhaps explains why Québec waited until the 2010s to undertake a reflection on the development of its northern territory. The development of this territory, sometimes referred to as the Nord-du-Québec (Northern Québec) administrative region, was of course a subject of discussion in various parliamentary committees of the National Assembly of Québec. However, prior to 2010, no true effort had been made to collectively set a course for such development. It should be noted that in Québec, the North is almost invariably viewed as an object of development. Rich

in natural resources of all kinds, both mineral and hydrological, the North is perceived by Québécois as a pristine land with massive potential for subsurface exploitation, among other things. As we will see, this aspect has shaped Québec's vision with regard to its northernmost region.

PLAN NORD: REFLECTION OF A GLOBALIZING VISION

In fact, Québec has neither a policy nor a coherent and systematic vision for the Arctic. Policies on the Arctic such as those to be found in various forms in other countries have no equivalent in Québec. And while it might be assumed that the *Plan Nord*, proposed in 2011 by the government of Premier Jean Charest and revised in 2014 by Premier Philippe Couillard, constitutes a kind of Arctic policy, nothing could be further from the truth.

To begin with, the region covered by the *Plan Nord* includes all of Québec north of the 49th parallel and north of the St. Lawrence River and Gulf of St. Lawrence, an area of some 1.2 million km², representing 72% of Québec's land mass. This territorial delineation in itself disqualifies the *Plan Nord* as a plan for the Arctic.

But there's more. It is relevant here to refer directly to Québec's vision for northern development as expressed in the *Plan Nord*:

By 2035, the *Plan Nord* will have enabled the development of this rich resources area, for the benefit of its populations and of the whole of Québec, through an exemplary form of sustainable development based on a comprehensive, integrated, consistent and responsible approach

Four basic principles have been established, on the basis of shared values, to guide the government's actions by ensuring:

- A planned, coordinated project based on partnership, private-sector investment and support for communities, in particular through the creation of the Société du Plan Nord.
- A focus on sustainable development that integrates the economic, social and environmental dimensions.
- Government actions adapted to the realities of local and aboriginal communities and to northern areas in general.
- A harmonious and ethical approach to development that remains respectful of aboriginal and non-aboriginal communities and consistent with equality between men and women.¹

Except for its title, this vision could easily apply to any part of Québec's territory. The *Plan Nord* proposes no specific vision for the development of the Arctic: no reference is made to Québec's borders, to Canadian or Québec sovereignty in the region, or to the competing jurisdictions in play.

Instead, the *Plan Nord* is essentially a long list of wishes that are likely to be difficult, if not impossible, to implement, given their lack of cohesion and commonality. It is as though the government did not quite know what to do with the North, other than to define it as broadly as possible to ensure that all Québécois benefit from its development, while giving a passing nod to the area's Indigenous communities.

There was no public debate on northern development during the drafting of the plan; discussions were limited to private meetings with *Plan Nord* partners who were directly affected by its implementation. The population at large

¹ Gouvernement du Québec, *Plan Nord toward 2035, 2015–2020 Action Plan, Reference Framework* (Québec: Gouvernement du Québec, 2015), 18, http://www.plannord.gouv.qc.ca/wp-content/uploads/2015/04/Long_PN_EN.pdf.

had no opportunity to express ideas and concerns about the definition of the northern territory and plans for its development. By contrast, a true Arctic policy would have to be the reflection of a broad popular consensus.

The entity entrusted with the coordination and implementation of the *Plan Nord*, the Société du *Plan Nord*, is a joint stock company acting as a mandatary of the state, and as such is poorly qualified to establish a credible Arctic policy. Entrusting a joint stock company to oversee policy would be like asking the wolf to guard the sheep.

ARCTIC DEVELOPMENT ACCORDING TO THE INHABITANTS OF NUNAVIK

Is there in Québec – home to Louis-Edmond Hamelin, the great thinker of nordicity – any form of reflection on the development of the Québec Arctic, in so far as we even consider ourselves to possess an Arctic? For its part, the *Plan Nunavik*, along with its complement, the *Parnasimautik Consultation Report*, certainly represents the vision of Inuit with respect to their own development within the territory of Nunavik.

In response to the *Plan Nord* project, the Inuit of Nunavik agreed that all organizations in Nunavik would work together to prepare a development plan establishing the region's priorities for the short, medium, and long term. As such, the *Plan Nunavik*, and specifically *Parnasimautik*, contain the outlines of an Arctic policy, which Québec would do well to turn to for inspiration should it decide to formulate its own Arctic policy.

Here is how Inuit, in the *Plan Nunavik*, explain their distinctive character within Québec:

Due to its geography, climate, culture, and language, Nunavik is part of the Arctic world. Covering 500,164 km² (410,000 sq. mi.), the region of Nunavik represents 36% of the total area of Québec. All located north of the 55th parallel, along the Ungava Bay, Hudson Strait and Hudson Bay coasts, none of the 14 Nunavik municipalities are interconnected by road; and there are no road link to the south of Québec. The region has a wealth of mineral and wildlife resources of all kinds and possesses some of the most picturesque tourist attractions. The main rivers the territory and their watersheds represent a potential of approximately 8,000 MW and is the equivalent of 25% of Québec's current installed capacity.

Some 11,000 people live in the Nunavik region and 90% of them are Inuit who speak Inuktitut as their first language. Statistics show that the population's growth rate is 2.3% per year with 65% of the population under 25 years of age.

The Inuit are integrated in Québec and Canada's legal, administrative, and tax regimes. Unlike the Indian groups living in Québec, Nunavik Inuit are full taxpayers, responsible for all federal and provincial sales and income taxes on the same basis as other citizens of Québec and Canada. As such, they are supposed to be entitled to the same services as are offered to citizens in all the other regions of Québec. Despite the fact that Nunavik Inuit are taxpayers like other Québécois, their communities, though located next to Québec's huge hydroelectric generating facilities, are not connected to the Québec electrical power grid. Moreover, Nunavik Inuit suffer a cost of living much higher than in the rest of Québec.²

Parnasimautik is the result of an exceptionally successful consultation that was unprecedented both locally and regionally. In a unique exercise in mobilization, Inuit are working to recapture the strength of their identity and culture.

² Kativik Regional Government and Makivik Corporation, *Plan Nunavik*, 2nd ed. (Westmount, QC: Avataq Cultural Institute, 2012), 175.

CONCLUSION

In light of the shortcomings of the *Plan Nord* and following initiatives by Inuit to achieve greater control over their development, it is now up to Québec to propose a true Arctic policy that respects the inhabitants of the Québec Arctic and expresses Québec's desire to give due consideration to the development of this region. Many countries are interested in the Arctic despite not having Arctic territory. It is unacceptable that Québec has not crystallized its thinking about the Arctic territory it does have.

Établir une véritable politique arctique pour le Québec

JEAN-FRANÇOIS ARTEAU

Kesserwan Arteau

Il est généralement admis que le Québec possède un territoire qui peut être qualifié d'arctique. En effet, bien que le Québec à proprement parler n'entoure pas directement la région du pôle Nord ni ne comprend d'établissements situés au-delà du 66e parallèle, on considère tout de même que le Québec est constitué d'un territoire arctique qui couvre essentiellement la délimitation géographique appelée le Nunavik.

On constate que près de la moitié des villages nordiques sont situés au-delà du 60e parallèle. Au Canada, cela représente à peu près la limite à partir de laquelle on détermine la région arctique. À titre d'exemple, la Stratégie du Nord, adoptée en 2009 par le précédent gouvernement conservateur, avait justement pour base territoriale cette limite du 60e parallèle. Toutefois, pour des considérations politiques, le Québec n'a jamais pu véritablement faire partie de cette stratégie ni bénéficier de ses retombées; la stratégie du Nord étant davantage une stratégie de développement des territoires canadiens (Nunavut, Territoires du Nord-Ouest et Yukon), les provinces, bien que possédant des territoires qui pouvaient se qualifier dans le cadre de la stratégie, furent systématiquement exclues de son application.

