Breaking the Ice: Canada, the Arctic, and the New World Order

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Inception

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Abstract

In October of 1987, then-leader of the Soviet Union, Mikhail Gorbachev, launched efforts to transform the highly militarized Arctic into a “zone of peace.”[1] After the fall of the Berlin Wall, with the threat of nuclear exchange over the Arctic an increasingly unlikely event, the securitized focus on the Arctic North began to shift elsewhere, with concerns in the region becoming far less of a priority. Approximately thirty-five years later, this trend is now reversing. The world is now witnessing a shift away from post-Cold War American unipolarity, with so-called ‘rising powers’ presenting a challenge to American dominance. This challenge manifests itself not only globally, but also in regional politics, dragging local medium and small powers into the fray. The Arctic is no exception to this. Interest in the natural resources, shipping lanes, and strategic significance of the circumpolar Arctic has grown significantly in recent years, and

[1] Kristian Åtland, “Interstate Relations in the Arctic: An Emerging Security Dilemma?” *Comparative Strategy* 33, no. 2 (2014): 157-158.

as climate change continues to make this region more accessible, such interest seems poised only to grow in the future. Certainly, the People's Republic of China, the Russian Federation, and the United States of America have all demonstrated their interest in the potentials of this region.

It is within this context of an uncertain and uncharted international reality that Canada finds itself in the centre of what appears to be an impending clash between untested giants in the middle of its Arctic backyard. Canada no longer merely sleeps beside an American elephant, as former Canadian Prime Minister Pierre Trudeau once commented, but also a Chinese tiger and a Russian bear. As a medium power, Canada cannot hope to counterbalance these great powers in the Arctic. Therefore, Canada must, in line with Neoliberal Institutionalism, use international institutions to build on the potential for cooperation in the midst of Arctic discord. Though the region may seem primed for conflict, space for cooperation between these states does exist and can be reinforced. In particular, Canada must use the Arctic Council to encourage deeper cooperation in this 'multipolar' Arctic, and thereby develop the regional governance and stability that all regional powers desire. The Arctic Council, despite being a young and largely informal organization whose founding and permanent members only consist of all eight sovereign states with Arctic territory (thus not China), can nevertheless be effectively mobilized for this purpose. While the Nordic states also have a role to play in this, the focus here will be on locating Canada's place in the Arctic of the 'New World Order.' This article will thus proceed by outlining the core interests of Canada, China, Russia, and US in the Arctic, and assessing the intersection of these interests. It will then explore the Neoliberal Institutionalist position, review the structure of the Arctic Council, and finally demonstrate how the Arctic Council can be used to facilitate further cooperation and develop more robust regional governance in the Arctic.

Venturing into the cold: Establishing national interests in the Arctic

Canada:

The Arctic has been described as "central to Canada's national identity, prosperity, security, values and interests," and "an essential component of the Canadian brand," as well as a space that symbolizes "the heart of what it means to be Canadian."[2] Canadian governments have certainly made use of this narrative for political value.[3] In September of 2019, Canada unveiled its new *Arctic and Northern Policy Framework*, which contains its *International Arctic Policy*.[4] This replaced the more nationalistic 2009 *Northern Strategy* and 2010 *Statement on Canada's Arctic Policy*, with the new policy signalling a recognition that "what has been done before has not succeeded in building a strong, sustainable region where most people share in the opportunities expected by most Canadians."[5] The policy's stated vision clearly attempts to center Arctic and northern residents, especially Indigenous communities, demonstrating a departure from the sovereignty-focus of its predecessor. The *Arctic and Northern Policy Framework* states its fundamental aim to be supporting "strong, self-reliant people and

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[2] Canada, "Canada and the circumpolar Arctic," Government of Canada, last modified 30 Dec 2020, www.international.gc.ca/world-monde/international_relations-relations_internationales/arctic-arctique/index.aspx?lang=eng

Mark Paradis, Richard Parker & Patrick James, "Predicting the North: sovereignty and the Canadian brand in the Arctic," *Canadian Foreign Policy Journal* 24, no. 2 (2018): 183.

Kari Roberts, "Why Russia will play by the rules in the Arctic," *Canadian Foreign Policy Journal* 21, no. 2 (2015): 123.

[3] Roberts, "Why Russia will play by the rules in the Arctic," 123.

[4] Canada, "Canada and the circumpolar Arctic."

