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[The Arctic. Between Conflict and Cooperation](#)

The Arctic Policy of the Nordic Countries

Between Climate Change, Economic Use and Security

Gabriele Baumann/Julian Tucker

Vast expanses of snow and ice populated only by polar bears: this is an image of the Arctic that only partly reflects reality. Even though protecting the climate and the natural Arctic landscape is of central concern to the Nordic countries, economic activity is also a feature of the regions north of the Arctic Circle. Moreover, the issue of security is now high on the list of priorities again – particularly since Russia’s attack on Ukraine.

A Sensitive Ecosystem Begins to Falter

The Arctic has been particularly hard hit by global climate change.¹ Serious changes in the physical make-up of the Arctic have attracted the world’s attention since at least 2007, when the summer ice cover in the Arctic Ocean fell to its lowest level ever. But while climate researchers, conservationists and the inhabitants themselves are warning of an irrevocable tipping point and a looming catastrophe,² others see new economic opportunities as the sea ice recedes – resulting in easier access to natural resources and potentially ice-free shipping routes between Asia and Europe, such as the Northeast Passage in the Russian Arctic.

Warming in the region is having serious consequences for the environment. Probably the best-known example are the polar bears in Greenland and on Svalbard in Norway: their hunting and social behaviour depends on extensive hunting grounds on the drift ice. But these large Arctic predators are only one aspect of the problem. Even a single ice-free summer would severely damage an ecosystem that is already stressed, not only threatening the survival of polar bears, ringed seals and walruses, but also wiping out countless microscopic life forms. The sea beds and coasts of the Arctic Ocean are inhabited by an astonishing array of microorganisms. Diverse species of algae, bacteria and microscopic organisms form part of the complex mechanisms that make life possible on and under the ice. The irrevocable disappearance of these smallest components of the food chain

would not only mean a significant loss for science, it would also destroy the delicate balance in the Arctic.³

Biodiversity in the Arctic is not the only phenomenon affected by warming, however. The cold water released by the melting sea ice has a relatively low salinity, and this in turn impacts significantly on water and air currents that determine weather patterns further south. Climate change is particularly noticeable in the North Atlantic, off the west coast of Greenland, where ocean currents are a key factor in shaping global heat distribution. Since the global climate is determined by the energy imbalance between the equator and the poles, even slight changes in the Arctic Ocean can create feedback loops that can be unpredictable and potentially devastating elsewhere.

Although the annual melting and refreezing of sea ice determines the pulse of life and the geophysical nature of the Arctic, it does not affect sea levels, since the displaced volume remains the same. Nonetheless, the disappearance of summer ice still has severe consequences. The greater the amount of sea ice that disappears in the Arctic, the larger the area of the ocean that is exposed, which in turn absorbs more solar energy in the form of heat.

While the disappearance of sea ice does not have a direct impact on sea levels, the melting of the Greenland Ice Sheet is causing the level of the world’s oceans to continue to rise. The bright surface of the sea ice (and of the more

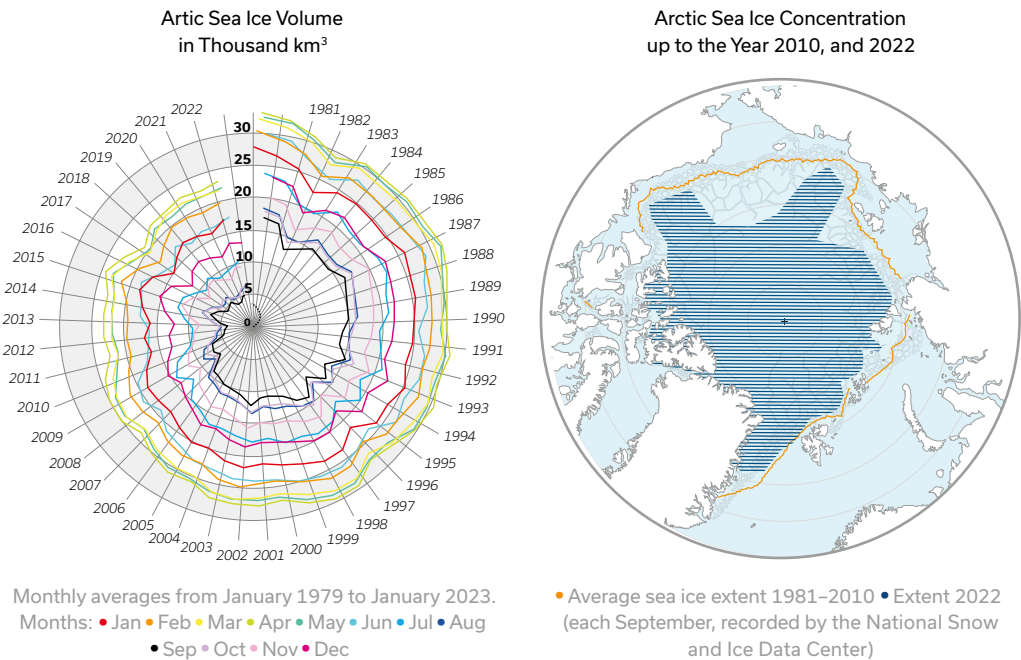
resilient continental ice in Greenland) reflects more solar energy than the dark ocean, helping to maintain the ice caps. Beyond the ice, too, warming is transforming the physical shape of the Arctic. In the Russian part in particular, the thawing of the permafrost is having catastrophic consequences for infrastructure, which is sinking into the ground, causing enormous environmental damage when leaks occur.

