

Regional Governance in the High North

- An assessment of Arctic governance and its fisheries



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Master Thesis
01.12.2014
175.621 STU on 68 pages

MSc in International Business and Politics
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Copenhagen Business School 2014

Abstract

The Arctic has become an important topic on the global political agenda. Global warming induced implications create on the one hand commercial opportunities, but on the other hand pose new challenges towards governance and the management of Arctic resources. The growing interest in the economic utilisation of Arctic resources has questioned the applicability of current governance arrangements due to rising commercial stakes and insufficient institutional regulations. This thesis seeks to assess whether regional governance is a suitable mode of governance for the High North and to evaluate what regulatory responses are required to sustainably develop Arctic fisheries.

The research encompasses a theoretical foundation of regionalism and international law in order to build criteria for the assessment of Arctic governance. The analysis found that the current governance mode has significant shortcomings, but highlights that recent developments are trying to fill those gaps. The lack of a clear legal mandate in the Arctic is substituted by institutional responses from the Arctic Council. The incorporation of indigenous voices in the policy process further distinguishes the governance mode from other arrangements. These findings indicate that regional governance is a suitable mode of governance for the Arctic region.

Through an analysis of the North East Atlantic Fisheries Commission the thesis found that the management of fisheries is a very technical matter and that discordancy is still a major factor in the negotiation of fishing quotas. Regulatory responses need to establish effective conservation measurements that incorporate the marine ecosystem as a whole and that it is furthermore important to acknowledge the dependency on fishing resources of some states in order to avoid political tension in the negotiation of fishing quotas.

The study found that the political and economic landscape of the Arctic is very diverse and that the Arctic states hold high economic stakes in the extraction of natural resources. Observations suggest a general willingness to cooperate by the Arctic states with an increased effort to incorporate non-Arctic voices into the discourse. Nevertheless, policy creation in the Arctic is still a lively debate and political tensions are by no means inevitable.

Abbreviations and Acronyms

A5	Arctic Five
Arctic SAR	Arctic Search and Rescue
ATS	Antarctic Treaty System
EEA	European Economic Area
EEC	European Economic Community
EEZ	Exclusive Economic Zone
EU	European Union
FSA	Fish Stocks Agreement
ICC	Inuit Circumpolar Council
ICES	International Council on the Exploitation of the Sea
IUU	Illegal, unreported and unregulated fishing
JointFish	Joint Norwegian-Russian Fisheries Commission
NAFO	Northwest Atlantic Fisheries Organisation
NATO	North Atlantic Treaty Organisation
NEAFC	North East Atlantic Fisheries Commission
OECD	Organisation for Economic Co-operation and Development
PECCOE	Permanent Committee on Control and Enforcement
RFMO	Regional Fisheries Management Organisation
TAC	Total Allowable Catches
UN	United Nations
UNCLOS	United Nations Convention on the Law of the Sea

Table of Content

ABSTRACT	I
ABBREVIATIONS AND ACRONYMS	II
TABLE OF CONTENT	III
TABLE OF FIGURES.....	IV
1 INTRODUCTION	1
1.1 METHODOLOGICAL CONSIDERATIONS	3
2 THEORETICAL FOUNDATION	6
2.1 OVERVIEW OF INTERNATIONAL RELATIONS AND INTERNATIONAL LAW	6
2.1.1 <i>Approaching New Regionalism</i>	7
2.1.2 <i>Dilemmas of International Law</i>	11
3 THE ARCTIC AS A SETTING.....	15
3.1 GEOGRAPHIC LIMITATIONS	15
3.2 ENVIRONMENTAL FACTORS	17
3.3 ARCTIC VOICES	18
3.4 ECONOMIC ACTIVITY	19
4 WHAT ARE THE STAKES?.....	21
4.1 INTRODUCING ARCTIC STAKES	21
4.2 ARCTIC STATES.....	23
4.2.1 <i>Canada</i>	24
4.2.2 <i>Denmark / Greenland</i>	25
4.2.3 <i>Finland</i>	26
4.2.4 <i>Iceland</i>	28
4.2.5 <i>Norway</i>	29
4.2.6 <i>Russia</i>	31
4.2.7 <i>Sweden</i>	32
4.2.8 <i>The United States</i>	33
4.3 THE EUROPEAN UNION.....	34
4.4 CONCLUDING REMARKS.....	36
5 GOVERNANCE STRUCTURE OF THE ARCTIC.....	38
5.1 INTRODUCTION TO GOVERNANCE IN THE ARCTIC	38
5.1.1 <i>Arctic Council</i>	41

5.1.2	<i>Arctic Circle</i>	43
5.2	LAW OF THE SEA	44
5.3	CHAPTER SUMMARY	46
6	CASE: NORTH EAST ATLANTIC FISHERIES COMMISSION	48
6.1	INTRODUCTION TO FISHING IN THE NORTH EAST ATLANTIC.....	48
6.2	BACKGROUND	49
6.3	THE CONVENTION	51
6.3.1	<i>Boundaries</i>	51
6.3.2	<i>Membership</i>	53
6.3.3	<i>Fisheries</i>	54
6.3.4	<i>Governance Structure</i>	55
6.4	ORGANISATIONAL CHANGES.....	56
6.5	CONCLUDING COMMENTS	58
7	ASSESSING ARCTIC GOVERNANCE	60
7.1	DISCUSSION	60
7.1.1	<i>Regional Governance in the Arctic</i>	60
7.1.2	<i>Regulatory Responses for Arctic Fisheries</i>	63
7.1.3	<i>Suggestions for Future Research</i>	65
7.2	CONCLUSION	66
	BIBLIOGRAPHY	68
	APPENDIX – LIST OF RELEVANT TREATIES, INSTRUMENTS, AND AGREEMENTS	74

Table of Figures

Figure 3-1: Boundaries of the Arctic	16
Figure 5-1: Development of relevant treaties, agreements and instruments for the marine Arctic	39
Figure 6-1: The NEAFC Regulatory and Convention Area	52