[5] Canada, "Canada's Arctic and Northern Policy Framework," Government of Canada, last modified 18 Nov 2019, www.rcaanc-cirnac.gc.ca/eng/1560523306861/1560523330587

communities working together for a vibrant, prosperous and sustainable Arctic and northern region at home and abroad, while expressing Canada's enduring Arctic sovereignty."[6]

Most of the policy's eight goals address northern sustainable-development and reconciliation with Indigenous peoples. Nevertheless, it also expresses a desire for a "rules-based international order in the Arctic" which "responds effectively to new challenges and opportunities," as well as a commitment to ensuring that "the Canadian Arctic and North and its people are safe, secure, and well-defended."[7] Indeed, Canada's *International Arctic Policy* outlines three "key opportunities in the circumpolar Arctic:" (1) to "strengthen the rules-based international order in the Arctic," (2) to "more clearly define Canada's Arctic boundaries," and (3) to "broaden Canada's international engagement to contribute to the priorities of Canada's Arctic and North."[8] Thus, Canadian Arctic interests are broad and wholistic, consisting in a desire for ecologically-conscious and participatory economic development, in conjunction with sovereignty-recognising, cooperative and institutionalized regional governance. Such multilateral engagement will be key for regional stability.[9] That stability, in turn, is critical for accessing much of what the region can offer: the receding ice promises oil, minerals, and newly navigable shipping lanes which will be "vital" for local economic development.[10]

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[6] Canada, "Canada's Arctic and Northern Policy Framework."
[7] Ibid.
[8] Canada, "Arctic and Northern Policy Framework International chapter," Government of Canada, last modified 22 Oct 2019, www.rcaanc-cirnac.gc.ca/eng/1562867415721/1562867459588
[9] P. Lackenbauer et al., *China's Arctic Ambitions and What they Mean for Canada, No. 8.* (Calgary, AB: University of Calgary Press, 2018): 5.
[10] Kyle Mercer, "Maritime Law: Sovereignty in the Arctic," *University of New Brunswick Law Journal* 68 (2017): 365-366.

In this regard, probably the most central areas of international dispute for Canada in the Arctic are related to the status of the Northwest Passage (NWP)—a route comprised of various sea lanes running through the Canadian Arctic Archipelago.[11] Currently, it is largely obstructed by ice for much of the year, however, this will shift with the onset of climate change. The NWP has the potential to provide sea access to Arctic oil reserves, offer shorter routes between Europe and East Asia, and accommodate ships too large for the Panama Canal.[12] Canada claims the NWP as territorial waters, however, some states, notably the US, consider the NWP to be to be an International Straight as defined under the United Nations Convention on the Law of the Sea (UNCLOS).[13] This is in addition to the US-Canada disagreement over the status of the Beaufort Sea.[14] Control over these waters will be key if Canada is to hope to enforce any environmental standards in the region.[15] However, "both parties continually avoid legal resolution and actual political confrontation, often expressing a commitment to cooperation regarding the NWP."[16] Indeed, successful northern development will require multilateral cooperation in the region, since it would be difficult to achieve sustainable development or acquire the necessary capital investment without it.[17]

China:

Recently, Chinese officials have started billing China as 'near Arctic state', despite its clear lack of Arctic coastline or territory within the

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[11] Ibid., 367.
[12] Ibid., 367-368.
[13] Ibid., 367.
[14] Lackenbauer et al., *China's Arctic Ambitions*, 3.
[15] Mercer, "Maritime Law: Sovereignty in the Arctic," 370.
[16] Ibid., 378.
[17] Lackenbauer et al., *China's Arctic Ambitions*, 6.

Arctic circle.[18] And though "much has been made of China's Arctic interests in recent years" it is necessary to recall that "the Arctic does not factor very highly on China's national agenda."[19] China released its first official policy for the circumpolar Arctic in January 2018, signaling "a long-term commitment to working with Arctic powers and contributing to a rapidly changing Arctic."[20] *China's Arctic Policy* focuses primarily on four areas: shipping, resource development, regional governance, and science.[21] A constant theme of respect and participation is found throughout, particularly "respect for China's interests in the Arctic and for the involvement of non-Arctic states in the region's development and governance."[22] China has been investing considerable resources into the Arctic region, under its new "Polar Silk Road" concept laid out in this policy, suggesting "a seriousness of purpose and long-term intent."[23] The policy proclaims that China seeks to promote peace, stability and sustainable development in the Arctic as well as constructing "relationships that respect Chinese rights and interests in the region and Arctic-state sovereignty and control."[24] From this it can be concluded that China is "willing to play by [the] rules" insofar as doing so offers Beijing "what it wants from the region: the right to navigate the Arctic waters, fish in the Arctic Basin, and develop resources outside of Arctic-state jurisdiction."[25]

Though some may be concerned that China will take a belligerent attitude similar to that which was displayed in relation to the South

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[18] Ibid., 134.
[19] Ibid., 28.
[20] Adam Lajeunesse, "Finding 'Win-Win': China's Arctic Policy and What it Means for Canada," School of Public Policy Briefing Paper, University of Calgary, Volume 11:33 (2018): 1.
[21] Ibid., 1.
[22] Ibid., 1.
[23] Ibid., 1.
[24] Ibid., 2.
[25] Ibid., 3.