La question à traiter ici est celle de savoir si le Québec – qui se positionne de plus en plus sur la scène mondiale comme un leader de développement de son territoire boréal – possède une véritable politique sur l'Arctique. Comment par ailleurs entend-il développer ce territoire dans les prochaines années et en présence de quelles contraintes?

L'EXPLOITATION DES RESSOURCES COMME CADRE DE DÉVELOPPEMENT

Ce qui d'emblée paraît incongru, voire inexplicable, est le fait que le Québec ne se soit jusqu'à tout récemment que très peu intéressé au développement de son territoire arctique, le Nunavik. À vrai dire, il aura fallu le développement massif projeté de l'énergie hydro-électrique dans les années 1970 pour que le gouvernement du Québec prenne conscience du potentiel de développement de cette région et qu'il entame des pourparlers avec les communautés autochtones présentes sur ce territoire. On se rappellera toutefois que ce vaste territoire avait été transféré du gouvernement du Canada au gouvernement du Québec en 1912. D'ailleurs, ces négociations devant mener à la conclusion de la *Convention de la Baie James et du Nord québécois* qui se sont étalées sur une période de deux ans auront permis aux Québécois de comprendre que le Québec est vaste et qu'il comprend une région nordique riche en ressources de toutes sortes. Elles auront aussi tracé, notamment pour les Cris et les Inuits, une voie de négociations avec le gouvernement du Québec à tout jamais disponible. Ceci expliquant cela, je postule que les négociations de la Baie James ont marqué l'imaginaire québécois de telle sorte que le Nord est perçu, au Québec, comme le territoire de la Baie James et de la construction du complexe de production hydro-électrique de La Grande. La question de l'Arctique et de son enracinement dans notre identité collective correspond bien davantage aux Anglo-Canadiens qu'aux Québécois. À cet égard, il est intéressant de noter que l'hymne national canadien en version anglaise réfère au *True North strong and free* alors que la version française est muette sur ce point.

La situation ainsi exposée, on comprend mieux les raisons pour lesquelles le Québec a attendu au tournant des années 2010 pour entamer une réflexion sur le développement de son territoire nordique. Le développement de ce

territoire, que l'on qualifie parfois de région administrative du Nord-du-Québec, a bien sûr fait l'objet de discussions à l'occasion de différentes commissions parlementaires de l'Assemblée nationale du Québec. Néanmoins, jamais avant 2010 n'avions-nous vu de véritable effort déployé pour envisager collectivement le développement du Nord québécois. Fait important à noter, on aborde toujours au Québec le Nord comme un objet de développement. Riche en ressources naturelles de toute sorte, tant minières qu'hydrologiques, le Nord apparaît aux Québécois comme un territoire vierge propice à l'exploitation massive de son sous-sol, entre autres choses. Cet élément, on le verra, conditionne la vision du Québec relative à sa partie la plus septentrionale.

LE PLAN NORD, REFLET D'UNE VISION GLOBALISANTE

D'entrée de jeu, il faut mentionner que le Québec ne s'est pas donné de politique sur l'Arctique ni de vision cohérente et systématique. Des politiques sur l'Arctique comme on en trouve sous différentes formes dans plusieurs pays n'existent pas au Québec. Plusieurs personnes non avisées croiront que le *Plan Nord* déposé sous une première mouture en 2011 par le gouvernement du premier ministre Jean Charest, et révisé en 2014 par le premier ministre Philippe Couillard, constitue en quelque sorte une politique sur l'Arctique québécois. Or, rien n'est moins vrai.

D'abord, sur le plan territorial, le *Plan Nord* du Québec s'étend au nord du 49^e parallèle dans les terres puis au nord du fleuve Saint-Laurent et du golfe Saint-Laurent. Il couvre un territoire de près de 1,2 million de km² qui représente 72 % de la superficie du Québec. De toute évidence, cette caractéristique disqualifie d'emblée le *Plan Nord* comme se rapportant à l'Arctique.

Mais il y a plus. Il convient ici de référer directement aux mots du *Plan Nord* qui traitent de la vision du Québec:

À l'horizon 2035, le *Plan Nord* aura permis la mise en valeur du potentiel diversifié du territoire, au bénéfice de ses populations et de tout le Québec, dans le cadre d'un développement durable exemplaire, selon une approche globale, intégrée, cohérente et responsable

Le gouvernement a établi quatre principes fondamentaux fondés sur des valeurs communes afin de baliser son action:

- Un projet planifié et coordonné, qui mise sur le partenariat, l'investissement du secteur privé et l'accompagnement des communautés, notamment par la mise en place de la Société du Plan Nord;
- Une perspective de développement durable intégrant les dimensions économique, sociale et environnementale;
- Une intervention gouvernementale adaptée aux réalités des communautés locales et autochtones et à l'ensemble du territoire nordique;
- Un développement harmonieux, éthique, respectueux des populations autochtones et non autochtones et soucieux de l'égalité entre les femmes et les hommes.¹

Si ce n'était de son titre, *Plan Nord*, cette vision pourrait aisément s'appliquer à quelque partie du territoire du Québec que ce soit. Il n'y a pas ici de vision du développement de l'Arctique : jamais ne fait-on référence aux frontières du Québec, à la souveraineté du Canada ou du Québec, aux confrontations entre les différents systèmes juridiques applicables.

¹ Gouvernement du Québec, *Le Plan Nord à l'horizon 2035*, plan d'action 2015–2020 (Québec: Gouvernement du Québec, 2015), 13, http://plannord.gouv.qc.ca/wp-content/uploads/2015/04/Synthese_PN_FR.pdf.

Le *Plan Nord* constitue davantage une longue liste de souhaits possiblement sinon très difficilement réalisables parce que dépourvus de cohésion et de fil conducteur. En fait, c'est comme si l'on ne savait trop quoi faire avec le Nord sinon le définir le plus largement possible et faire en sorte que tous les Québécois bénéficient de son exploitation en respectant au passage les communautés autochtones.

Aucun débat public n'a été institué sur le développement du Nord si ce n'est des rencontres privées entre des partenaires du *Plan Nord* qui sont directement visés par sa mise en œuvre. Somme toute, les Québécois n'ont pu faire part de leurs idées et de leurs inquiétudes quant à la définition du territoire nordique ni quant à ce qu'on se propose d'y faire. Une véritable politique sur l'Arctique doit au contraire être le reflet d'un large consensus populaire.

La structure d'accueil et de mise en œuvre du *Plan Nord*, la Société du Plan Nord, est incapable d'établir une politique sur l'Arctique par elle-même car il s'agit d'une société à fonds social (voir le texte même de la Loi sur la Société du *Plan Nord* qui indique bien fonds social) mandataire de l'État du Québec. Or, une politique crédible sur l'Arctique ne saurait être placée sous l'hégire d'une entreprise à fonds social. On ne pourrait demander à un loup d'établir le plan de conservation des moutons.

LE DÉVELOPPEMENT DE L'ARCTIQUE SELON LES OCCUPANTS DU NUNAVIK

Dans cette province de Louis-Edmond Hamelin, grand penseur de la nordicité, existe-t-il une forme de réflexion sur le développement de l'Arctique du Québec, si tant est que nous considérons avoir un tel Arctique? Examinons à ce propos le Plan Nunavik et son complément, le rapport *Parnasimautik*, lesquels représentent certainement la vision des Inuits de leur propre développement sur le territoire du Nunavik.