1 Introduction

The Arctic, once distant and remote, is by many perceived as the last frontier and has become an important topic on the global political agenda. The receding ice sheet has enabled an almost ice free Arctic Ocean in some periods of the year and it is estimated that in the next two decades the central Arctic Ocean will become completely ice free during the summer months. Those global warming induced implications create on the one hand new commercial opportunities, such as oil and gas exploration, mineral extraction and the exploitation of new fishing grounds, but on the other hand pose new challenges towards governance and the management of Arctic resources. Driving forces behind the commercial exploitation of the Arctic are often rooted in global economic demands (Young, 2012). The increasing interest from non-Arctic stakeholders in the High North has caused the Arctic states to shift their policy focus towards the unclaimed areas outside national jurisdiction and thereby caught the attention of states located as far away as the equator, fuelling a dualism debate whether the Arctic should be governed in a global or regional setting. Especially the littoral states have developed claims to extend their continental shelf to deep sea ridges of the Arctic Ocean floor (Koivurova, 2008). Many have criticised the Arctic states on those grounds of being a group of hegemons, dividing the rich natural resources of the Arctic between themselves. Even though the Ilulissat Declaration ensures the orderly settlement of any possible disputes (Arctic Ocean Conference, 2008), policy creation in the Arctic is still a lively debate and political tensions are by no means inevitable (Heininen et al., 2013).

The Arctic discourse mainly anticipates conflict potential in the Arctic states' jurisdictional diplomacy regarding their sea borders and the extraction of natural resources (Young, 2012). Territorial claims of the Arctic seabed as well as the establishment of new sea routes have dominated contemporary Arctic literature. Most of the research uses the oil and gas industry as main case for comparison, because most of the Arctic energy resources are expected in the high seas pockets of the Arctic Ocean. As the main interest in Arctic affairs lies within the oil and gas exploration, many forget that most disputes in the Circumpolar North are results of tense negotiations regarding fishing quotas (Dodds and Ingimundarson, 2012). A report by the United Nations pointed out that 85% of the global fish stocks are either fully exploited, overexploited or recovering from depletion (Duyck, 2012). Fisheries contribute to a large extend to the main food supply worldwide and it is subsequently only a matter of time until the world turns to the High North to meet global fish demands.

Contemporary Arctic research so far has failed to address proper management mechanisms of marine life and has not succeeded either in coherently addressing the fragmented mosaic of Arctic governance and its multiple stakeholders. The recent exclusion of Iceland in a summit regarding the establishment of a common accord to regulate fishing in Arctic waters presents a unique case to set the focus for commercial Arctic fisheries, which is well on its way of becoming an important economic activity in the Circumpolar North. The growing interest in the economic utilisation of Arctic resources has questioned the applicability of current governance arrangements and led to predictions concerned with conflict potential over natural resources, due to rising commercial stakes and insufficient institutional regulations (Keil, 2012b). To make sense of Arctic governance, we need to understand what is currently happening in the High North and look beyond conventional approaches that focus on the potential of conflict. What is really needed is a coherent understanding of the regions issues (Jegorova, 2013). The diversity of Arctic issues creates a need to adapt to on-going changes and requires innovations in governance mechanisms. Identifying the unique opportunities and risks in the mosaic of Arctic cooperation is necessary to guide the adaptation of Arctic governance structures in the light of future changes. Through an analysis of regional cooperation in the Arctic with a particular focus on fisheries, the thesis seeks to assess whether regional governance is a suitable mode of governance for the High North and to evaluate what regulatory responses are required to sustainably develop Arctic fisheries. The existing patchwork of national interests, regional approaches and international arrangements imply that there are no simple answers to the question (Tedsen et al., 2014).

I argue that the current governance mode of the Arctic has significant shortcomings in the evaluation of its legitimacy, identity and efficiency, but that it is well on its way to overcome those weaknesses. Contemporary Arctic governance is characterised by a multitude of bilateral, multilateral and regional agreements and regimes. Regional arrangements, such as the Arctic Council, and global regimes, such as the Law of the Sea¹, are only few tiles in the governance mosaic of the Arctic (Keil, 2013b) and need to be further examined. The existing governance structure can thus be understood as a complex network of different governance arrangements. Weber (2012) notes that Arctic governance relies on sovereign state initiatives and that pan-Arctic governance should be considered as a dynamic process of regional arrangements. However, the incorporation of both state and non-state actors into the political decision-making process creates a necessity to look beyond traditional approaches of political

¹ The Law of the Sea refers to the United Nations Convention on the Law of the Sea (UNCLOS) and its two implementation agreements covered in section 5.2 Law of the Sea.

science. The argument here draws on criteria built from a theoretical foundation of regionalism. The emerging theory of *new* regionalism within international relations assesses regional cooperation in a more diverse form of integration and in its complexity is a product of historical, social and political forces that involves actors beyond the nation state.

To make Arctic governance explicit, this thesis uses the regulation of Arctic fisheries as the issue area that requires most regulatory responses. A recent initiative to discuss a regional arrangement to regulate fishing in the central Arctic Ocean is an indicative for the limitations of the already fragmented fishing regime in the Arctic (Keil, 2013b), implying necessary regulatory responses. If the commercial possibilities of industrial fisheries in the Arctic are to be realized, it is pertinent to draw experiences from an existing regional fishery arrangement to consider institutional responses by identifying positive and negative lessons in the emergence and management of such regimes. The thesis therefore examines the North East Atlantic Fisheries Commission (NEAFC) to consider regulatory responses for the management of fish stocks in the central Arctic Ocean. The empirical analysis of NEAFC showed that the management of fisheries is a very technical matter and that discordancy is still a major factor in the negotiation of fishing quotas whose success depends on states' willingness to cooperate. Even though most areas of the Arctic waters are covered either by national measures or other regional arrangements, the central Arctic Ocean still lacks a regional arrangement and disputes regarding fishing quotas will most certainly arise. Reaching a formal agreement is especially important for the indigenous peoples of the Circumpolar North, as customary hunting, herding and fishing are transformed into economic activities such as industrialized harvesting for commercial purposes (Duhaime, 2010). Wherever there is change, there is opportunity. The Arctic has been depicted as one of the greatest opportunity since the end of the Ice Age (Medred, 2014), however, change not only requires action, it as well needs sustainable planning for future generations.