Due in part to this sensitive ecosystem and the ongoing warming in the Arctic, the fight against climate change is high on the list of priorities for governments in the Nordic countries and is supported by the majority of the respective populations. Denmark (with Greenland and the Faroe Islands), Iceland, Finland, Sweden and Norway have set themselves the goal of achieving climate neutrality by no later than 2050 (Sweden by 2045 and Finland by as early as 2035) and becoming the most sustainable region in the world by 2030.

Hubs of Economic Activity in the European Arctic

We often imagine the Arctic to be a landscape of snow and ice populated by polar bears. This is only partially true. The Arctic is in fact a key region with important trade, transport and communication networks. The Arctic Circle is home to large cities such as Luleå and Kiruna in Sweden, and Tromsø and Bodø in Norway, and there is a major LNG terminal in Hammerfest in the Norwegian county of Finnmark. These cities are economically strong and innovative centres with growing populations, not least due to attractive overall conditions. Luleå is particularly well known for the production of fossil-free steel using green hydrogen as well as for its renowned University of Technology; in Kiruna and other municipalities in northern Sweden, mining has long been one of the most important economic sectors, including iron ore

Fig. 1: Changes in the Arctic Polar Ice Cap



Sources: own illustration based on Lee Robinson, Andy/Horton, Ben 2023: What's The Arctic Death Spiral?, in: <https://arcticdeathspiral.org> [3 Feb 2023]; Paul, Michael 2020: Arktische Seewege. Zwiespältige Aussichten im Nordpolarmeer, SWP-Studie 2020/S 14, German Institute for International and Security Affairs, 23 Jul 2020, p. 23, in: <https://bit.ly/3EHN8sF> [27 Feb 2023]. Map: © Peter Hermes Furian, AdobeStock.

and copper. Global demand for iron and steel has led to further investment in the Swedish Arctic.

What is more, the largest European deposits of highly concentrated rare earths to date were identified in Kiruna at the beginning of 2023. With demand for electric vehicles and wind turbines expected to increase, these newly discovered deposits are seen as indispensable for the green transition.⁴ 98 per cent of the rare earths used in the EU are currently still imported from China.

Icebreakers are of particular importance to the Arctic economy, providing access to many coastal areas.

Sweden's Arctic strategy aims to ensure that Swedish expertise in cold-resistant civil engineering and transportation contributes to the sustainable development of Arctic infrastructure.⁵ Meanwhile, the specific Arctic expertise of Finnish industry and science is likewise highlighted in Finland's Strategy for Arctic Policy, published in 2021. Helsinki is focusing on diversifying the economy in the north of the country, especially with a view to promoting sustainable development.⁶

Icebreakers are of particular importance to the Arctic economy, providing access to many coastal areas; without them, the region could not be integrated into logistics operations at all. Ever since the 1930s, the industry of the Nordic countries, and that of Finland in particular, has been geared towards commercial icebreakers. The Finnish engineering service provider Aker Arctic has been one of the world's leading manufacturers of icebreakers since 2005. When the company ran into financial difficulties in 2013, the state holding company Finnish Industry acquired a majority of its shares to prevent foreign interests from acquiring strategically important expertise and technology.⁷

The Indigenous Inhabitants of the Arctic

As the centres of economic activity in the Arctic expand, so too do the challenges facing the people living in the region, its wildlife and the environment. For this reason, there is a demand for sustainable strategies in all areas. This includes the preservation and protection of the cultural heritage and rangelands of the indigenous Sámi. Their traditional Sápmi settlement area stretches from the central Swedish province of Dalarna to the coast of the Barents Sea and the Kola Peninsula in Russia. The specially protected status of these people as reindeer herders repeatedly comes into conflict with the interests of the mining industry when the latter seeks to expand its economic activities into areas that are traditional grazing land for reindeer herds.