En réaction aux travaux du *Plan Nord*, les Inuits du Nunavik ont convenu que toutes les organisations du Nunavik travailleraient ensemble à l'élaboration d'un plan de développement proposant des objectifs à atteindre à court, moyen et long terme. On retrouve ainsi dans le *Plan Nunavik*, et encore davantage dans le rapport *Parnasimautik*, le squelette d'une politique sur l'Arctique dont le Québec aurait avantage à s'inspirer s'il devait choisir d'élaborer sa propre politique sur l'Arctique.

Voici comment les Inuits justifient, dans le *Plan Nunavik*, leur distinction à l'intérieur du Québec:

En raison de sa géographie, de son climat, de sa culture et de sa langue, le Nunavik est une région arctique. D'une superficie de 500 164 km², le Nunavik couvre 36 % de la province de Québec. Les 14 municipalités du Nunavik sont situées au nord du 55^e parallèle, le long des côtes de la baie d'Ungava, du détroit d'Hudson et de la baie d'Hudson. Aucun lien routier ne relie les municipalités entre elles ni la région au sud du Québec. La région abonde en ressources minérales et fauniques de toutes sortes et possède des attraits naturels particulièrement pittoresques. Les principales rivières du territoire et leur bassin versant représentent un potentiel d'approximativement 8 000 MW, soit l'équivalent de 25 % de la puissance installée actuellement au Québec.

Quelque 11 000 personnes vivent dans la région du Nunavik et 90 % d'entre elles sont des Inuits dont la langue maternelle est l'inuktitut. Les données statistiques révèlent que le taux de croissance annuel de la population est de 2,3 % et que 65 % de la population est âgée de moins de 29 ans.

Les régimes juridiques, administratifs et fiscaux du Québec et du Canada s'appliquent aux Inuits du Nunavik. Contrairement aux membres des Premières Nations du Québec, les Inuits du Nunavik sont des contribuables à part entière. Comme tous les autres Québécois et Canadiens, ils sont assujettis aux taxes de vente provinciale et fédérale,

ainsi qu'aux impôts sur le revenu. Ainsi, ils devraient avoir droit aux mêmes services que ceux offerts aux citoyens de toutes les autres régions du Québec. Malgré le fait que les communautés du Nunavik soient peuplées de contribuables et qu'elles se trouvent à proximité d'immenses installations hydroélectriques, elles ne sont pas reliées au réseau électrique du Québec. En outre, le coût de la vie au Nunavik est beaucoup plus élevé qu'ailleurs au Québec.²

Parnasimautik est le fruit d'un véritable succès de consultation sans précédent tant à l'échelle locale que régionale. Dans un effort unique de mobilisation, les Inuits s'emploient à redonner une force à leur identité et leur culture.

CONCLUSION

À la lumière des récents échecs du *Plan Nord* et des efforts déployés par les Inuits afin de contrôler davantage leur développement, il appartient maintenant au Québec de proposer une véritable politique sur l'Arctique qui soit respectueuse des habitants du territoire arctique et qui affirme son désir de se soucier du développement de cette région. Beaucoup de pays s'intéressent à l'Arctique sans avoir de territoire arctique. Il est inacceptable que le Québec n'ait pas cristallisé de réflexion quant à son territoire arctique.

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² Kativik Regional Government and Makivik Corporation, *Plan Nunavik*, 2nd ed. (Westmount, QC: Avataq Cultural Institute, 2012), 175.



Part III: Observers to the Arctic Council

Observer Involvement in the Arctic Council: South Korea's Perspective

JONG-DEOG (JUSTIN) KIM AND JEEHYE KIM

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INTRODUCTION

The Republic of Korea,¹ which obtained Observer status in the Arctic Council in 2013, is actively involved in addressing Arctic challenges. Although the Arctic Council is not the only venue through which Korea carries out its Arctic policy, Korea's Arctic policy places great importance on the Arctic Council as the region's primary intergovernmental forum, and for this reason, Korea's role in the Arctic Council will be the focus of this paper. Korea is a non-Arctic State; however, due largely to climate change, the Arctic region is increasingly becoming important globally, in both positive and negative ways. Climate change in the Arctic is a double-edged sword; as the melting of the sea ice opens up economic opportunities, such as new shipping lanes and possibilities for resource development, at the same time, it is driving change to Korea's climate in disconcerting ways. The growing recognition of the importance of the Arctic to Korea has led the country to seek ways to become more engaged in the region. In this context, Korea's effort to join the Arctic Council as an Observer began in earnest since 2008. This paper will outline Korea's involvement in the Arctic, specifically its activities within the Arctic Council and its subsidiary bodies. Based on Korea's experience as an Observer in the Arctic Council thus far, the paper will conclude with some suggestions for ways the Arctic Council could better engage Observers.

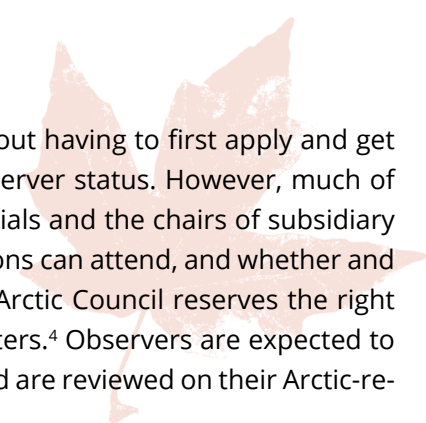
KOREA AND THE ARCTIC

Korea's involvement in the Arctic began with a scientific interest, conducting its first preliminary scientific study of the Arctic region in 1993. Until then, Korea's activity in the polar regions was entirely focused on the Antarctic, where it had joined the Antarctic Treaty in 1986 and built its first research station in 1988. Korea established its first Arctic research base, the Dasan Arctic Research Station, in 2002 in Svalbard, Norway, and in the same year joined the International Arctic Science Committee. In 2009 an icebreaking research vessel, the RV *Araon*, was commissioned, and since 2010 it has been traversing the waters of the Far North for scientific research every year during July and August, with international researchers onboard as well. Korea's scientific endeavors in the Arctic culminated in 2011 when it hosted the biggest annual Arctic science event, the Arctic Science Summit Week, in Seoul.

Korea also sought to participate in Arctic governance by joining the Arctic Council as an Observer. In 2008 the nation participated in the Arctic Council for the first time as an ad hoc Observer. When the newly elected President Park Geun-Hye took office in February 2013, the government's 140 National Agenda made becoming an accredited Observer in the Arctic Council an objective.² Korea was finally granted Observer status in May 2013 at the Kiruna Ministerial Meeting, along with China, India, Italy, Japan, and Singapore, when the Arctic Council decided to open up to increasing outside interests.

¹ The Republic of Korea is also known as South Korea, but because this paper is only concerned with South Korea, we will use just *Korea*.

² See Task #132 of the 140 National Agenda of the Park Geun-Hye government, announced in February 2013. Task #13 also mentions the Arctic.