1.1 Methodological Considerations

My approach in answering the research issue rests on five steps, which is also reflected in the structure of the thesis. I begin by sketching a theoretical foundation and defining the Arctic as a regional setting to give the reader a basis for understanding current Arctic affairs. Then, I continue by conducting both a review of the involved state actors and an analysis of the contemporary governance structure of the Arctic to outline the political and economic landscape as well as the regulatory framework of the region. The final step is then a case based analysis to evaluate regulatory responses concerned with the management of fisheries.

The findings are then synthesised and discussed in a final chapter that assesses the current governance mode of the Arctic. Below, I will briefly introduce the purpose and methodology of each step.

I begin my thesis with a theoretical foundation of regionalism within international relations theory together with international law. The purpose of this section is to build an understanding of state interaction and define certain criteria that are necessary to evaluate the research issue. Since regionalism generally is considered to be more of a concept than a theory, I expect that it will not predict future outcomes of Arctic affairs, but provide an understanding of what constructs a good mode of governance. Formal cooperation between state actors often results in codified agreements that lead to a controversy, because the signatories cannot be bound to a greater extent than their sovereignty considers necessary (Bisschop, 1940). I thus include a philosophical detour of the dilemmas within international law to comprehend state behaviour when regulating economic activities.

In the second step, I will briefly provide a background of the Arctic and its issues to give a common explanation of the northernmost region of the globe. The primary objective with this chapter is thus to define the Arctic as a regional setting to identify its geographic, economic and environmental scope. The following step aims then at analysing the contemporary stakes of the main actors in the Arctic region. The review of the Arctic's main stakeholders allows me to consider the political and economical landscape of the region. The inclusion of all relevant state actors should furthermore provide a more complete picture of contemporary Arctic geopolitics.

In order to enhance the evaluation of the governance mode of the Arctic, I complement the investigation so far with an analysis of selected governance arrangements in a fourth step. Methodologically, I will primarily rely on a qualitative analysis of mainly secondary literature sources, which is also applied to the other sections of the thesis. Although it is less time consuming than collecting the data myself, there are certain drawbacks associated with the use of secondary sources, as it in principle relies on already published data and limits the control over data quality (Saunders et al., 2007). The literature used is predominantly comprised by qualitative secondary data, such as journal articles and mainstream media, as it can respond to current events quicker than peer-reviewed academic literature, but also primary sources in the form of governmental documents and institutional reports. The advantages of an exploratory study is that it assesses what is happening and seeks new insights to assess phenomena in a new light (Saunders et al., 2007). I expect that this section

will relate directly to the theoretical foundation and provide evidence in the proper evaluation of Arctic governance.

Finally, I use a single case approach to measure regulatory responses for a sustainable development of Arctic fisheries. NEAFC is used, as it represents a unique case of fishing regulation that is not only subject to most of the Arctic states but has also been transformed in recent years in accordance with the developments of international law. I expect that the case will provide ample inputs for considering regulatory responses for the management of fish stocks in the High North.

2 Theoretical Foundation

2.1 Overview of International Relations and International Law

In order to coherently analyse the governance mode of the Arctic and to constitute regulatory responses, a theoretical foundation is needed to grasp the complexity of the research issue. The disciplines of international relations and international law both present theoretical approaches towards the understanding of governance issues. Even though the disciplines overlap to a large extent, they are both concerned with the same kind of questions relating to state behaviour and governance arrangements in world politics (Cali, 2010). Governance in itself is a far more complex concept than generally believed. Discussions include elements from economic, social, political and legal disciplines. Traditionally, governance has been associated with government, however, during the past decades the concept of governance has been used for actors outside the political realm and new approaches towards governance include the whole human activity, rather than only state actors and institutions (Kjær, 2004). Foster and Barnes (2011) found that the focus shifted from government to governance and from governmental consolidation towards regional problem solving, as an interest in regional-scale policy and the need for inter-jurisdictional responses emerged. Hence, a good mode of governance within international relations frequently incorporates a variety of regional actors beyond the nation state.

The study of international relations is considered to be a mixture of the global political economy and international security that conventionally focuses on either conflict or cooperation among sovereign states. There is however no single or widely accepted theory for international relations, as it is an unpredictable realm of turbulent processes that still catches scholars by surprise (Goldstein and Pevehouse, 2006). The increase of interdependence and involvement of non-state actors challenges the traditional neo-realist view of international relations, which is mainly concerned with inter-governmental affairs (Kjær, 2004). Acharya (2002) argues that the sovereignty-modifying effects of globalisation foster regional cooperation, which is becoming a less sovereign-bound way of state interaction that increasingly provides a new basis for regional analysis. After the fall of the Berlin Wall, scholars of international relations have rediscovered the concept of regionalism as a theoretical paradigm of studying international relations. The former President of the European Council, Guy Verhofstadt, advocated back in 2001 that the current G8 countries should be

replaced by a G8 of existing regional partnerships (Hveem, 2003). Success or failure of regionalism goes often hand in hand with the cooperation effort of sovereign states and their motivation towards this kind of policy or their attitude to reject it completely (Farrell et al., 2005). The success of a regional project depends thus on the actors willingness to cooperate

Whilst the study of international relations tries to understand and explain international affairs, international law focuses on its regulation. International law is thus the law that regulates the relations between states. Scholars of this discipline are often dealing with legal qualification of events, acts and processes in terms of their broader legal significance (Cali, 2010). A recurrent topic is the growth of policy networks on regional and transnational levels that adds complication towards accountability structures (Kjær, 2004). The question of *who rules the ruler* is derived from exactly this issue. This discourse is rather philosophical in nature and intrinsically linked to the question of *why states cooperate* within international relations. Consequently, international law is by many perceived as soft law, as there is no higher authority than the state itself. Mörtz (2004) argues that the concept of soft law was not a mere demonstration of academics studying law within governance structures, but rather legitimized and helped to understand world politics. Hence, regulatory responses require an understanding of the difficulties concerned with the issues of legitimacy and accountability within international law.