China Sea, especially given that natural resource development is "undoubtedly a critical dimension of China's overall orientation," this belief that China will take an aggressive stance in the Arctic is ungrounded.[26] As one author puts it, "there seems to be little that China can achieve in the Arctic by adopting a coercive or revisionist policy posture."[27] China is certainly interested in diversifying the "geographical source of its imports so as to mitigate the risks associated with supply disruption," which the Arctic facilitates by increasing supply, "thereby lowering commodity prices, reducing capital outflows, and positively affecting China's balance of payments."[28] Furthermore, China is concerned about being excluded from Arctic governance, given the impact it has on providing the country access to such benefits.[29] However, even with a growing military budget, China has limited ability to use coercive force beyond its local region.[30] A greater concern for Arctic states would be if China was to pursue its Arctic interests outside of existing institutions such as the Arctic Council, thereby diminishing the prominence and legitimacy of such institutions, should China believe existing forums are unreceptive to their involvement.[31]

Nevertheless, China's Arctic interests must be seen in a broader context. The Arctic is not a core interest for the nation, and it is "unlikely to endanger any of its actual core interests or relationships while seeking greater influence in the Arctic region."[32] Given its own sovereignty claims in the South China Sea, China will have to balance its jurisdictional concerns over its claims there with the desire "to uphold the principal of the freedom of the seas throughout

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[26] Lackenbauer et al., *China's Arctic Ambitions*, 37.
[27] Ibid., 39.
[28] Ibid., 100.
[29] Ibid., 133-134.
[30] Ibid., 28.
[31] Lackenbauer et al., *China's Arctic Ambitions*, 147.
[32] Ibid., 173-174.

the world," making China unlikely to challenge the claims of sovereignty by Arctic states but instead operate cooperatively.[33] Thus, in many respects, "Chinese interest in the region can be harnessed and turned to productive purposes."[34]

Russia:

Given recent Russian behaviour in Ukraine and Syria, it is not difficult to understand the consternation surrounding Russian involvement in the Arctic.[35] Indeed, it is also reasonable to expect Russian anxiety arising from the melting Arctic ice, that it might "do to the Arctic what the fall of communism did in Eastern Europe" and "usher in a period of NATO encroachment into what they consider their traditional sphere of influence."[36] There thus exists a risk that while each of the territorial Arctic states will operate out of individual national interest, Russia may perceive such actions collectively "as part of a coherent NATO strategy rather than as part of a set of respective national strategies."[37] Russia certainly has a strategic competitive advantage in the Arctic, given its population, infrastructure, and military capabilities within the Arctic circle, and so it is possible that Russia may come to see the Arctic as a prime place to "reciprocate the humiliation it felt from NATO's eastward expansion."[38] Certainly, it would provide Russia with an

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[33] Ingrid Lundestad & Øystein Tunsjø, "The United States and China in the Arctic," *Polar Record* 51, no. 4 (2015): 398.
[34] Lackenbauer et al., *China's Arctic Ambitions*, 174.
[35] Lincoln Flake, "Contextualizing and Disarming Russia's Arctic Security Posture," *The Journal of Slavic Military Studies* 30, no. 1 (2017): 17.
[36] Ibid., 23.
[37] Henrick Jørgensen, "Babysteps: Developing Multilateral Institutions in the Arctic," in *The Fast-Changing Arctic: Rethinking Arctic Security for a Warmer World*, ed. Barry Zellen (Calgary, AB: University of Calgary Press, 2013): 144.
[38] Flake, "Contextualizing and Disarming Russia's Arctic Security Posture," 24.

advantageous new theatre to expand its antagonistic relationship with the West, where revenge for international sanctions and condemnations may be wrought.

However, Russia's interests in the Arctic are quite divorced from its conduct elsewhere; indeed, Russia has demonstrated strong support for multilateral governance and dialogue to resolve Arctic disputes, especially through UNCLOS.[39] It is true that Russian leaders have made great use of a discourse of "Russian Arcticness" to ferment a strong national identity useful for uniting their domestic audience, but then so have Canadian leaders.[40] There is furthermore an "economic-strategic rationale" for the Putin regime's Arctic interests: it both permits a demonstration of strength and of possibilities for growing natural resource wealth.[41] This was one of the strategic Arctic interests of Russia named in a RAND report to the Canadian Parliament, in addition to the relatively high population in Russia's north, Russia's heavy reliance on oil and gas (which are present in the region), the Northern Sea Route (NSR) which like the NWP holds promise as a "major economic artery," and finally the Arctic's central role in the protection of Russian territory.[42] Russia is certainly concerned about its claims over what it has long-

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[39] Roberts, "Why Russia will play by the rules in the Arctic," 112.

[40] Olga Khrushcheva & Marianna Poberezhskaya, "The Arctic in the political discourse of Russian leaders: the national pride and economic ambitions," *East European Politics* 32, no. 4 (2016): 561.

P. Lackenbauer, "Mirror Images? Canada, Russia, and the Circumpolar World," in *The Fast-Changing Arctic: Rethinking Arctic Security for a Warmer World*, ed. Barry Zellen (Calgary, AB: University of Calgary Press, 2013).

[41] Roberts, "Why Russia will play by the rules in the Arctic," 123-124.