Becoming an Observer meant that Korea could attend Arctic Council meetings without having to first apply and get accepted to every meeting that it wished to attend, as it had to with its ad hoc Observer status. However, much of the Observers' right to participation is left to the discretion of the Senior Arctic Officials and the chairs of subsidiary bodies, who determine if Observers can participate in a meeting, how many delegations can attend, and whether and when Observers will have the opportunity to make statements.³ Furthermore, the Arctic Council reserves the right to decide whether the Observer status continues based on consensus among Ministers.⁴ Observers are expected to state affirmatively their intention to continue the Observer status every four years and are reviewed on their Arctic-related activities every two years.⁵

KOREA AS AN ARCTIC COUNCIL OBSERVER

After being granted Observer status, the seven government ministries of the Korean government came together to formulate an Arctic policy for Korea, which was announced in December 2013 as the *Arctic Policy Master Plan of the Republic of Korea*.⁶ The overall vision of Korea's Arctic policy is to contribute to the sustainable future of the Arctic. Its three underlying policy objectives are to (1) build a cooperative Arctic partnership; (2) enhance scientific research activities in the Arctic; and (3) explore sustainable business opportunities in the Arctic. In line with these goals, four major directions for 2013 to 2017 have been outlined: (1) strengthen international cooperation; (2) encourage scientific and technological research capacity; (3) pursue sustainable Arctic business; and (4) establish institutional and legal grounds for pursuing the Arctic policy.

Under the goal of strengthening international cooperation, the policy specifies that Korea expand participation in the activities of the Arctic Council and its subsidiary bodies. However, as an Observer, Korea is only able to participate within the boundaries allowed by the Arctic Council, as outlined in the *Arctic Council Rules of Procedure and the Arctic Council Observer Manual for Subsidiary Bodies*.⁷

Accordingly, Korea actively participates in the Arctic Council's subsidiary bodies by sending experts to various Working Group and Task Force meetings to observe and keep up to date on Arctic Council developments. This is done through the Korea Arctic Experts Network (KAEN), which was created in 2014 as a mechanism for cooperation and coordination among Korean experts on the Arctic. Aside from observing, currently two Korean experts are involved in the drafting of a report with the Arctic Monitoring and Assessment Program Working Group (AMAP). In addition, to make Arctic Council publications more widely available for the Korean audience, some important documents, such as the Protection of the Arctic Marine Environment Working Group (PAME)'s *Status on Implementation of the Arctic Marine Shipping Assessment 2009 Report Recommendations* and the Conservation of Arctic Flora and Fauna (CAFF)'s *Actions for Arctic Biodiversity 2013–2021*, have been translated into Korean. Regarding project participation, talks are underway between Korea and CAFF about having Korea participate in its Arctic Migratory Birds Initiative project.

In its Arctic Policy, Korea acknowledges Indigenous people as owners of the Arctic and their importance in Arctic matters. The Policy further identifies the need to support Indigenous groups through cooperative endeavors. As

³ Arctic Council, *Arctic Council Observer Manual for Subsidiary Bodies* (Anchorage, AK: Arctic Council, 2015), Articles 7.1 and 7.4, <https://oaarchive.arctic-council.org/handle/11374/939>.

⁴ Arctic Council, *Arctic Council Observer Manual for Subsidiary Bodies*, Article 4.3.

⁵ Arctic Council, *Arctic Council Rules of Procedure* (Kiruna: Arctic Council, 2013), Annex 2, Articles 4 and 5.

⁶ See Government of Korea, *Arctic Policy Master Plan of the Republic of Korea* (N.p.: Korea Maritime Institute, 2013), http://library.arcticportal.org/1902/1/Arctic_Policy_of_the_Republic_of_Korea.pdf.

⁷ An Addendum to the *Arctic Council Observer Manual for Subsidiary Bodies*, adopted in 2015, provides the needed clarification on the rules and procedures for participation by Observers.

part of this effort, Korea is participating in the Aleut International Association's project on Arctic Indigenous Marine Use Mapping as a partner, providing funding and expertise in accordance with the rules and guidelines of the Arctic Council. Also, the Korea Maritime Institute, a government-affiliated research institute, has joined UArctic as a member and jointly hosts the Korea Arctic Academy (KAA), which was launched in 2015. The KAA is a week-long educational exchange program that seeks to promote understanding and the sharing of knowledge and visions among Arctic Indigenous and Korean students.

SUGGESTIONS FOR BETTER INVOLVEMENT OF OBSERVERS

The positive contributions that Observers bring to the Arctic Council have been noticed already. The *Observer Manual for Subsidiary Bodies* states, "since the establishment of the Arctic Council, participation by Observers has been a valuable feature through their provision of scientific and other expertise, information and financial resources."⁸ Also, in the Iqaluit Declaration, it was explicitly stated for the first time in a ministerial declaration that the Arctic Council "acknowledge[s] the positive contributions of Observers to the work of the Council."⁹ In light of these contributions, improving how the Arctic Council engages Observers could help the region better address Arctic challenges, which in turn would help strengthen and improve the effectiveness of the Arctic Council in shaping the future of the Arctic. Thus, this paper concludes by offering few suggestions based on Korea's experience in the Arctic Council as an Observer so far.

First of all, Indigenous groups are recognized as important rightholders in the Arctic, and yet there is no mechanism for promoting communication between the Permanent Participants and Observer States. Future environmental, economic, and social changes that occur as a result of climate change will concern Indigenous groups the most, as the Arctic is expected to be more affected by climate change than any other region. Observer activities in the Arctic need to take Indigenous people into consideration, and engagement in continuous dialogue between Observers and Indigenous groups for better understanding and trust building will be important. Thus, it is proposed here that the Indigenous Peoples' Secretariat (IPS) and the Observer States create an arena for communication, such as a workshop or a seminar, as a way to better facilitate communication and to help identify where Observers' capacities best match the interests and needs of the Permanent Participants.

Also, the Arctic Council Member States need to re-examine their pre-existing bilateral relationships with some of the Observers, and explore ways to incorporate that relationship or agenda into the activities of the Arctic Council. In the case of Korea, it has free trade agreements with all Arctic States except for Russia. It also has shipping agreements with four of the eight Arctic States (United States, Russia, Norway, and Denmark), and cooperation agreements in science and technology with five Arctic States (United States, Russia, Sweden, Denmark, and Finland). An Observer like Korea has capabilities in the science and technology sector; incorporating current agreements that Arctic States have in those areas with Korea into the Arctic region and to the work of the Arctic Council could provide new areas for cooperation in the Arctic and produce more deliverables for the Arctic Council.

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⁸ Arctic Council, *Observer Manual for Subsidiary Bodies*, Section 2.

⁹ Arctic Council, *Iqaluit Declaration 2015*, Article 51, <http://www.international.gc.ca/arctic-arctique/final-declaration-finale.aspx?lang=eng>.

Changing the Role of the Observers in the Arctic Council

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INTRODUCTION

Observers on the Arctic Council provide an opportunity to serve as ambassadors of the Arctic in the broader global context. Observer status has been recognized since the founding of the Arctic Council through the 1996 Ottawa Declaration. Observer status can be offered to non-Arctic nation-states, intergovernmental and interparliamentary organizations (IGOs), and nongovernmental organizations (NGOs). Over the years, the number of Observers has grown to thirty-two, including twelve nation-states, nine IGOs, and eleven NGOs. While other international bodies, such as the United Nations Framework Convention on Climate Change and the Intergovernmental Panel on Climate Change, include an Observer designation, nation-states cannot be Observers in these organizations. Observers in other intergovernmental organizations (including some that are also Observers in the Arctic Council; e.g., United Nations Economic Commission for Europe, International Federation of Red Cross and Red Crescent Societies) often play a much more active role than in the Arctic Council, hosting side events at the Conference of Parties or providing expert reviewers to the assessment reports. Thus, a potential exists to expand the functional role of the Observers within the Arctic Council.