Prior to assessing governance and regulatory responses in the Arctic, one first has to build certain criteria based on a theoretical foundation by approaching the theory of regionalism as well as addressing the dilemmas of international law within international relations. This framework should support the understanding of contemporary Arctic affairs and pave the way to explore current governance arrangements in the region.

2.1.1 Approaching New Regionalism

Regions and the complex dynamics of regionalism have never been so important in world politics than today. Bickerton and Gagnon (2008) found that regions have the power to change and set political agendas and thereby influence the global political system from a variety of different angles. However, they note that the concept and political phenomenon of regionalism is a challenging and complex subject to study. Regionalism needs to be understood as a more diverse form of integration. It is a product of historical, social and political conditions that includes all relevant stakeholders ranging from states and non-state actors to organisations and social groupings (Farrell et al., 2005). At this point it is important to highlight the historical context and distinguish between *old* and *new* regionalism. *New*

regionalism emerged in the mid-1980s and early-1990s as a result of globalisation and has its origins in the transformation from a bipolar to a multipolar world. *Old* regionalism dates back to the 1950s and focused mainly on security issues and the political tensions during the Cold War (Bickerton and Gagnon, 2008). For the sake of a common understanding, the term regionalism is in this thesis therefore associated with the concept of *new* regionalism. Another important distinction that needs to be mentioned is the difference between regionalism and regionalisation. Regionalism is considered to be an ideology whilst the former is the actual process of region building itself (Hettne and Söderbaum, 2000). Regionalism is understood as an ideology that refers to a clear idea of a region, incorporating goals and values associated with a certain group of actors. Regionalisation is thus progress towards this ideology that focuses on the increase of exchange, contact and cooperation within a given region. While regionalism may fail to reach its goals, regionalisation may be used to reach an anticipated end (Hveem, 2003).

Bickerton and Gagnon (2008) highlight that the contemporary understanding of regional developments consists of economic, social, cultural and environmental approaches to create specific policies tailored to local needs by involving a broader range of actors. This process requires a high degree of decentralisation and regionalisation of governance. All levels of government need to acknowledge that policy decisions nurture a sustainable region when policies emerge from strong networks of regional actors. If regions can cohere socially and culturally with the support of government, they will be more likely to adapt to new economic challenges and opportunities. A theory about regionalism can thus not be simply about the emergence of regions, it has to be about the transformation of global politics and the emergence of a multilevel pattern of governance (Hettne and Söderbaum, 2000). Hurrell (2005) claims that there is no *regional dimension* to international relations theory and argues that it would be better to consider foundational sets of ideas that address the emergence of institutions and conflicts, rather than looking for the right theory. From an academic point of view a universal theory for the study of regionalism would be desirable, although the diversity of contemporary regional projects have shown that arrangements differ from each other, in some cases fundamentally. The European Union (EU) is repeatedly used as benchmark for regional analysis, yet it profoundly varies with its economic and political integration from other regional arrangements. To compare the governance structure of the Arctic with the process of European integration impelled by the EU would result in false conclusions, as both regions differ fundamentally from each other in both geographical and political terms. Hence, regions should be studied individually, as regionalism still presents a new field in the

discipline of international relations and requires more knowledge about levels, dimensions and actors (Hettne and Söderbaum, 2000).

Wide ranges of new forms of regionalism are emerging to understand and tackle the increasing challenges of global and regional governance. Pundits have increasingly put their focus towards levels, patterns and ideas as theoretical foundation to address regionalism rather than searching for the right theory (see Söderbaum and Shaw, 2003). Bickerton and Gagnon (2008) maintain that cultural convergence has not yet led to declining regional politics, so regions should be understood as cultural spaces with distinct value systems and diverse regional identities. Hettne and Söderbaum (2000) define the process of regionalisation and its indicators as *regioness* and theorise it as the process where a geographical area is transformed from a passive state to an active subject, capable of articulating transnational interests. Foster and Barnes (2011) consider regionalism as complex and multifaceted politics of adaptation to changing environments of the political economy. The authors focus on regional governance, which by its definition in contrast to a single jurisdiction is tenuous, risky and complex. Söderbaum and Shaw (2003) point out that many theorists emphasise the diverse relationship between globalisation and regionalisation. Hveem (2003) consequently argues that a regional project can ride on, reinforce, reject, hinder or hedge globalisation and thereby draws attention towards the dualism of globalisation and regionalisation. One of his arguments states that regional governance has a political advantage compared to multilateral and global governance. Bickerton and Gagnon (2008) underline that the traditional view of competitive advantage is now supplemented with socially embedded growth that requires regional governance to foster collaborative policy frameworks. Regionalism incorporates social, cultural and environmental dimensions compared to the traditional economic approach of regional development. According to Hveem (2003), the world needs a better mode of governance and advocates for regional projects of governance. Fact is that according to Acharya (2002), regionalism gradually becomes a less sovereign-bound way of state interaction and mode of governance.

Hveem (2003) addresses, in his paper *The Regional Project in Global Governance*, whether regional cooperation is the answer to the problem of collective action at the international level and assesses the resulting potential of emerging inter-regional agreements. He found that economic wealth, improvement of the environment, conflict resolutions, security issues, or the strengthening of members towards third parties initiate cooperation at the level of international regions. His argument is that the strength of a regional project increasingly depends on whether it is able to establish the perception that it enjoys a

comparative advantage in resolving governance issues. Overcoming obstacles of legitimacy, identity and efficiency can lead to such an advantage. A governance model can be considered effective, when it creates decisions at low cost and sets legitimate rules for behaviour, which are voluntarily accepted by most participants. Furthermore, a collective identity is an important precondition to maintain a successful institution and its legitimacy. Still, regional arrangements are often considered voluntary and cooperative in nature. Those agreements are often very diverse and difficult to define, while some are trans-regional others are bilateral (Hettne, 2005).