It is estimated that the Swedish population includes more than 20,000 Sámi, and the country's constitution was amended in 2011 to recognise them as an indigenous people. Nonetheless, the government has been criticised for failing to pass legislation on issues relating to the Sámi's rights to land and resources, and for not recognising the indigenous people's right to free, prior and informed consent to mining and infrastructure projects. In Finland and Sweden, the socio-political debate on the rights of indigenous peoples is mainly geared towards ratification of the Indigenous and Tribal Peoples Convention⁸, an international agreement adopted in 1989 that promises indigenous groups more decision-making powers in their traditional territories. Norway and Denmark were among the first countries to ratify this convention – a step that is of great importance for Arctic areas such as Greenland.

Greenland: Between Natural Resources Revenue and Environmental Protection

Greenland is an example of how efforts to tackle climate change – a priority in the Nordic states – can lead to conflicts at a policy level over the use of existing natural resources. The Greenlandic government essentially pursues an



environmentally conscious policy. Nonetheless, it hopes that the mining of profitable raw materials will boost its quest for financial independence from Denmark. Greenland was a Danish colony up until 1953; with a current population of about 56,000, it is now effectively autonomous (with the exception of foreign and security policy),

especially when it comes to making decisions on resource extraction, even though it remains part of the Kingdom of Denmark and receives a large annual subsidy from Copenhagen. In addition to its own regional government, Greenland has two representatives in the Danish parliament, the Folketing.



Economic powerhouse in Lapland: Kiruna is not only home to a massive iron ore mine. In early 2023, significant deposits of rare earths were also discovered near the northern Swedish city. Photo: © Knut Knipser, image BROKER, picture alliance.

the country, where sheep farming is practised. Fishing is still the mainstay of the Greenlandic economy, but the sector is no longer able to provide as many jobs as it used to. The Greenlandic government is looking for ways to profit from the island's mineral resources, which include gold, oil, natural gas and rare earths, although Greenland's climate policy is making this a difficult undertaking. Since coming to power in April 2021, Prime Minister Múte Bourup Egede has delivered on his election promise to pursue environmentally and climate-friendly policies by introducing a moratorium on new oil and gas drilling licences. A mining project to extract rare earths in the south of the island was stopped after protests by inhabitants, as the mine would have exposed uranium as a by-product. Chinese investors have withdrawn from Greenland. Nevertheless, the country's rich mineral resources continue to attract the attention of nations and companies whose supply chains are currently dominated by China and which are in search of alternative sources of raw materials.

The 200 miles area around the Svalbard archipelago is claimed by Norway as its exclusive economic zone.

Svalbard: A Special Case

The Svalbard archipelago, which belongs to Norway, plays a special role in the Arctic region. With a population of 2,640, it is the northernmost inhabited place in the world and one of the largest research bases in the Arctic.

Norway has had sovereignty over this group of Arctic islands since the Svalbard Treaty of 1920,

Due to the Arctic climate, people in Greenland live mainly in settlements and towns on the coast. Historically, fishing and hunting have been crucial to survival because of the short summers. The Greenlandic climate and geographical conditions make agriculture and livestock farming almost impossible, except in the very south of

which now has 46 signatory states. However, all citizens of the signatory states have the right to employment, economic activity, trade and shipping in Svalbard. The area within 200 miles around the archipelago is claimed by Norway as its exclusive economic zone, including for the purpose of fishing. This is contested mainly by Russia, but the European Union and Iceland likewise believe that the Svalbard Treaty also applies outside the territorial waters and on the continental shelf. Norway also reserves the right to conduct regular coastal patrols on Svalbard to underline Norwegian sovereignty. The coast-guard service is part of the Norwegian maritime forces. Russia criticises the Norwegian position, citing Article 9 of the Svalbard Treaty, which prohibits the pursuit of “warlike purposes” in the demilitarised area, yet there has been an increase in the frequency of Russian military exercises off the Norwegian coast. As recently as July 2022, President Vladimir Putin announced his intention to defend the Arctic waters “by all means”.⁹ In early 2022, an underwater fibre optic cable connecting a satellite ground station on Svalbard to the Norwegian mainland was severed. This incident followed a similar one in April 2021. In both cases, the authorities said the disruptions were likely to have been caused by human activity and not by natural phenomena.