While twelve non-Arctic nation-states, IGOs, and NGOs have served as Observers since they were instated by the 1998 Iqaluit Declaration, primarily as a carryover from the Arctic Environmental Protection Strategy, the role of the Observer within the Arctic Council has been unclear.¹ The purpose of an Observer is described, by the Council, as to “observe the work of the Arctic Council.” Observers are expected to “make relevant contributions” through Working Groups. Observers can contribute financially to projects but not more than Member States and Permanent Participants. Observers can also propose projects through Member States and Permanent Participants. However, decision making is relegated to Member States with the involvement of Permanent Participants.² This lack of prescription may result from a desire to ensure Arctic nation-states and Indigenous peoples are the decision-shapers for the region,³ or from fear of perceived colonial or imperial motivations.⁴ Regardless of the rationale, it was not until the 2008 Tromsø Declaration that the Arctic Council decided to “continue discussing the role of Observers in the Arctic Council.”⁵ This decision ultimately led to the formulation of the *Arctic Council Observer Manual for Subsidiary Bodies*, which was approved at the 2013 Kiruna Ministerial Meeting and revised at the October 2015 Meeting of the Senior Arctic Officials.⁶ Despite these much-needed and severely delayed guidelines, which formalized the criteria for admission as an Observer used at the 2011 Nuuk ministerial meeting,⁷ there is still plenty of room to increase the effectiveness the role of Observers within the Arctic Council. This analysis will discuss four potential ways to improve the functional

¹ Piotr Graczyk, “The Arctic Council Inclusive of Non-Arctic Perspectives,” in *The Arctic Council: Its Place in the Future of Arctic Governance*, ed. Thomas S. Axworthy, Timo Koivurova, and Waliul Hasanat (Papers from a conference sponsored by the Munk-Gordon Arctic Security Program and the University of Lapland, 2012), 277.

² Arctic Council, *Arctic Council Observer Manual for Subsidiary Bodies* (Anchorage, AK: Arctic Council, 2015), <https://oaarchive.arctic-council.org/handle/11374/939>.

³ P. Whitney Lackenbauer, “Canada and the Asian Observers to the Arctic Council: Anxiety and Opportunity,” *Asia Policy* 18 (2014): 25.

⁴ Piotr Graczyk and Timo Koivurova, “A New Era in the Arctic Council’s External Relations? Broader Consequences of the Nuuk Observer Rules for Arctic Governance,” *Polar Record* 50 (2014): 229.

⁵ Arctic Council, “All Arctic Council Declarations, 1996–2015,” accessed January 6, 2016, <https://oaarchive.arctic-council.org/handle/11374/94>.

⁶ Arctic Council, *Arctic Council Observer Manual for Subsidiary Bodies*, 2.

⁷ Graczyk and Koivurova, “A New Era,” 229.

role of the Observers: (1) reduce barriers to participation; (2) formulate more concrete metrics for entry or continued participation; (3) increase transparency of participation; and (4) differentiate roles for nation-states and IGO/NGOs.

REDUCING BARRIERS TO PARTICIPATION

The *Observer Manual*, while synthesizing the *Arctic Council Rules of Procedure* with regard to the Observer role, does not give much guidance on how an Observer can contribute. Designed to “to guide chairs of subsidiary bodies to run meetings effectively and efficiently” – not necessarily to make clearer the role of the Observer – the manual’s Purpose codifies this fact.⁸ Many of the restrictions placed on Observers are understandable given the structure of the Council. For example, Observers are allowed to speak on items only after the Member States and Permanent Participants have been afforded the opportunity. However, guidance as to how Observers can positively contribute still has the same restrictive tone: “Observers may propose projects through an Arctic State or a Permanent Participant but the total financial contributions from all Observers to any given project may not exceed the financing from Arctic States, unless otherwise decided by the Senior Arctic Officials.”⁹ Given that Arctic States may not desire non-Arctic nations to control projects through financing, the rationale behind this decision is justifiable. However, the additional resources, especially efforts to support the Permanent Participants, should not be disregarded – particularly if the Arctic States do not have the ability or desire to finance these projects. There are many ways in which Observers can currently participate in the Council.¹⁰ However, if Observers are permitted to finance projects – in a more substantial manner without such stringent restrictions – that the Arctic States and Permanent Participants otherwise support, Observers can take a greater and more satisfying role in the future of the Arctic.¹¹ Easing restrictions on Observers’ participation, in other words, can be mutually beneficial.

CONCRETE METRICS

The *Arctic Council Rules of Procedure* lists seven criteria for (re)admission of Observers to the Council.¹² While these criteria are an advancement over the previous lack of guidance, they are still fairly general and hard to prove definitively.¹³ What evidence demonstrates that a state or organization respects the values of Arctic Indigenous peoples, for instance? While the European Union ban on Canadian seal fur and skins has been a sticking point for keeping the European Union out of the Council, what about China’s attitudes and treatment of its own Indigenous groups? If China does not honor the human rights of its own Indigenous populations, what about future attitudes and actions towards the Permanent Participants? Furthermore, once an Observer is on the Arctic Council, there are no requirements for continued participation, other than affirmed desire to continue its participation and an update on contributions to date. Participation is variable among the Observers, ranging from those who attend nearly every meeting to those who attend no meetings.¹⁴ Putting more strict participation requirements on (re)admission as well as making the current requirements more explicit would result in a better functioning Observer corps and provide a more metric-based approach to decisions on Observer status.

⁸ Arctic Council, *Arctic Council Observer Manual for Subsidiary Bodies*, 4.

⁹ Arctic Council, *Arctic Council Observer Manual for Subsidiary Bodies*, 9.

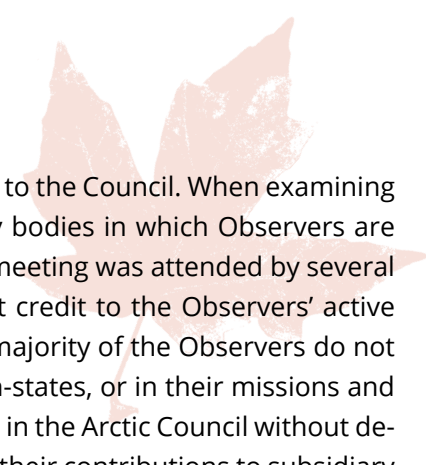
¹⁰ Lawson Brigham, “The Changing Arctic: New Realities at the Top of the World,” *Asia Policy* 18 (2014): 10.

¹¹ Graczyk, “The Arctic Council,” 289.

¹² Arctic Council, *Arctic Council Rules of Procedures* (Anchorage, AK: Arctic Council, 2013), <https://oaarchive.arctic-council.org/handle/11374/940>.

¹³ Erik J. Molenaar, “Current and Prospective Roles of the Arctic Council System within the Context of the Law of the Sea,” *The International Journal of Marine and Coastal Law* 27 (2012): 586.

¹⁴ Sebastian Knecht, “New Observers Queuing Up: Why the Arctic Council Should Expand – and Expel,” *The Arctic Institute*, April 20, 2015, <http://www.thearcticinstitute.org/2015/04/042015-New-Observers-Queuing-up.html>.



INCREASED TRANSPARENCY

Most of the Arctic Council declarations acknowledge the work that Observers provide to the Council. When examining the documents of Working Groups, Task Forces, and Expert Groups – all subsidiary bodies in which Observers are allowed to partake – the roles of Observers, if included, are usually vague (e.g., “the meeting was attended by several Observer organizations”) or denoted solely by attendance in an Annex, and explicit credit to the Observers’ active contributions to advancing the work of the Arctic Council is missing. Given that the majority of the Observers do not have an explicit Arctic focus (either in domestic or foreign policy for Observer nation-states, or in their missions and programming for Observer IGOs and NGOs), the fact that they continue to participate in the Arctic Council without decision-making power should not be undervalued. Crediting individual Observers and their contributions to subsidiary bodies in the Arctic Council would not only incentivize Observers to continue contributing but also provide objective evidence for decisions about continued participation in the Arctic Council.