Nonetheless, Hveem (2003) points out that the analysis of what constitutes a comparative political advantage is controversial. Neoclassical economists see regional projects as failure or success on the basis of economic outcome and whether it is efficient in allocating resources. Trade agreements are thus either closed or open to global markets. In the disciplines of political science or political economy the question is not if agreements are open or closed, but rather if the allocation of resources is just. So in order to guarantee a just redistribution of wealth that ensures an absolute gain for all participants in a regional project, intervention by a political institution is subsequently necessary to eliminate *defensive positionalism*. Hence, a region needs to be understood as a scene of intervention by actors ranging from national, local, regional, and now even supranational levels (Bickerton and Gagnon, 2008).

Hveem (2003) maintains that international and domestic forces mutually influence each other and shape the outcome of a region and determine its comparative political advantage. Nevertheless, it is important to find the right balance between top-down and bottom-up politics (Bickerton and Gagnon, 2008). When regionalisation appears as a result of domestic politics, two mechanisms can be observed; either complex interdependence or issues that call for collective action, such as air and sea pollution. In contrast, top-down politics often meet large oppositions in democratic countries. Plebiscitary politics, for example, experienced hard resistance in countries like Norway and Switzerland when engaging in regional projects such as the EU (Hveem, 2003). Farrell et al. (2005) support the dialectic argument by assuming that regionalism is a response to globalisation and is as such a reaction towards the diverse aspects of global processes. But on the other hand they also recognise that regionalism emerges from internal dynamics of the region and is driven by the motivation of local players.

Corporate actors increasingly prefer regional arrangements to regulate areas such as common waterways, fish stocks or air pollution. If your neighbouring state is not one of your important markets, it might however be a competitor for common goods or a source of pollution. Institutional regulation has therefore the effect of excluding foreign competition

and favouring local businesses (Hveem, 2003). Economic, technological, political and cultural changes usually associated with globalisation further altered the traditional view of regionalism. Falling trade barriers and the creation of free trade and other agreements contribute to a neo-liberal policy framework (Bickerton and Gagnon, 2008). However, the establishment and the implementation of rules need to be distinguished. Multilateral agreements would accordingly have less transaction costs and would be more preferable than an institution with fewer parties. That means that an institution with the maximum number of participants would in theory reduce transaction costs to a large degree compared to a number of bilateral agreements. Nonetheless, one of the largest obstacles to multilateral institutions is the cost of controlling free riding. A high number of participants in a regime increase the opportunity that one will defect. If too large, participants will turn to bilateral or even unilateral agreements (Hveem, 2003). It needs to be kept in mind that regionalism is still a political project which is created by human actors with the potential to fail (Hettne, 2005).

In the end, the concept of regions should in a traditional sense always be associated with a geographical territory. Yet, the new approach to regionalism recognises regions as a construct of social, economic and political constructions across state borders. Regions are therefore far from static entities and are creations of continuous human activity (Bickerton and Gagnon, 2008). Hveem (2003) concludes that the role of international regions has the potential to become a more effective public institution than each single state itself, because it represents a collective identity that makes it more legitimate than global implications. However, the success of a regional project significantly depends on the willingness to participate. All in all, the suitability of a regional governance mode relies on efforts to overcome obstacles of legitimacy, identity and efficiency by involving all regional actors, generating a just distribution of wealth and finding the right balance between top-down and bottom-up politics.

2.1.2 Dilemmas of International Law

Where there is cooperation, there is also potential for conflict. International law faces a dilemma of who creates it and who enforces it. Regional cooperation often consists of reciprocal commitments to harmonise policies among countries that consist of regulatory policies codified in agreements between sovereign governments (Koenig-Archibugi, 2010). This formal cooperation is then transformed into rules and regulations referred to as international law. In order to evaluate regulatory responses, the underlying political reasoning for accepting and recognising the authority of law needs to be investigated. Although the

following section seems to serve more a philosophical purpose at first sight, as it tries to address the issues that relate to legitimacy and compliance within international law, it is nevertheless important, as it provides an understanding of state behaviour in both the emergence and regulation of governance arrangements.

Sources of international regulation are often attributed to the research paradigms of international law and international relations. International law commonly addresses the relations between two or more states. Considering that all states are presumed equal, they present the highest authority and transform the concept of international law into a horizontal matter. The difference between international law and international relations is thus that the latter tries to explain and understand state actions, whilst the former is considered to regulate the relations between sovereign states within the concepts of law (Cali, 2010). Clark (1999) notes that obstacles towards international regulation are often rooted in the interests of individual nation states and their jealous guarding of sovereignty, making international agreements or regimes difficult to achieve. As a result, much of what describes international relations is undertaken by states' self-interest and the resulting commitment that generates duties and obligations (Pufong, 2001). However, the understanding of international law significantly depends on the theoretical lens that is worn. International law and international relations are two separate disciplines that overlap with each other to a large extent and frequently use the same set of theoretical approaches to comprehend world politics. The different theories of international relations all emphasise to a different degree the importance of state power, rational self-interest, institutions, ideas and culture.

Traditional analysis of world politics is frequently divided into the two major theoretical paradigms of realism and liberalism. Those two theories mark the starting point of why states cooperate. Neither of those theories is right nor wrong, as both try to explain global affairs with common as well as conflicting interests. For liberalists cooperation presumes common interests, whilst realists live in a constant state of conflicting interests (Stein, 1990). The theory sees states as primary actors in the international system and thus emphasises state power, national security and the threat or use of force to understand state behaviour (Cali, 2010). Realists, such as Morgenthau (1940), argue that international organisations are tools for states if so desired. Because the balance of power is executed by the sovereign state, international law is considered weak from a realist point of view. Karns and Mingst (2010) point out that states coexist in an anarchic international system, characterised by the absence of an authoritative hierarchy. Thus, states are concerned with their own insecurities and focus

on acquiring more power than other states. As such, there is little room for cooperation as states compete with each other.

