



# Russia's Arctic Ambitions: Transforming the "Cost of Cold"

by Marlène Laruelle

*The "National Security Strategy of the Russian Federation to 2020," released in May 2009, underlines the battle that is taking place for energy resources, considered to be the potential means for Russia to remain a great power. The document confirms Russia's interest in the Arctic, which is elevated to the status of the Caspian Sea and Central Asia as one of the main energy battlegrounds of the future. Indeed, Russia is rapidly advancing its interests in the Arctic region as it seeks to transform the "cost of cold" into a long-term asset.*

The impact of climate change in the Arctic region will very soon have global implications for the Arctic littoral states and beyond. Indeed, the Arctic is quickly evolving into a new arena for the assertion of great power strategies and the pursuit of long-term energy ambitions. The stakes are numerous and of a diverse nature, including territorial claims and legal issues; control over the emerging maritime routes thanks to the melting icecap; the intensive modernization of the military fleets of Arctic countries; and the active involvement of public and private economic actors interested in the immense offshore energy market. The international community ought to take a stance quickly on the Arctic question and to decide whether to regulate the growing tensions on this issue, or to impose a moratorium on the model of the Antarctic Treaty.

Russia is currently the main actor pursuing its stake in the Arctic issue. Geographically speaking, almost 20 per cent of Russian territory is considered to be Arctic or sub-Arctic. Historically, the Soviet regime was one of the first to exploit Arctic resources (with the opening of the Vorkuta mines in 1931, the Norilsk mines in 1939, and industrial fishing in the High North from the 1950s) and to modestly populate the region with non-indigenous groups. Moreover, during the Cold War, the Murmansk region, constituting the only ice-free port available to the Soviet Union other than the Pacific, played a central role in the competition between Soviet and American fleets and in the Russian strategies of nuclear deterrence. Post-Soviet Russia has now moved ahead on the Arctic issue by developing a holistic view of it.

On the juridical level, in 2001 Russia submitted a claim

to the UN Commission on the Limits of the Continental Shelf (CLCS) arguing that the Lomonosov Ridge is a geological extension of its continental Siberian shelf and thus that about 1.2 million km<sup>2</sup> of Arctic waters fall under its jurisdiction. In 2009 Moscow intends to provide new scientific arguments in its favor to the CLCS, which has requested additional data and information. To this end, Russia organized a polar mission in July 2007 which attracted much media attention in Western countries, especially when the leader of the expedition, the famous polar explorer Artur Shilingarov, declared that "the Arctic is ours and we should manifest our presence." While Russia participates in the Arctic Council – together with Canada, Denmark, Finland, Iceland, Norway, Sweden, and the United States – the institution is not endowed with sufficient influence to resolve legal conflicts. So long as there is no treaty like that in effect in Antarctica, Russia will move rapidly to assert its national interests in the Arctic, as for example in the dispute with Norway over the Barents Sea.

Russian state interventionism has also increased markedly in the economic domain. The Arctic is often presented in the light of a new Eldorado set to become the booming economic frontier of the 21st century. The U.S. Geological Survey estimates that the region might hold 15 to 30 per cent of the world's undiscovered oil and gas reserves, in addition to significant deposits of valuable metals and precious stones, and huge untapped fishing reserves. Even if in the short term it is not profitable to extract most of these energy reserves (because of the cost of extraction and the high level of technology needed for it), Russia tends to act as if prognoses are facts and is endeavoring to improve



its energy security. Russian elites know that the Siberian deposits in hydrocarbons upon which the Russian economy is based will be empty in about two decades, and strategies of industrial or technological diversification have not been put in place. The offshore resources inventoried in the Yamal Peninsula and the Barents Sea – the equivalent of 50 years of current Russian production levels – constitute the only known alternative to currently dwindling Siberian fields. For Russia to maintain its status as one of the world's largest producers of hydrocarbons it will have to depend increasingly on Arctic resources.

The Kremlin has therefore provided incentives to motivate public enterprises as much as private actors to enter the Arctic energy game. In August 2008, Russian President Dmitri Medvedev signed a law that allows the government to allocate strategic oil and gas deposits on the continental shelf without bids. Gazprom and Lukoil have their own commercial icebreakers and plan to build oil supertankers of an as-yet-unequaled scale. Private Russian players are also multiplying such as Lukoil, Rosshelf, the mining and metallurgical company Norilsk Nickel, and maritime companies such as the Far Eastern Maritime Shipping Company and the Murmansk Shipping Company. Russian firms, especially Gazprom, are planning to be operational on the technical level for working in very cold conditions as soon as possible so as to make their moves before those of their international competitors.