ROLES OF NATION-STATES AND IGOs/NGOs

The role of Observers is biased toward nation-states. Non-state Observers are required to submit additional materials for entry into the Arctic Council.¹⁵ In addition, the most visible signs of Observer contributions to the Arctic Council are submitted reports on nation-states’ efforts to curb their pollutants or reduce emissions. These practices unfairly disadvantage IGOs and NGOs in their ability to access and participate in the Arctic Council by creating additional requirements for entry and more creativity required for public demonstration of participation within the Working Groups. Nation-states have greater capacity to enact decisions made by the Arctic Council, but IGOs and NGOs have greater capacity in an advocacy role at the international level. Given that nation-states and IGOs/NGOs serve fundamentally different roles within the realm of geopolitics, the Arctic Council should examine how these groups can perform differentiated roles within the Council. This analysis would hopefully yield differentiated applications for admission as well as a sense of how Observers can better contribute to the Arctic Council, which in turn would generate greater equality between nation-state and IGO/NGO Observer groups.

CONCLUSION

The spirit of cooperation and collaboration on which the Arctic Council prides itself has led to tremendous collaboration and innovative governance between the Member States and Permanent Participants. Nations, some of which have enacted economic sanctions toward each other for non-Arctic affairs, are still able to work together diplomatically for the benefit of the Arctic. The October 2015 formation of the Arctic Coast Guard Forum is one example. While great strides have been made in the circumpolar North, there is great potential to expand this spirit globally through the underutilized role of an Observer. Giving Observers a more concrete, explicit role with expectations for and acknowledgment of participation will allow them to develop a more meaningful relationship with the Arctic, its nations, and its peoples. Moreover, delineating distinct criteria for Observer admission and mapping clear objectives for their participation gives Member States and Permanent Participants an opportunity to shape Observers’ contributions and advance the Arctic Council’s agenda in meaningful ways. The first twenty years of the Arctic Council created a firm foundation. Further growth, which will inevitably occur as activity in the Arctic increases, requires a better structure for additional participants.

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¹⁵ Arctic Council, *Arctic Council Observer Manual for Subsidiary Bodies*, 13.





Part IV: Oil and Gas Development in the Arctic

Oil in the Arctic: What Does the Future Hold?

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A much-referenced 2008 U.S. Geological Survey study has raised expectations that rapid Arctic ice melt will soon open vast quantities of oil and gas (O&G) to exploitation.¹ The Circum-Arctic Resource Appraisal (CARA) estimated that 13 percent of the world's undiscovered oil and 30 percent of undiscovered natural gas lay within the circumpolar Arctic, 80 percent of it in the Arctic offshore. With world oil prices then exceeding \$100/bbl., the study raised hopes in many Arctic Council Member States, notably the United States, Russia, Norway, Iceland, and Greenland-Denmark, for a future O&G bonanza.

CARA seemed to validate Shell Oil's record-setting 2008 bid of \$2.1 billion for lease tracts in the Chukchi Sea, an area pointed to as especially promising. The \$2.6 billion garnered in total by the 2008 Chukchi Sea sale set an all-time record for a single lease sale, with 667 bids made. Successful bidders included Norway's Statoil, the majority share of whose stock is owned by the Norwegian government. Statoil's Alaskan purchases, in lieu of production in Norway's own Arctic waters, reflected a corporate strategy to expand oil production abroad while adhering to government dictates that Norway's own hydrocarbon reserves be developed with a focus on long-term sustainability.

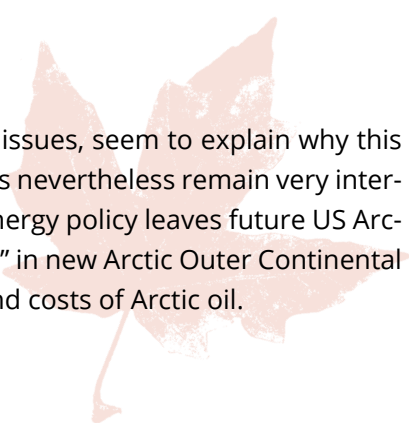
Amidst increasingly vocal public protest and lawsuits filed by environmental groups, Shell's Chukchi Sea exploration efforts were barely underway in early autumn 2012 when the short drilling window closed. Marred throughout by mishaps largely of its own making, Shell's 2012 exploratory drilling season ended with the drill ship Kulluk hard aground off Kodiak Island, its tow line having parted in a storm that many experts said should have been both anticipated and planned for.

Shell did not return to the Arctic offshore until 2015 to complete its exploratory well. Having overcome the challenges that bedeviled its 2012 efforts, the company surprised many with a late September announcement that results had been disappointing and that it would not return to Arctic offshore drilling "for the foreseeable future."² Shell's total investment in its Arctic Alaska enterprise was in excess of \$7 billion. With oil prices now trending rapidly downward, other companies soon followed suit and abandoned the Alaskan Arctic offshore, for now.

The early faith of the Obama administration that new offshore oil exploration and development (E&D) could help stimulate economic recovery was shaken by the 2010 Deepwater Horizon blowout. Faced with growing social protest and the opportunity presented by increasing industry caution in the face of plunging oil prices, the administration became ambivalent about new Arctic offshore drilling. Although Shell could opt to resume exploratory drilling on current Chukchi Sea leaseholds, requests by both Shell and Statoil to extend their lease periods were denied. Most recently, the administration has floated the possibility of new sales in both Chukchi and Beaufort Seas, while also adding new areas off limits to drilling and hedging on whether these proposed sales would actually go forward.

¹ USGS Circum-Arctic Resource Appraisal Assessment Team, "Circum-Arctic Resource Appraisal: Estimates of Undiscovered Oil and Gas North of the Arctic Circle," U.S. Geological Survey, USGS Fact Sheet 2008-3049, 2008, <http://pubs.usgs.gov/fs/2008/3049/>.

² Jennifer A. Dlouhy, "Shell Abandons Arctic Oil Quest after \$7 Billion Bid Yields 'Disappointing' Results," *FuelFix.com* (*Houston Chronicle* blog), September 28, 2015, <http://fuelfix.com/blog/2015/09/28/shells-arctic-oil-well-comes-up-dry/>.



In the end, the current oil glut and worldwide price slump, coupled with regulatory issues, seem to explain why this latest chapter in Arctic oil E&D abruptly and unexpectedly closed. Arctic coastal states nevertheless remain very interested in prospects for new Arctic oil, and the continued lack of comprehensive US energy policy leaves future US Arctic oil development to the workings of market forces and politics. The current “pause” in new Arctic Outer Continental Shelf (OCS) E&D thus provides opportunity to consider more broadly the benefits and costs of Arctic oil.

OBSERVATIONS, LESSONS LEARNED, AND FUTURE CHALLENGES

The Unique Challenges of Continental Shelves

Oil and gas exploration and development (E&D) on the continental shelves present unique challenges compared to comparable activity on land. The Arctic offshore is a harsh operating environment with extreme environmental sensitivity. Technological and logistical constraints severely limit spill response capability, particularly in ice, and much is at stake given the high degree of marine-resource-dependency among Arctic Indigenous communities.

In the US Arctic offshore, living marine resources, particularly cetaceans and pinnipeds, have long been accorded wide statutory protections. Numerous environmental laws frame the conditions under which O&G leasing and development occur, while also subject to the procedural requirements of the Outer Continental Shelf Lands Act (OCSLA). These statutes were enacted with strong support from environmental interests, and their application to OCS leasing sharpened over many decades through both court challenges and proactive administrative actions that have proved hard to reverse.