On the other hand, liberal theory contradicts the realist view of the international system and disagrees that the structure of world order and state behaviour is determined by international anarchy (Cali, 2010). Liberalism argues that human nature is good and behaviour is malleable through institutions (Karns and Mingst, 2010). Although not rejecting states as important actors in the international system, a core argument of liberalism incorporates the domestic political and constitutional order for understanding state behaviour (Cali, 2010). More emphasis is therefore put on the role of non-state actors within international law. As a result, cooperation is seen as a possibility that will grow over time as mutual interests will increase and create interdependence that solves common problems. International law becomes in this context an important instrument to maintain order. In the absence of regulation, trade would diminish due to the lack of enforcement and legal protection of the involved actors (Karns and Mingst, 2010). Liberalists are subsequently more likely to focus on international regimes as significant features of world politics, because the emergence of international law is understood as a measure for states to cooperate in common areas of interest.

The discourse relating to the emergence of international law and the dilemmas of who creates it and who enforces it, fuels the philosophical proclamation that there is no such thing as international law. With trade significantly influencing global affairs, states are bound to find diplomatic consensus, as there is a requirement for equilibrium in the question of how international law is defined. There is no supremacy over state authority and since law is considered to be the regulation of the sovereign, the binding concept that international law presumes cannot exist as it is. Consequently, international law can arguably be perceived as mere guidelines, rather than rules, regulating the relations of international states.

A variety of classical and contemporary thinkers have tried to address the concept of international law from a philosophical stand. Bisschop (1940) noted that the term *law* within the context of international law could not be understood as the genuine term *law* as it is understood in customary law. He said that international law needed to be understood as the sum of rules accepted by sovereign states that determined the conduct towards each other. Hence, sovereignty should be understood as the foundation of international law (Cali, 2010). Grotius argued that conflicts between states are determined in the same system, for two states' disagreement is based on just or unjust opinions depending on the respective position (Grotius and Neff, 2012). The morals and beliefs of civilisation are set equal to those of international

law, which are derived from ethics of what society reasons as just. His argument is that international law is a reflection of civilisation that creates a dynamic process feeding one another. Morgenthau (1940) elaborates by saying that the international community no longer exclusively consists of states, but involves a variety of diverse stakeholders such as international organisations, multinational companies and other non-state actors as well. International organisations with its multiple state and non-state actors challenge the traditional approach to international law by not fitting into the conventional world order construed by the Westphalian sovereignty, meaning that generally all nation states have authority over their territory. Law, as an element of supremacy, needs thus to be recognised by a legislative or judicial authority. In the absence of an international legislative authority and infrequent pronouncements of international judicial courts, it becomes necessary to ask how certain rules come to be binding upon nations (Bisschop, 1940). Kant wrote in his philosophical sketch *Perpetual Peace* that the legislator also needs to be subject to legislation (Kant and Reiss, 1991). States are known to codify their formal cooperation into treaties or regimes to govern their relationships. Bisschop (1940) points out that treaties can never be more than simple contracts between state authorities, to be followed in circumstances at the time the treaty was drafted. The signatories to an international agreement cannot be bound to a greater extent than their sovereignty considers necessary. Theories of international law can thus be understood as a dynamic collection of arguments that are subject to constant revision dependent on international events and issues of their time (Cali, 2010).

Stein (1990) concludes that international conflict and cooperation are inextricably joined in world politics and both reflect purposive calculated behaviour based on interactions and institutional factors. Cooperation and conflict should thus be perceived as results from choice and assessment, products of payoffs, perceptions and calculations. The question of why states cooperate in international arrangements or abide international law still depends on the state itself. Whether it engages in cooperation to solve common problems or tries to gain more by increasing its capabilities remains an open question.

3 The Arctic as a Setting

Although the Arctic's geographical components have always existed, its identity as a region has only emerged in recent years. With the receding ice sheet and the increasing accessibility of natural resources, the region finds itself more often at the crossroads of world politics. During the Cold War the region was mainly characterised as a military theatre for the two world powers (Grímsson, 2014). This perception, however, has changed with the beginning of the 1990s, when the regional identity we know today was created. To some it is known as the Arctic, to others it is a combination of the Arctic and Subarctic identified as Circumpolar North (Heininen and Southcott, 2010). Some states have implemented northern strategies, whilst others drafted policy documents referring to the High North. For the sake of a common understanding, the terms Arctic, High North and Circumpolar North are treated synonymously throughout this thesis and refer to the definition outlined within this chapter.

So far, there is no clear definition of the Arctic, as it depends on geographical, political and even commercial criteria. Borders are often drawn opportunistically and frequently depend on political agendas or economic intentions. Still, people's image of the region is commonly perceived as a frozen and sparsely populated wasteland, yet others see it as an *Eldorado* filled with natural resources waiting to be exploited for the increase of wealth. Nevertheless, the contemporary Arctic boom can be explained by a transformation from a fragmented scientific exploration to the emergence of big business, which creates a region one could classify as a second *Klondike* (Christiansen et al., 2014; Heininen and Southcott, 2010). The primary objective with this chapter is thus to define the Arctic as a regional setting with its geographic limitations, different voices, economic activity and environmental implications.

3.1 Geographic Limitations

Finding a universal definition of the Arctic's boundaries is close to impossible. The geographical scope of the Arctic always depends on the circumstances and issues that are discussed. The most common spatial understanding of the Arctic is probably the Arctic Circle, or Polar Circle, which refers to the parallel of latitude that runs 66° north of the Equator. However, depending on the scientific purpose, a variety of limitations exist. The Arctic Biodiversity Assessment advocates that on land, the treeline is the most effective southern boundary, whereas at sea, the boundary is approximately the maximum extend of sea