[42] Stephanie Pezard, "The New Geopolitics of the Arctic: Russia's and China's Evolving Role in the Region," RAND Corporation, 26 Nov 2018, 1-2.

considered to be territorial Arctic waters but whose status may now be challenged.[43]

Meanwhile, if Russia hopes to develop oil and gas fields in its Arctic territory, this will require cooperation, both for regional stability but also the acquisition of the necessary technology to access such resources.[44] Russian activities in the Arctic region can furthermore be explained "by its desire to be recognized as a great power."[45] By showing itself as a regional hegemon and actively participating in multilateral initiatives, Russia can achieve such recognition.[46] Indeed, Ananyeva contends that "multilateral institutions are widely used for expressing Moscow's political interests and good will in the region."[47] They do advise, though, that this be tempered with the fact that Russia will not be keen to delegate power over security or economic concerns to multilateral institutions, seeing them instead as forums for dialogue.[48]

United States:

While the United States is a littoral Arctic state and has developed its own Arctic policy, there has been a notable lack of investment in the region and it is clear that the Arctic remains a peripheral foreign policy concern.[49] For many years, little threat has been seen as originating from the region, especially given the apparent

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[43] Flake, "Contextualizing and Disarming Russia's Arctic Security Posture," 24-25.

[44] Ekaterina Ananyeva, "Russia in the Arctic region: Going bilateral or multilateral?" *Journal of Eurasian Studies* 10, no. 1 (2019): 86.
Flake, "Contextualizing and Disarming Russia's Arctic Security Posture," 18-19.

[45] Ananyeva, "Russia in the Arctic region," 87.

[46] Ibid.

[47] Ibid., 95.

[48] Ibid.

[49] Lundestad & Tunsjø, "The United States and China in the Arctic," 395.

commitment to diplomatic engagement by regional actors.[50] Nevertheless, the most recent update on the United States' Arctic interests, the 2019 *Department of Defense* (DoD) *Arctic Strategy*, focuses on "competition with China and Russia as the principal challenge to long-term U.S. security and prosperity."[51] It proclaims that "DoD's desired end-state for the Arctic is a secure and stable region where U.S. national interests are safeguarded, the U.S. homeland is defended, and nations work cooperatively to address shared challenges."[52] While expressing concern over the changing power balance in the region, it stresses that "U.S. allies and partners with shared national interests" working inside "a rules-based order" constitute "the cornerstone of DoD's Arctic Strategy."[53] Stability through regional governance thus remains a continued interest for the U.S., even as it identifies China's growing economic influence, Russia's growing military activity, and Canada's claims over the NWP as strategic concerns.[54]

The U.S. maintains notable influence and broad interests in the Arctic, and the freedom of the seas, which facilitates US global influence, "remains a top priority for the US, in the Arctic, as elsewhere."[55] Nevertheless, unlike other Arctic states like Canada, the Arctic will remain just one region among many for the US.[56] Indeed, given the limited concern expressed in US policy discourse, the US has been characterized by some as "the reluctant Arctic

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[50] Ibid., 394.

[51] Department of Defense (U.S), Office of the Under Secretary of Defense Policy, *Report to Congress: Department of Defense Arctic Strategy*, June 2019, RefID: 0-5064821, 2.

[52] Ibid.

[53] Ibid.

[54] Ibid., 4-5.

[55] Lundestad & Tunsjø, "The United States and China in the Arctic," 397.

[56] Ibid.

power."[57] Nevertheless, confrontation with Russia, oil and gas resources, increased Chinese interest, environmental concerns and Indigenous people may succeed in pressuring further American interest.[58] Indeed, the 2019 DoD Arctic Strategy expresses great concern over Russia and China "challenging the rules-based order in the Arctic" through unspecified means and observes that "the Arctic remains vulnerable to 'strategic spillover' from tensions, competition, or conflict" emerging from confrontations with these powers in other regions.[59] Consequently, regardless of its focus, given the US's hegemonic status, it will remain a major player in any Arctic interactions.

Nobody wants to be left out in the cold: The intersection of Arctic interests

Global climate change may have "catapulted the Arctic into the centre of geopolitics," however despite assumptions, among the here-examined players, there are considerably more areas holding potential for cooperation than for conflict.[60] As discussed above, a major concern for all parties is the hydrocarbon resources that are purported to be found in the Arctic region. However, the vast majority of these oil and gas resources are found within the littoral Arctic states' existing 200-mile Exclusive Economic Zones (EEZs).[61] Given

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[57] Rob Huebert, "U.S. Arctic Policy: The Reluctant Arctic Power," in *The Fast-Changing Arctic: Rethinking Arctic Security for a Warmer World*, ed. Barry Zellen (Calgary, AB: University of Calgary Press, 2013): 189.

[58] Steven Lamy, "The U.S. Arctic Policy Agenda: The State Trumps Other Interests," in *Future Security of the Global Arctic: State Policy, Economic Security and Climate*, ed. Lassi Heininen (London, UK: Palgrave Macmillian, 2016): 82-83.