Extensive agency oversight has arguably significantly reduced the objective risks of OCS oil E&D, but oil development in Arctic seas challenges what Ron Mitchell calls the “logic of appropriateness,”³ evinced by the growing strength and visibility of citizen protest as Shell mounted its 2015 effort. The same occurred in Norway two years earlier, when unaccustomedly vocal citizen opposition halted offshore drilling plans in the Lofoten–Vesterålen area. The Arctic continues to be viewed by many as a pristine environment that should not be industrialized.

Exclusive Economic Zones

Arctic O&G E&D occur entirely within the exclusive economic zones (EEZs) of the Arctic coastal states, diminishing the roles that intergovernmental organizations like the Arctic Council can play. The 2008 Ilulissat Declaration of the five Arctic coastal states affirms their rights and responsibilities under the Law of the Sea Convention (LOSC), and in so doing serves notice to others that their ability to influence the courses of action undertaken by the Arctic Five is limited. However, the Arctic Council used its 2013 Kiruna Ministerial Meeting to produce a binding agreement on response to oil spills. Work toward agreed minimum standards for the conduct of Arctic offshore O&G operations continues under the Emergency Prevention, Preparedness and Response Working Group (EPPR).

The Arctic’s newest, and arguably true “final” frontier, concerns the seabed itself. Article 76 of the LOSC permits extension of a coastal state’s continental shelf through “the natural prolongation of its land territory to the outer edge of the continental margin.”⁴ The big payoff in validating seabed jurisdiction on the basis of subsea geology is that the mineral wealth therein can then be exclusively claimed and developed in accord with state internal policies. While the

³ Ronald B. Mitchell, *International Politics and the Environment* (London: Sage, 2010).

⁴ United Nations Convention on the Law of the Sea, Article 76: “Definition of the Continental Shelf,” December 19, 1982, accessed April 15, 2016, http://www.un.org/Depts/los/convention_agreements/texts/unclos/closindx.htm.

Arctic Council has been effective in maintaining focus on broad questions of sustainability, it is proving less able to engage on how states go about asserting and prosecuting claims on the Arctic's mineral wealth.

Oil and Gas Reserves as "Gilded Traps"

Nations and states with substantial O&G reserves seem inevitably to become dependent on them for revenues and employment. A gilded trap occurs when the collective actions of a group focused on a high-value resource produce economic gains of such attractiveness as to overcome concern for future downside risk, leaving current beneficiaries unprepared for leaner times.⁵ Such seems increasingly to be the new reality of oil and gas.

Norway has invested its considerable oil and gas revenues extremely well, but many nations – and many US states highly dependent on oil for financing and employment opportunity – are now suffering economically in the face of an oil glut and near unprecedented decline in oil prices. The state of Alaska created the Alaska Permanent Fund and forsook direct taxation in the belief that oil revenues could be counted upon to carry the bulk of government financing, banking on new discoveries to keep revenues flowing. But the state budget, approximately 85 percent financed with revenues from oil production and pipeline transport through the state, is now \$3.5 billion in the red.⁶ The governor is now proposing a state income tax, the first such proposal in thirty-five years.⁷

Complex interdependencies created by globalization, technological advance, and domestic and international politics increasingly challenge the traditional "peak oil" model: that low prices will stimulate demand, raising prices and leading to new oil development. Even if prices recover, the lurking specter of "stranded carbon" could make not only the development of fields with high E&D costs financially risky, but also the mere fact of holding as corporate assets reserves whose development, though feasible today, might be ruled out in the future. This situation is elaborated next.

The Impacts of Fracking Technology and Climate Change

Fracking is oil production's disruptive technology and climate change its Achilles heel. Hydraulic fracturing is booming, and the United States is now producing more oil than it has at any time since the 1990s, currently exceeding imports. World production, despite steady price erosion, is also at record-high levels. Confounding this, however, recent studies underscore that the world already has in reserve more hydrocarbons than can be safely burned if crossing the 2°C threshold on additional global warming is to be avoided.⁸ Additional exploration is thus, on the face of it, superfluous.

Both divestment and "leave it in the ground" movements are growing in strength worldwide. Sober financial analysts apply the term *stranded carbon* to the risk position in which corporations with hydrocarbon reserves in their asset portfolios could find themselves should future political consensus deem those assets unburnable and thus valueless. Acting rationally, both oil companies and nations will shed their least efficient production first, as many factors influence how much and which oil gets produced and burned, and which is left in the ground. How quickly coal use is terminated will influence how much "carbon space" is available for oil, and how quickly and effectively high-carbon economies such as the United States and China cut emissions will determine how much carbon space is available for lesser developed nations. National energy transition strategies likewise have implications for whether cultures

⁵ R.S. Steneck, T.P. Hughes, J.E. Cinner et al., "Creation of a Gilded Trap by the High Economic Value of the Maine Lobster Fishery," *Conservation Biology* 25, no. 5 (2011): 904–12.

⁶ State of Alaska, Office of the Governor, *Governor's Budget Book*, 2015, http://gov.alaska.gov/Walker_media/documents/GovernorsBudgetBook.pdf.

⁷ Kirk Johnson, "As Oil Money Melts, Alaska Mulls First Income Tax in 35 Years," *New York Times*, December 25, 2015, http://www.nytimes.com/2015/12/26/us/as-oil-money-melts-alaska-mulls-first-income-tax-in-35-years.html?_r=0.

⁸ Christopher McGlade and Paul Ekins, "The Geographic Distribution of Fossil Fuels Unused When Limiting Global Warming to 2°C," *Nature* 517 (January 8, 2015): 187–90, doi: 10.1038/nature14016.

and groups within nations that have not fully shared in the benefits of cheap and abundant hydrocarbons will have opportunity to do so still. The more time that goes by, the more financially risky it becomes to develop costly-to-develop oil reserves such as those in the Arctic offshore.

SUMMARY AND CONCLUSIONS

Oil E&D has long been recognized as a classic “upstream/downstream” problem in which environmental risks are born disproportionately by those nearest the loci of production, distribution, and handling operations. Now it begins to take on a “tragedy of the commons” character as well, whereby all are equally at risk from emissions associated with continued consumption.⁹ While Arctic oil is no different from any other oil in these respects, oil in the Arctic raises, as Oran Young and others have noted, the additional question of which path Arctic development will follow: Will it be sustainable development, in line with longstanding high-North policies of many nations, or managed industrial development, the de facto path down which trans-Arctic shipping, O&G E&D, and other Arctic mineral resource exploitation seem now to be leading? The forces behind industrial development in an opening Arctic will likely remain strong, and the Arctic Council can play a role over its next twenty years in helping steer those forces toward actions that promote sustainability and avoid gilded traps.

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⁹ Mitchell, *International Politics and the Environment*.

Arctic Oil and Gas: Present Realities and Long-Term Outlook

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INTRODUCTION

The rush for riches that climate change was supposed to unleash in the Arctic, both among countries and companies, has not happened. Nor will it. In several ways, the Arctic stands as example and reminder to the world of the changing dynamics and economic risks of oil use and dependence.

The closest thing to a northward surge for wealth involved competitive oil and gas leasing, particularly around the perimeter of Greenland. Calling this a “rush” is a bit of a stretch, however. Between 2008 and 2014, a dozen major companies, plus a few smaller firms, grouped into consortia, acquired offshore tracts in this frontier region, which the U.S. Geological Survey had estimated to hold tens of billions of barrels.¹ Important interest among a select number of firms also grew during this time in offshore Alaska (Chukchi Sea), northernmost Norway (Barents Sea), and Russia (Barents, Kara, Laptev seas), with some eyes turned to Iceland’s waters (southern Greenland Sea) as well.²

By fall of 2015, all such interest had evaporated. Economics and politics, close companions even in quiet times, were the reason. For example, Greenland’s own hopes for oil and mining revenue to free it from economic dependence on Denmark, which annually supplies nearly a third of the island’s GDP, were dashed by falling oil prices and re-evaluation of what was actually possible.³

Many analyses of the present and future Arctic economy emphasize the core importance of oil and gas. This may be premature. It should at least be a source of ongoing skepticism and questioning. Due to the global scale of their reach and importance, oil prices can act like a narcotic, urging analysts and others to make projections based on short-term trends, whose constant repetition and widespread use renders them a kind of “herd truth.” Forgotten or overlooked is how volatile commodity cycles are, how dramatically oil prices can change, and how often they have done so.