On the strategic level, Russia is intensively modernizing its Northern Fleet and hopes to expand its current level of operations in the Arctic. The Russian Northern Fleet presently boasts eighteen icebreakers, seven of them being nuclear, including the largest one in the world. Sergey Kirienko, the director of the Rosatom State Corporation, announced in April 2009 that the level of government funding for building new nuclear icebreakers allocated by the federal budget totals US\$ 57 million for this year and another US\$ 150 million for 2010–2011. In July 2008, the Russian Navy announced that its fleet had resumed a warship presence in the Arctic: military ships now patrol near Norwegian and Danish defense zones, and strategic bombers are flying over the Arctic for the first time since the end of the Cold War. Furthermore, the Russian Navy is increasing the operational radius of the Northern Fleet's submarines, and under-ice training for submariners is becoming a priority task. Russian strategic thinking is also evolving: namely, the maritime dimension of Russian security, which has never been very important historically speaking, is un-

dergoing a significant change. The new Russian maritime doctrine includes a naval fleet, merchant shipping, a fishing fleet, and research vessels, in a holistic approach to the exploitation of the sea. Additionally, the Russian industrial-military complex, which might possibly stand to lose its main client for Russian weapons in the coming decades, namely China, is putting pressure on the domestic military market by lobbying for Russia's interests in the Arctic.

With the melting of the polar ice cap, the Arctic is also destined to become a major international shipping route. Two main sea routes are open to shipping for a few months of the year with the help of icebreakers: the Northwest Passage along the northern coast of North America, and the Northern Sea Route or North-east Passage along the Russian coast. An ice-free Arctic by 2040 would make the transportation of commodities to international markets easier and significantly reduce transportation costs by cutting 20–33 per cent off the distance from Western Europe to Japan or China. Russian experts estimate that the traffic passing through their waters is likely to be around 10–15 million tons in 2015–2020. At present the navigation conditions in the high latitudes are still too perilous. In fact, it could take a few decades before the Arctic routes become a trade reality. However, shipping companies the world over, in particular Chinese and Japanese ones, are already preparing for this commercial race. The Japanese government has made an open display of its interest in the question, which is destined to become one of the driving forces of the Russo-Japanese partnership in the coming decades.

Russia's ambitions in the north cannot only be explained by the Arctic's energy, trade, and strategic potentials. On the ideological level, there is also a genuine activism relating to this question. The notion that Russian expansion in the Arctic could attenuate the consequences of territorial losses in Europe has become a recurrent theme: dominion over the Arctic would be rightful compensation for the hegemony lost with the collapse of the Soviet Union. A governmental newspaper, *Rossiiskaia Gazeta*, for instance introduced Russians to the notion that "the fight for the Arctic will be the initial spark for a new division of the world." Russian public opinion is not indifferent to this quest for Arctic power. The myth of the Northern Route, *Sevmorput*, used in the 1930s and 1940s to exult Russia's military and industrial prowess, is re-emerging today. The Arctic is once again very present in popular culture, for example through growing numbers of publications regretting the sale of Alaska to the United States in 1867. Russian



interest in the Arctic is therefore probably not subject to the evolution of Russian-American relations, nor to the global economic crisis: the project is so crucial for maintaining Russia's long-term future as a great power over the next fifty years that it is unlikely to be scaled back by any future government.

Putin has described the north as Russia's strategic reserve for the development of its statehood and its long-term status of great power. The Kremlin has a growing interest in the question of climatic change and the idea that global warming could result in turning the famous "cost of cold" into an asset. Climate change could, within a century, herald a more temperate climate in Siberia for instance that would allow the development of agriculture, facilitate the transit of hydrocarbons, and help spur a revival in the levels of human density. The impact, both psychologically and on policy-making, deriving from the prospect of a possible change in climate is considerable: with a population in decline that is set to drop to about 100–110 million inhabitants halfway through the twenty-first century, Russia's long-term perspectives of survival as a great power are reduced. The prospect of having a "last chance" thanks to the Arctic and the climatic transformation of Siberia reopens long-term visions for the country's survival. However, to achieve this goal, Russia must overcome its demographic crisis, and to do this, only one way seems viable: the massive immigration of non-Russian populations, perhaps Chinese, but more probably populations from the former Soviet Republics, especially from Central Asia but also the Caucasus. This means that, in the decades that lie ahead, the Russian elites could have to preside over major transformations that will change the face and future of the country. Some lobbies hope to convince elites and the wider population that Russia could stay a great power based on the exploitation of Arctic resources, but with a very large Muslim – and Chinese – population. The geopolitical and geo-strategic consequences of this trend would be tremendous.

Until then, Moscow will have to contend with the United States: the U.S. National Security Presidential Directive of January 12, 2009, reaffirmed that the United States has broad and fundamental national security interests in the Arctic region and is prepared to operate to safeguard these interests. Canada certainly intends on participating in the race too, and the Arctic issue is currently being used by the government as one of the flag-bearers of Canadian nationalism. In January 2009, the North Atlantic

Treaty Organization held a meeting in Reykjavik where it declared its intention to make the Arctic one of its future topics of discussion and joint training. The European Union is also attempting to formulate its own Arctic strategy and taking into account the national interests of Norway and Iceland, two potential members, not to mention the question of Greenland's possible independence. Moreover, accessing the Arctic's hydrocarbons will be an extremely costly and ecologically dangerous undertaking. Gazprom and the other Russian companies have not yet mastered the requisite cutting-edge offshore technologies and will have to work closely with other companies. Even if, for the time being, the potential of international cooperation in the Arctic between the littoral states does not have great resonance in Russia, the technological difficulties faced in Arctic exploitation could serve to alter this situation. In any case, the Kremlin is not interested in self-sacrificing its future as a great power in the name of international cooperation without any kind of negotiations, long discussions, and at least symbolic compensation.

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