[59] Department of Defense (U.S), *Report to Congress: Department of Defense Arctic Strategy*, 6.

[60] Charles Ebringer & Evie Zambetakis, "The Geopolitics of Arctic Melt," *International Affairs* 85, no. 6 (2009): 1215.

[61] Ebringer & Zambetakis, "The Geopolitics of Arctic Melt," 1221.

that none of the examined states have demonstrated an interest in military conflict, and furthermore that "it is impossible to imagine that significant military operations in the Arctic will ever be feasible or desirable," the only remaining option is cooperation.[62] Territorial Arctic states will be keen to have stable regional governance while China will have to cooperate in order to access these resources. If there is to be a 'scramble for the Arctic', it will be through capital investment within standard legal and normative practices.[63]

Any accessible mineral resources will also only be found within sovereign territory, and while access to these resources may be contentious in some quarters, normal decision-making procedures still apply. Indeed, this is a prime area for cooperation, given that all Arctic states will be interested in capital investment for northern development.[64] Finally, given that all littoral Arctic states have now placed a moratorium on commercial fishing in the Central Arctic region until studies to establish sustainable use of Arctic fish stocks can be concluded, there remains little in the way of unclaimed resources in the Arctic.[65]

Navigation also arises as a major concern for the examined states, though not for the same reasons. As established, both Canada and Russia are concerned over maintaining sovereignty over what they see as their territorial waters. Meanwhile, both China and the US are concerned about freedom of the seas and their ability to navigate in

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Flake, "Contextualizing and Disarming Russia's Arctic Security Posture," 18-19.

[62] David Welch, "The Arctic and Geopolitics," in *East Asia-Arctic Relations: Boundary, Security and International Politics*, ed. Kimie Hara & Ken Coates (Toronto, ON: MQUP, 2014): 152.

[63] Ebringer & Zambetakis, "The Geopolitics of Arctic Melt," 1221.

[64] Lackenbauer et al., *China's Arctic Ambitions*, 6, 100, 118.

[65] Flake, "Contextualizing and Disarming Russia's Arctic Security Posture," 18.

Lackenbauer et al., *China's Arctic Ambitions*, 122.

the region.[66] This matter is governed through UNCLOS, which provides a legal framework for how to handle both conflicting claims over the extension of EEZs along territorial shelfs up to 150 miles beyond the 200-mile limit and the determinations of territorial waters. While this may appear to be a conflict-prone issue, this is only on the surface. First, the navigation potential of both the NWP and the NSR is often overblown: receding ice sheets will lead to floating ice, which makes navigation difficult, climate change is likely to encourage bad storms in the region, and there will be substantial variations from year to year in terms of ice coverage.[67] Indeed, although the potential for shorter routes and alternative routes (to circumvent blockade/piracy) are appealing to China, Chinese companies have expressed little interest in Arctic routes.[68] And insofar as the NSR is concerned, Russia has been keen to facilitate Chinese shipping through its territorial waters.[69]

Moreover, China is unlikely to challenge sovereign claims of territorial waters, given its own claims in the South China Sea.[70] Indeed, in 2016, the government of China released an official guidebook for Arctic Navigation in the NWP, which implicitly treats the route as under Canadian jurisdiction.[71] Nevertheless, there are some complications. While UNCLOS offers a framework for dispute resolution and can make use of UN procedures such as the International Court of Justice (ICJ), it is still only a general list of broad principles, the interpretation of which the parties concerned may not always agree upon.[72] Certainly, Chinese refusal to accept

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[66] Lundestad & Tunsjø, "The United States and China in the Arctic," 397.
[67] Ebringer & Zambetakis, "The Geopolitics of Arctic Melt," 1222.
[68] Lackenbauer et al., *China's Arctic Ambitions*, 74-76; 81-83.
[69] Ibid., 87.
[70] Lundestad & Tunsjø, "The United States and China in the Arctic," 398.
[71] Lackenbauer et al., *China's Arctic Ambitions*, 79.
[72] Oran Young, "If an Arctic Ocean treaty is not the solution, what is the alternative?" *Polar Record* 47, no. 4 (2011): 328.

the ruling of the ICJ in the South China Sea demonstrates the limits of such measures. Additionally, the US has never ratified UNCLOS, although they have agreed to it in principle. This is also an issue for the US, as it is only under UNCLOS that a state can petition to extend its EEZ up to 150 miles past its 200-mile EEZ line based on the size of its continental shelf. Consequently, the US is the only littoral Arctic state to have not made a submission through UNCLOS. Collectively, these issues leave undefined boundaries within the Arctic that will need to be resolved at some point, as all parties concerned will need an established system of governance if resources in the region are to be accessed and transported by sea.