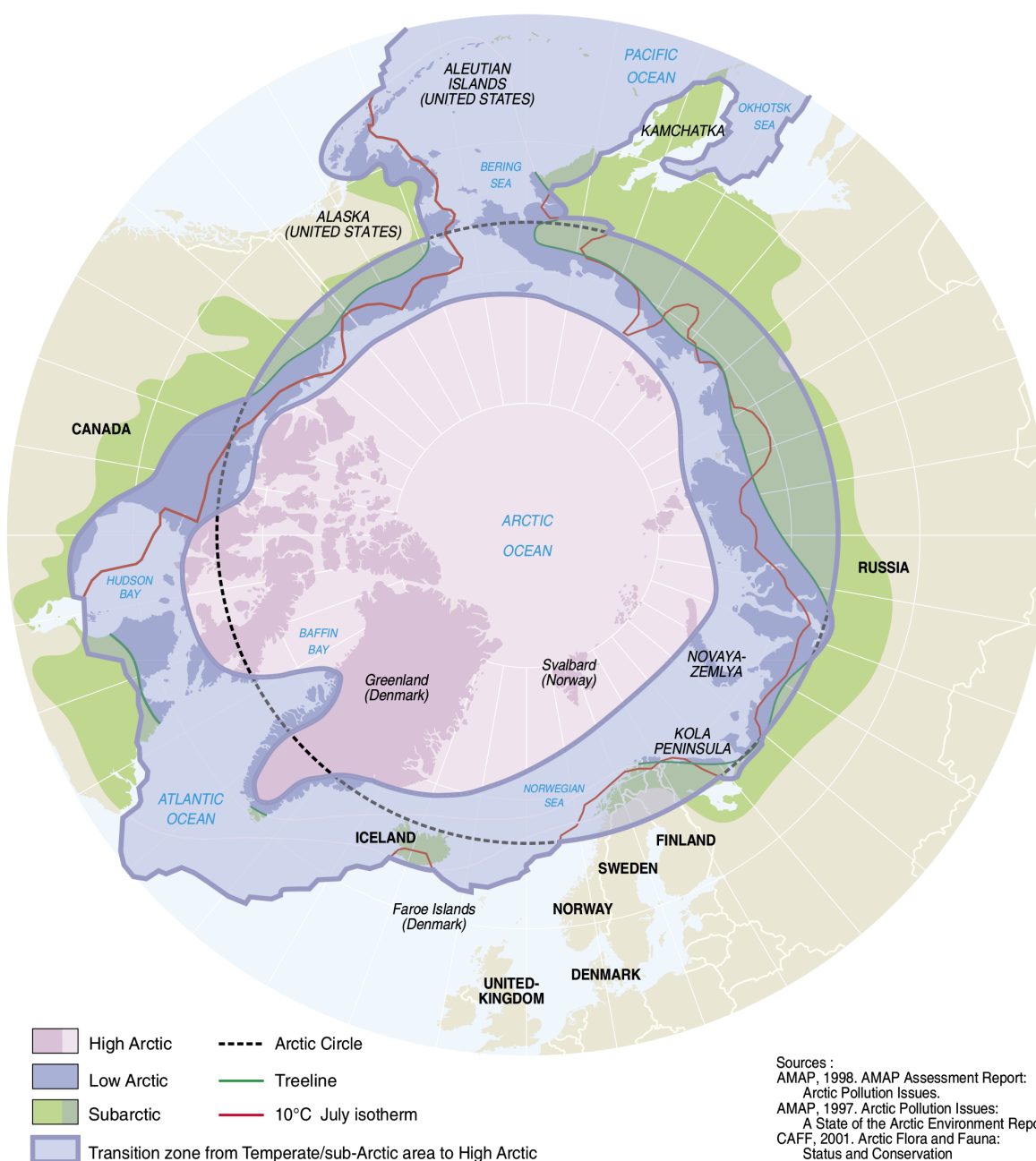


Figure 3-1: Boundaries of the Arctic (GRID-Arendal, 2004).

ice (CAFF, 2013). Several definitions of the Arctic as a region exist and the most common used limitations are illustrated in Figure 3-1.

From a geographical point of view the Arctic is made up of eight countries commonly referred to as the Arctic states. Those are Canada, Denmark, Finland, Iceland, Norway, Russia, Sweden and the United States (Alaska). Although Denmark does not lie within the traditional boundaries of the Circumpolar North it is considered as an Arctic state by the virtue of Greenland and the Faroe Islands. More precisely, the Arctic is made up of 28 separate regions across the eight Arctic countries. Those regions include Arctic Russia with the Republics of Karelia and Komi, the Murmansk and Arkhangelsk Oblasts, the Yamalo-

Nenets and Khanty-Mansi Autonomous Okrugs, the Taimyr and Evenkia former Autonomous Okrugs, the Republic of Sakha, the Magadan Oblast, and the Chukotka and Koryakia Autonomous Okrugs. The North American Arctic includes the State of Alaska and the Northern territories of Canada with the Northwest Territories, Yukon, Nunavik and Nunavut. The European Arctic consists of Greenland; the Faroe Islands; Iceland; Arctic Sweden with Norbotten and Västerbotten; Arctic Finland with Lapland and Oulu; and Arctic Norway with Finnmark, Nordland and Troms as well as the Svalbard Archipelago including Jan Mayen (Glomsrød and Aslaksen, 2010).

As with the geographic boundaries, the maritime Arctic does not present a universally recognised topographical definition of the Arctic Ocean. It is though widely accepted that there are only five coastal states to the Arctic Ocean (Koivurova and Molenaar, 2009). Those littoral states consist of Canada, Denmark (in relation to Greenland), Norway, Russia and the United States, as their exclusive economic zones border the central Arctic Ocean. The majority of the Arctic Ocean² is thus divided between the national jurisdictions of the Arctic states and only leaves a few high seas areas that are either subject to the Law of the Sea³ or managed by regional organisations, which will be addressed in chapter 5 and 6. Throughout this thesis, the geographic definition of the Arctic thus refers to the limitations illustrated in Figure 3-1 in combination with the 28 regions covered in this section.

3.2 Environmental Factors

Climate change plays an important role in Arctic policy development and is thus briefly introduced in this section to include a focus on the environmental background. The most visible environmental impacts in the Arctic are of physical nature, which include warming temperatures, the loss of sea ice and an increasing footprint from industrial activities (CAFF, 2013). Since the 1950s the Arctic has roughly warmed up twice as much as the global average. An average global increase of 2°C would imply an increase of 3-6°C in the Arctic (Astill, 2012). Climate change in the Circumpolar North cannot only be observed, but is part of peoples everyday life. The population of the Arctic accounts for approximately four million people. The Arctic Ocean Review states that Arctic communities and indigenous peoples in particular rely on marine ecosystems as part of their livelihood. Although a number of the marine ecosystems are used productively and sustainably, stressors do exist, which include

² An interactive map of the Arctic Ocean with its different boundaries and activities can be found at argkis.org.