In addition to a Russian consulate general and a research station, Russia also operates a coal mine in Barentsburg, a mining settlement on Svalbard with a population of just under 500, although the mine produces very little and is more a token of economic activity. After the Russian invasion of Ukraine, it was also noticeable that the miners were mainly Ukrainians from the Donbas region, which led to tensions between workers and the Russian operators.

The Arctic Council and Regional Security Issues

Over the past few decades, the Arctic has been described as an exceptional region where peaceful and economically sustainable cooperation has allowed nations and indigenous peoples to coexist. This remained the case even when geopolitical tensions increased in recent years as a result of Russia’s imperial claims, for example, and in the wake of the conflict between the US and China.



Historic signature: In March 2023, Finland’s President Sauli Niinistö signed the laws for his country’s accession to NATO. These had previously been passed by parliament with a clear majority. Photo: © Markku Ulander, dpa, Lehtikuva, picture alliance.

Founded in 1996 after the end of the Cold War, when the military importance of the Arctic declined, the Arctic Council comprises all five Nordic countries as Arctic states, along with Canada, the US and Russia.¹⁰ Security issues have been excluded to date. However, Russia's war of aggression against Ukraine has dramatically changed the attitude of the seven Western countries in the Arctic Council towards Russia, bringing security policy aspects to the forefront. The work of the Council, which is currently being chaired by Russia until May 2023,

was suspended by seven of the eight members in early March 2022. Other cooperation bodies followed a few days later, one of which was the Barents Euro-Arctic Council, whose members include the Nordic countries, the EU and Russia. Regional cooperation in the Arctic has thus been put on hold, which is having a sizeable impact on research, environmental protection and transnational dialogue for the indigenous peoples, especially the Sámi, whose traditional settlement area stretches across Russia's strategically important Kola Peninsula and whose



reindeer herds have crossed Russian borders with Norway and Finland for centuries.

In terms of regional and European security, the five Nordic countries have never been concerned solely with military security in the past. Climate change and sustainable development were always seen as the most pressing challenge. Three of these countries are also EU members. Since 2014, if not before, this has also raised the question of the role that the EU might play as a transnational union for development and security in the Arctic and what influence it has as a geopolitical actor. In October 2021, the EU launched a new Arctic strategy, which has now put geopolitics at the forefront of strategic thinking. Among the Nordic countries, there are different interpretations regarding the role of the EU, and it is not easy to identify a common “Nordic view”.

New Security Environment Following Russia’s War of Aggression against Ukraine

Instead of five NATO members in the Arctic Council – as was the case before Russian troops invaded Ukraine in February 2022 – there might soon be seven: Finland and Sweden applied for NATO membership in May 2022 after being non-aligned for decades (or more than 200 years in Sweden’s case). Finland officially joined the Alliance in April 2023. Neither country borders on the Arctic Ocean, so unlike Norway, their security interests lie more in their northern land areas and in the Baltic Sea region. However, the latter is regarded as forming an interconnected security region with the Arctic and the North Atlantic. What is more, the existing border between Finland and Russia has doubled the length of the land border between NATO and Russia. It is to be hoped that Turkey will now abandon its opposition against Sweden. All five Nordic countries would then belong to the defence pact.

Denmark and Norway have also shifted their position in light of the new perceived threats in the Arctic region, the former illustrating its changed attitude by overturning its opt-out from defence cooperation within the EU back in June

2022. The defence opt-out previously meant that Denmark was not able or obliged to participate in the Common Security and Defence Policy or in EU military operations.¹¹

It was not until the 2010s that the need for new military planning came to the fore, especially after the Russian annexation of Crimea in 2014.

In the comparatively peaceful decades following the Cold War, the armed forces and military planners of the Nordic countries focused more on foreign operations and less on territorial and maritime defence in the High North. National defence strategies remained relatively unchanged and came to appear increasingly outdated as a result. It was not until the 2010s that the need for new military planning closer to home came to the fore, especially after the Russian annexation of Crimea in 2014. Moscow’s rhetoric on the Arctic acquired a significantly harsher tone after that year. This is also reflected in Russian security documents, especially the 2014 military doctrine and the 2015 naval doctrine.¹²

The Finnish and Swedish defence ministers responded in March 2015 with a new agreement on military cooperation that would have allowed for a joint war effort by the two countries in the event of an attack. The Nordic countries’ defence alliance NORDEFECO, founded in 2009, was strengthened in 2015 with the addition of an agreement to expand military exercises and exchange information. Due to their proximity to the Russian Kola Peninsula with its high concentration of military installations, including the headquarters of the Northern Fleet at Murmansk, the Nordic countries undoubtedly have an immensely important role to play in the collective security of Northern Europe. As (future) new NATO members, Finland and Sweden will be a valuable addition to the Alliance

with their military capabilities, transforming Northern Europe from the Baltic Sea across the North Atlantic to the Arctic into a compact NATO area.