Escaping the Cold: The Promise of Neoliberal Institutionalism

Given that governance will be needed in the Arctic region, and that no state by itself can impose this unilaterally, it remains that cooperation, in some form, is required. Neoliberal Institutionalism provides the necessary framework to envision the substance of this cooperation. Cooperation itself does not entail harmony, the complete alignment of interests, rather it takes place in "situations that contain a mixture of conflicting and complementary interests."[73] The Arctic is just such a situation, as has been shown. The interests of Canada, China, Russia, and the US are aligned on issues related to stability, resource development, and making the most of the potentials of navigation. They are divided regarding disputes over EEZs, rights of navigation, and the particulars of influence in the region are concerned. It is, though, the mutuality of interests that is critical here, as there must be something for all parties to gain through cooperation for each of them to be interested in the

[73] Robert Axelrod & Robert Keohane, "Achieving Cooperation Under Anarchy: Strategies and Institutions," *World Politics* 38, no. 1 (1985): 226.

prospects of that cooperation.[74] All parties examined here stand to gain through strong and stable governance in the region. The potential for cooperation in the Arctic is thus clear.

Axelrod and Keohane outline three "situational dimensions" that impact the incentives concerning cooperation: mutuality of interest, the shadow of the future, and the number of actors.[75] Mutuality of interests has already been established. The shadow of the future concerns the value that states place on the payoffs of the future compared to current payoffs.[76] The Arctic is ideal for exactly this situation. In the past, the region appeared too forbidding and difficult for states to see any advantage to cooperating on Arctic issues, given that short term gains to be made through nationalistic rhetoric or simply maintaining as much state sovereignty as possible. However, with the advent of climate change, this situation is changing. The main payoffs of the Arctic are still, at this point, all potential. As established, navigation and resource extraction will not be truly viable for some time. Nevertheless, they will be viable within the foreseeable future, and that has the potential to change the calculations of states. There will be less advantage found in defecting from any cooperative arrangements compared to the potential for future gains. The third element, the number of actors, simply holds that a large number of actors can make it difficult to hold accountable those who break the established rules.[77] Given the limited number of states in the Arctic, the risk of such difficulties seems low.

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[74] Robert Keohane, "Neoliberal Institutionalism," in *Security Studies: A Reader*, ed. Christopher Hughes and Lai Yew Meng (New York, NY: Routledge, 2011): 158.
[75] Axelrod & Keohane, "Achieving Cooperation Under Anarchy," 228.
[76] Ibid., 232.
[77] Ibid., 235.

Neoliberal Institutionalism posits that international institutions can reinforce these factors of cooperation potential, helping to shape the system of incentives facing a state and thus encourage states to take desirable actions.[78] These institutions can positively impact the "flow of information and opportunities to negotiate," which facilitates better dialogue between states, promoting trust.[79] They can also increase the ability of states "to monitor the compliance of others and to implement their own commitments," which reinforces against concerns that a state is being cheated by others.[80] Finally, they can ameliorate the "prevailing expectations about the solidity of international agreements," encouraging further cooperation.[81] It is, however, "not sufficient to analyze a particular situation in isolation from its political context," and therefore this paper will now examine which international institution may serve as the site for this cooperation.[82]

In the Cold Light of Day: The Arctic Council

The Arctic Council (AC) emerges as the most suitable site for this Arctic cooperation. In the first place, it is the only established regional forum where Canada, China, Russia, and the US regularly meet. More pragmatically, the AC is the best choice since the likelihood of other international institutions forming is limited. In 2008, the Arctic Five[83] made the Ilulissat Declaration, which, among other things, commits those nations to peaceful resolution of disputes through existing mechanisms and declares there is no need

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[78] Ibid., 238-239.

[79] Keohane, "Neoliberal Institutionalism," 158.

[80] Ibid.

[81] Ibid.

[82] Axelrod & Keohane, "Achieving Cooperation Under Anarchy," 243.

[83] That is, the five littoral Arctic states: Canada, the Kingdom of Denmark, Norway, Russia, and the United States.

for any new international regimes. Then in 2011, the Arctic Eight[84] made the Nuuk Declaration, stating that they saw no reason for a new regional framework, in contrast to calls by some actors for an Arctic Treaty along the lines of the Antarctic treaty.[85] These efforts were certainly made to keep the Arctic within a Westphalian model of sovereignty, and to keep others out of sovereign issues.[86]

Still, the AC can serve the purposes of regional cooperation. The AC is the product of the 1996 Ottawa Declaration, the result of Canadian efforts to address emerging issues of sustainable development in the Arctic Region.[87] Its current and founding members consist of the following: Canada, the Kingdom of Denmark, Finland, Iceland, Norway, the Russian Federation, Sweden, and the United States.[88] Though not all are littoral Arctic states, all are states with sovereign territory in the Arctic circle. The US was not keen on creating a new international organization, and thus the AC was created without legal personality.[89] The Ottawa Declaration states that the Council "is a high level forum designed 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 on common Arctic issues, in particular issues of sustainable development and environmental protection in the Arctic."[90] This is a rather open mandate, and thus the AC can be as broad or narrowly focused as its members see fit, especially since

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[84] That is, all members of the AC, but not through their capacity as members of the AC.