FACTORS WORKING AGAINST ARCTIC DRILLING

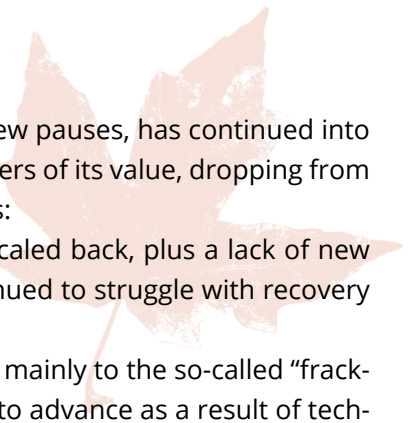
Let us examine the major factors that have, for the time being, ended any significant move Arctic-ward by the oil and gas industry.

¹ Gene Kliewer, “Greenland Joins Arctic Exploration Fray,” *Offshore*, August 1, 2010, <http://www.offshore-mag.com/articles/print/volume-70/issue-8/Arctic/greenland-joins-arctic-exploration-fray.html>; “90 Billion Barrels of Oil and 1,670 Trillion Cubic Feet of Natural Gas Assessed in the Arctic,” USGS Newsroom, U.S. Geological Survey, July 23, 2008, http://www.usgs.gov/newsroom/article.asp?ID=1980#.Vp2-1hgrj_w.

² Eurasia Group for the Wilson Center, *Opportunities and Challenges for Arctic Oil and Gas Development* (Washington, DC: Wilson Center, 2014), https://www.wilsoncenter.org/sites/default/files/Arctic_Report_F2.pdf.

³ Kevin McGwin, “Not Enough Minerals in Greenland to Fund Independence: Report,” *The Arctic Journal*, January 19, 2006, <http://arcticjournal.com/oil-minerals/367/not-enough-minerals-greenland-fund-independence-report>.

⁴ “Energy and Oil,” *Bloomberg Business*, accessed January 22, 2016, <http://www.bloomberg.com/energy>.



First, we have seen a collapse in oil prices, which began in late June 2014 and, with a few pauses, has continued into January 2016 (the time of this writing). During this period, oil lost more than three-quarters of its value, dropping from \$114.88/bbl. (6/20/2014) to \$28.70 (1/18/2016).⁴ This happened for three main reasons:

- A large *decrease in oil demand* from China, as its economy began to shift and be scaled back, plus a lack of new demand from other developing nations and from Europe, whose economies continued to struggle with recovery from the 2008–09 financial crisis and subsequent recession.
- A continued and greater-than-expected *surge in oil supply* by the United States, due mainly to the so-called “fracking revolution,” whose improvements in recovery and production levels continued to advance as a result of technological innovations.
- The decision by OPEC (mainly Saudi Arabia) *to maintain or increase its own production levels*, thereby oversupplying the global market even further. In part, this has been a strategy to keep prices low in order to damage US frackers, but it also reflects Saudi Arabia’s need to keep generating as much revenue as it can to meet its heavy financial demands, not least within its own borders.

The second major factor that has ended the northward movement of the oil and gas industry is the sanctions placed on Russia, especially its oil and gas industry, by Western nations due to Moscow’s military intervention in Ukraine and annexation of Crimea. Western oil firms are essentially prohibited from any new work in Russia, including offshore. This is a major blow to Moscow’s plans for fully developing its Arctic oil and gas resources, which are very large (>100 billion bbls, including onshore), as the country has no real plans to cease being a petrostate. Russian companies Rosneft and Gazprom are able to develop existing fields, but need the technology and managerial expertise of Western companies to explore in the offshore.

Third, the Arctic is the most challenging, expensive, and high-risk region on Earth to explore for oil and gas. This will not change, even with warming temperatures. Arctic conditions will always demand specialized technology, from well-drilling equipment to pipeline design. Thus, the only situations that justify a company’s move to this region are a high-price environment, strong prospects for a giant or supergiant discovery (e.g., > 1 billion-bbl. field), or the ability to write off a major portion of upfront capital expenditures. At particularly low price levels, even the latter two situations may be unable to generate significant interest.

Finally, a global recognition, particularly in the wake of the Paris Climate Agreement (COP21, December 2015), that a shift away from fossil fuels, especially coal and oil, is underway, impelled by the most serious considerations, and will not likely reverse itself. Change in this direction will not be sudden or spectacular, as petroleum fuels still dominate transport worldwide and will require decades (perhaps many) to replace. But a shift now appears to be underway in several parts of the world, and, however intermittent or regionally unequal, this change suggests that there will be a major impact on long-term oil demand.

Together, these four factors illustrate the type of forces that directly affect oil and gas activity in the Arctic at any particular time. High prices are extremely important, but not in any absolute sense. Were there no sanctions on Russia, it is quite possible that several or more Western oil companies would be involved in offshore exploration there. Only a week before a major round of sanctions went into effect, Rosneft, in partnership with Exxon, completed a major new discovery, the Universitetskaya 1, in the northern portion of the Kara Sea. At a reported 770 to 800 million bbls of light-gravity oil and 12 trillion ft³ of gas, this well opens up a very large potential fairway in shallow water (< 400 ft. depth) that Exxon would likely find appealing to explore, even at prices as low as \$40.

IN THE BACKGROUND

There are other factors to consider, without doubt, especially those whose influence is restricted but could increase significantly in the future. One example is resistance among environmentalists to Arctic drilling. Yet it is difficult to confirm that environmental groups opposed to Arctic drilling are a significant force (they were not a factor, for example, in Shell's decision to abandon its exploration in the Chukchi Sea, offshore Alaska). This may change, of course; but it also may not need to. At this writing, such groups have some chance to affect policies in the United States and, to a lesser extent, Canada. They have less of a presence in Norway, practically none in Greenland and Iceland, and, as Greenpeace has discovered, will be gladly given jail time in Russia.

Aside from the economic and political complexities that affect oil and gas in the Arctic, there are developments within the energy industry itself to consider. Under the low-price regime, which OPEC refuses to alter by cutting its output (it has practiced such manipulations often in the past), fracking technology has continued to advance. In particular, it has become cheaper, faster, and, as noted, more successful at raising production. What this means is that when prices do rise again, US companies will be able to raise production even more rapidly than before; they will have the ability to become the dominant control on global supply. Their production will moderate prices, perhaps even create a ceiling for them. Moreover, because fracking can recover much more oil than conventional wells, it could become standard for drilling in general, not only for shales. This would only add to the global supply. The world, in short, faces the possibility of an actual overabundance of petroleum.

CONCLUSION

Arctic oil and gas, because of its costs and risks, therefore has a highly uncertain future. The exception may appear to be Russia, but under current or similar leadership, that country's own outlook for Arctic hydrocarbons is far from secure. Slow erosion in global oil demand, as a reflection of climate worries and policies, would make this all the more doubtful as a guaranteed asset. As the Arctic stays ahead in rising temperatures, so does it serve as a forerunner of why oil and gas are a poor and insecure basis for economic development in the decades ahead.

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