– translated from German –

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- 1 According to a 2021 study by the Arctic Council's Arctic Monitoring and Assessment Programme (AMAP) working group, average temperatures at the poles are rising three times as fast as elsewhere on Earth. AMAP 2021: Arctic Climate Change Update 2021: Key Trends and Impacts. Summary for Policy-makers, 20 May 2021, in: <https://bit.ly/3PpvqhN> [13 Dec 2022]. Other studies, such as an article published in Nature in 2022, estimate warming to be four times the global average: Rantanen, Mika / Karpechko, Alexey Yu. / Lipponen, Antti et al. 2022: The Arctic has warmed nearly four times faster than the globe since 1979, Communications Earth & Environment 3, Article 168, 11 Aug 2022, in: <https://go.nature.com/3VVMtue> [13 Dec 2022].
- 2 In the wake of the record levels of 2007 and 2012 in particular, debate has in fact been ongoing for some years as to whether there really is a "tipping point" in the formation of sea ice in summer – a phenomenon where the decline in summer ice would be so great that no new ice cover could form in winter. A 2011 modelling study by researchers at the Max Planck Institute for Meteorology suggests that sea ice could recover quickly even if all the Arctic sea ice were to melt in summer, showing that the feedback loop leading to a downward spiral in the ice extent may be less marked than previously thought. Nevertheless, there is a clear trend towards less ice in the Arctic, which would have irreversible environmental and regional impacts of enormous severity. Tietsche, Steffen / Notz, Dirk / Jungclaus, Johann / Marotzke, Jochem 2011: Recovery mechanisms of Arctic summer sea ice, Geophysical Research Letters 38: 2, 26 Jan 2011, in: <https://bit.ly/3RoZyul> [13 Dec 2022].
- 3 Studies and situation reports on various Arctic biomes are published on a regular basis by the Programme for the Conservation of Arctic Flora and Fauna (CAFF), an Arctic Council working group that specialises in the conservation and monitoring of Arctic biodiversity. They include the following: Lento, Jennifer / Goedkoop, Willem / Culp, Joseph et al. 2019: State of the Arctic Freshwater Biodiversity Report, CAFF, 13 May 2019, in: <https://bit.ly/3Wc3yQj> [13 Dec 2022]; Aronsson, Mora / Heiðmarsson, Starri / Jóhannesdóttir, Hrefna et al. 2021: State of the Arctic Terrestrial Biodiversity Report, CAFF, May 2021, in: <https://bit.ly/3Fshfnd> [13 Dec 2022].
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- 7 Ilta-Sanomat 2013: Vapaavuori: Aker Arctic oli vaarassa siirtyä ulkomaiseen omistukseen (Vapaavuori: Aker Arctic was at risk of being taken over by foreign ownership), 17 Dec 2013, in: <https://bit.ly/3Ylg5ms> [13 Dec 2022].
- 8 International Labour Organization 1989: Indigenous and Tribal Peoples Convention, C169, in: <https://bit.ly/2AWFCJp> [13 Feb 2023].
- 9 Fontanka 2022: Путин: В новой Морской доктрине открыто обозначены границы РФ (Putin: Russia's new naval doctrine openly names borders), 31 Jul 2022, in: <https://bit.ly/40M681z> [30 Mar 2023].
- 10 Arctic Council 1996: Declaration on the Establishment of the Arctic Council, 19 Sep 1996, in: <https://bit.ly/3FP4hl9> [13 Dec 2022]. The Arctic Council is the leading intergovernmental forum for cooperation between the countries and indigenous peoples of the Arctic. It addresses sustainable economic development, climate and ocean research and environmental protection, responds to natural disasters and emergencies, and promotes cooperation between coastguard services in the region. All Council resolutions and declarations require the consensus of the eight Arctic states. The Council's headquarters are located in the northern Norwegian city of Tromsø.
- 11 After the rejection of the Maastricht Treaty in a referendum in 1992, the Edinburgh Agreement was concluded, granting Denmark four opt-outs in the European Union, one of them in the area of defence policy. The Maastricht Treaty was subsequently ratified in 1993.
- 12 Russia Maritime Studies Institute / Davis, Anna 2015: The 2015 Maritime Doctrine of the Russian Federation, U.S. Naval War College Digital Commons, in: <https://bit.ly/3m0svSh> [30 Mar 2023].