[85] Valur Ingimundarson, "Managing a contested region: the Arctic Council and the politics of Arctic governance," *Polar Record* 4, no. 1 (2014): 189.

[86] Ingimundarson, "Managing a contested region," 187.

[87] Evan Bloom, "Establishment of the Arctic Council," *The American Journal of International Law* 93, no. 3 (1999): 714.

[88] Member states are titled as they appear on the Arctic Council's website: https://arctic-council.org/en/about/ states/

[89] Ibid., 714.

[90] Ibid., 714.

they voluntarily fund all of its programs. Members are the only ones with voting rights in the AC and all of its decisions must be reached through consensus, meaning that it cannot be used to impose policies, nor will it act as a limit on national interest.[91] The lack of legal status also means that the AC cannot enforce its own decisions, however, given that such decisions are reached through consensus, this may not be too overbearing a constraint.[92] Nevertheless, the AC has developed a permanent secretariat since 2013 to increase the capacity of the organization. Additionally, there are six "permanent participants," Indigenous organizations that are given broad participation abilities, participating "in all meetings and activities of the Council" alongside government representatives.[93] This provides a truly unique and influential role to local Indigenous peoples, ensuring that the council is "vitally focused on the needs and views of the Indigenous Arctic residents, particularly issues related to sustainable development."[94]

Still, the AC faces challenges in a number of capacities. It has suffered from a chronic lack of funding since its inception.[95] The consensus requirement for decision-making has also traditionally ensured that issues of national interest will not come up for discussion.[96] Furthermore, military matters are explicitly outside the preview of the AC; the US demanded that this be laid out in the

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[91] Ibid., 722.

[92] Ingimundarson, "Managing a contested region," 189.

[93] Bloom, "Establishment of the Arctic Council," 716. These permanent participants are as follows: the Aleut International Association, the Arctic Athabaskan Council, the Gwich'in Council International, the Inuit Circumpolar Council, the Russian Association of Indigenous Peoples of the North, and the Saami Council.

[94] Ibid., 717.

[95] Andrea Charron, "Canada and the Arctic Council," *International Journal* 67, no. 3 (2012): 772.

[96] Ibid., 773.

Ottawa Declaration.[97] Finally, what is likely most problematic for using the AC as a regional forum in this emerging multipolar reality is that the expansion of membership of the council is a non-starter, yet China is not a full member but only an observer. This situation, as explored below, will constitute an enduring frustration for China. Permitting the participation of observer states in a more structured capacity has only recently begun, and their role is quite limited.[98] Observers submit documents and take least precedence in discussions.[99] During ministerial meetings between the members of Council, they may only submit written statements.[100] Finally, continued status as an observer at the AC is contingent on continued supportive consensus of all members.[101] Nevertheless, given the adaptable form of the AC, these barriers to the utility of the Council as a forum for cooperation need not be fatal.

Warming Cold Feet: Using the Arctic Council to Facilitate Arctic Cooperation

The Arctic Council, though it may have its shortcomings, through a Neoliberal Institutionalist lens, has the capacity to facilitate greater cooperation and the emergence of better governance in the Arctic region. Firstly, it provides a much-needed dynamic forum for concerned states. It is not overburdened by bureaucratic procedure, and it is capable of adapting along the lines that member states so decide. It can thus grow to incorporate new issues as they arise, which will be critical for a changing Arctic. It can also serve as a

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[97] Ingimundarson, “Managing a contested region,” 193.
[98] Ibid., 190-192.
[99] Piotr Graczyk & Timo Koivurova, “A new era in the Arctic Council's external relations? Broader consequences of the Nuuk observer rules for Arctic governance,” *The Polar Record* 50, no. 3 (2014): 231.
[100] Graczyk & Koivurova, “A new era in the Arctic Council's external relations?” 231.
[101] Ibid.

valuable stream of information for states with an interest in the Arctic, not only insofar as it provides a forum for inter-state communication, but also through its secretariat which can provide neutral and reliable information to build trust between participating states. Indeed, given that it provides a privileged place for northern indigenous peoples, the AC furthermore provides an avenue for those most effected by changing climate in the Arctic to directly express their concerns to state governments.

While its malleable form and limited enforcement powers might appear as serious impediments, they have the potential to be valuable assets. The AC is an ideal setting for dialogue between global powers. As discussed in this article, neither China, Russia, nor the US are keen to allow any organization to bind them in ways that they have not consented to. In this respect, however, there is alignment of interests between them, and they could be persuaded to cooperate up to limits that their national interests prescribe. The AC is designed well for this role. No participating state need limit themselves beyond what they agree to, yet the AC can still be a significant factor in encouraging cooperation between these powers. This also allows for agreements to be as narrow or as wide as deemed necessary or acceptable. In other words, comprehensive agreements that require a given state to take undesirable actions do not need to be made, but rather efforts at fostering cooperation can focus on issues where there is consensus. And the successful implementation of these agreements can foster willingness to negotiate on yet other matters still. It is therefore possible to conceive of a slowly growing array of agreements produced under the auspices of the AC that come together to form a robust system of governance. Issues such as the status of the NWP and the NSR could also be dealt with, at least in part through the AC. Although the status of these waters will have to be resolved through UNCLOS, given that all the major concerned parties in these matters meet at the AC, it is not inconceivable that they may be able to resolve some of their concerns in a coordinated fashion.

The most obvious obstacle to this process is the unequal footing that states stand on in the AC. China's observer status, especially contingent on the continued consensus support of AC members, will not be conducive to stable governance in the Arctic. If not given a more equitable role in the AC, China may seek other means of entry into Arctic governance, perhaps by utilizing their considerable investments in the Nordic countries.[102] Turning Chinese interest in the Arctic towards constructive avenues will require offering them greater influence in the AC. Still, it is highly unlikely that the current members would ever consider granting full membership to China, since the country is so geographically removed from the Arctic.[103]

This does not, however, mean that there is no path forward. This is where the malleable nature of the AC and its exclusive nature can be used advantageously. The exclusive nature of the AC ensures that Arctic states retain full sovereign control through the consensus mechanism, which is necessary for cooperation to be built in the Arctic. It is unlikely that Canada, Russia or the US would agree to any other arrangement. But this in conjunction with the adaptability of the Arctic Council means that the issue of who gets a say on what is not set in stone. The current members of the AC can retain their privileged position while also allowing other states, namely China, to be involved on certain issues that concern them. It should be recalled that although China is certainly interested in the Arctic, it is one region among many for them. It is certainly possible that they could be given, and satisfied with, greater say in issues such as environmental standards for shipping, sustainable development standards for resource extraction or sustainable fishing practices, without infringing on the privilege of the established AC members.

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[102] Frédéric Lasserre, Linyan Huang, & Olga Alexeeva, "China's strategy in the Arctic: threatening or opportunistic?" *The Polar Record* 53, no. 1 (2017): 35.

[103] Ingimundarson, "Managing a contested region," 2014, 190.

Indeed, it will be necessary for current AC members to induce China to use the AC, else they risk the AC losing its legitimacy and relevance, and thus losing their privileged places in Arctic governance.[104] This necessity may well be able to counterbalance the contingent nature of observer status. Furthermore, this would not require opening up the AC to too broad a selection of countries either, which is certainly more conducive to cooperation.

There is strong reason to believe that these necessary reforms for cooperation are possible. The recent creation of a permeant Secretariat certainly equips the AC with greater institutional capacity and demonstrates the interest of its members in enhancing regional governance. It should also be recalled that the establishment of the criteria for and the content of observer status is also a recent occurrence. Clearly, AC members are open to reform and allowing other states to become involved, and the nature of this involvement is always open to further modification. Also promising is the recent Arctic Search and Rescue Agreement (2011) negotiated through the AC, as it is both the first legally binding agreement produced through the AC, and it includes some security elements, implying a willingness of the AC, especially the US, to discuss military matters in at least a limited capacity.[105] The AC is still a young international organization, and as it continues to develop, it can be used to facilitate cooperation in the Arctic region.

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[104] Erik Molenaar, "Current and Prospective Roles of the Arctic Council System within the Context of the Law of the Sea," in *The Arctic Council: Its Place in the Future of Arctic Governance*, ed. Thomas Axworthy, Timo Koivurova, & Waliul Hasanat, Munk School of Global Affairs (2012): 181.
[105] Ibid., 156.

Ingimundarson, "Managing a contested region," 188.

Conclusions

Fundamentally, cooperation in the Arctic is a viable outcome. The interests of Canada, China, Russia, and the United States are indeed conflicting in certain respects, yet there is still broad room for cooperation. Neoliberal Institutionalism contends that international institutions can reinforce incentives to cooperate on common interests and so change the cost-benefit analyses of states. In the context of the Arctic region, only the Arctic Council is in a position play this role, and though it has significant shortcomings, it nevertheless possesses the potential to overcome them, especially as its members are incentivized to make the necessary reforms.

In light of all this, Canada must now begin to push for these necessary reforms to the Arctic Council. Doing so will help to lay down sturdier foundations for cooperation and stable governance in the Arctic region. Canada must capitalize on the current situation, where China, Russia, and the US all have reason to cooperate in the Arctic because of the promise of future gains. Using these current incentives to cooperate to build a system of regional governance can facilitate deeper cooperation in the future, providing continued region stability for sustainable development. While Canada may not be able to avoid being drawn into the confrontational interactions between China, Russia, and the US in other regions and realms of international relations, insofar as the Arctic is concerned, conflict can be mitigated. Consequently, although it may not be possible for medium and small powers to avoid the destabilizing global impacts of the emerging global multipolarity, it may be possible to limit its impacts on specific regions by capitalizing on the cooperative potential within those regions. Cooperation amidst conflict is possible, and will undoubtedly punctuate the New World Order, in whatever form it may take.

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