³ For an extensive coverage of the Law of the Sea see Henriksen et al. (2006).

climate change, pollution and increasing economic activity (PAME, 2011). Positive impacts of the receding ice may be increased marine access to the regions' resources, but on the other hand the same impacts can have devastating effects for polar bears, ice-dependent seals and local people that are dependent on those animals (ACIA, 2004). Paradoxically, the species that profits most from those impacts is the one who is causing it: the human being (Astill, 2012).

The Intergovernmental Panel on Climate Change estimates a substantial rise in temperature by the end of the 21st century. The warming of the oceans will have significant effect on crucial attributes of marine habitat and is likely to cause a change in migration patterns as well as an impact on size and yield of commercial fish stocks (Arnason, 2012). Some species will profit from a warmer Arctic, whilst others may become extinct (Astill, 2012). Fortunately, there is little reason to believe that there will be an overall reduction of fish stocks. However, in certain regions, the availability of fish stocks may be significantly altered. In the Atlantic, fish stocks like mackerel are migrating further north and into other countries' jurisdictions, creating political tension over fishing quotas (Arnason, 2012).

Developments in the Arctic are often tied to global implications. Astill (2012) notes that the melting of sea ice is not the most imminent threat towards a rise in sea level, because floating ice displaces its own mass in seawater. However, the melting glaciers of the Arctic definitely will lead to a rising sea level. Considering that Greenland's ice cap is roughly 3km deep, it holds enough water to cause a rise in global sea levels by 7.5 meters. Climate change may not originate in the Arctic, but its impact on the region will definitely affect the planet as a whole. People living outside the boundaries of the Arctic have thus great stakes in its developments as well (ACIA, 2004).

3.3 Arctic Voices

The Arctic was once considered a backwater in both bureaucratic and literal terms. However, the impacts of climate change and forces of globalisation caused global consequences for the region and has become the focus of attention of both Arctic policy makers and foreign diplomats as far away as Berlin, Beijing and Brussels (Young, 2012). The loudest voices in the Arctic discourse are however from representatives of the Arctic states. Namely the Arctic Council, an intergovernmental forum for promoting cooperation, coordination and interaction among the Arctic states (Arctic Council, 1996), which forms a common voice. The commercial exploitation of the region makes many people forget that Arctic governance is not only a political interplay between sovereign governments and private

companies, but that the Arctic, in contrast to the Antarctic, actually is inhabited (Koivurova, 2008). Indigenous peoples organizations have emerged in recent decades and have affected the political and diplomatic process governing the Arctic. A unique feature of the Arctic Council is thus the incorporation of the indigenous population as permanent participants into the policy process. However, Weber (2012) notes that the indigenous groups do not have the same authority as member states, although it does not reflect their importance in consulting matters, as the Arctic Council is considered an initiative specific to the region.

In 2008, the five littoral states of the Arctic signed the Ilulissat Declaration to address issues relating to the Arctic Ocean and ultimately blocked the establishment of a comprehensive legal regime to govern the Arctic Ocean (Arctic Ocean Conference, 2008). The grouping of the five coastal states, often referred to as the Arctic Five (A5), has often been criticised by the remaining Arctic states, as the declaration reduces them to *other users* and excludes them in important governance decisions. An initiative to counteract the hegemonic grouping of the A5, led by Iceland, resulted in the foundation of the Arctic Circle, a discussion forum aimed at all Arctic stakeholders regardless of geographic location. The incorporation of foreign voices into Arctic geopolitics progressively affects Arctic affairs and only fuels the dualism debate between global and regional voices (Knecht, 2013). In that context it has to be considered that there is no Arctic state, which has the financial means to undertake all required developments on its own (Peimani, 2013). A more comprehensive analysis of the Arctic Council, Arctic Circle and the Arctic states is done in the upcoming chapters.

3.4 Economic Activity

Economic activity in the Arctic is foremost associated with the extraction of natural resources. Many perceive oil and gas exploitation as the most common profitable activity, however, the exploration of new fishing grounds, extraction of minerals, forestry as well as hunting and herding by indigenous peoples have enjoyed increased commercial success. The Arctic accounts for approximately 0.44 per cent of global GDP, considering that the Arctic inhabitants amount for only 0.16 per cent of the global population. An economic comparison would suggest a minor role within the global economy, however, the High North is home to abundant natural reserves such as energy resources and fish stocks (Glomsrød and Aslaksen, 2010). Other economic areas such as tourism and especially shipping have grown intensively in economic terms. Russia's Northern Sea Route and Canada's North West Passage have experienced an increase in traffic in recent years (Astill, 2012). Many expect that the new

shipping routes will become a major rival for already established trade channels, as it offers an alternative and reduces dependency on traditional global waterways. However, Humpert (2013) found that future shipping in the Circumpolar North will mainly consist of seasonal destination transport for the region's increased economic activity, the delivery of supplies and the transport of natural resources to markets in East Asia. It is in general difficult to assess standard economic indicators for regional comparisons, because factors such as dense or wide populated areas in combination with high value industries falsify the results (Glomsröd and Aslaksen, 2010). Chapter 4 addresses the economic and political stakes of the Arctic nations in more detail.

Nonetheless, the driving forces behind the commercial exploitation of the Arctic often emerge from global economic forces (Young, 2012) and pose governance and regulation challenges towards commercial activities. Examples of challenges for the Arctic economy are changes in migration patterns or extensions of fish stocks as well as the risk of oil pollution (Glomsröd and Aslaksen, 2010). These issues call not only for transnational coordination mechanisms, but also highlight the necessity for a governance structure that ensures a sustainable development of economic activity in the Arctic.

4 What are the Stakes?

Central to the success of a regional project is the actors' willingness to cooperate. Whether regional governance is a suitable mode of governance for the High North depends therefore on the readiness of the Arctic states to cooperate. As was pointed out in the theoretical foundation, obstacles to international cooperation are often rooted in the interests of single states. In order to determine the governance mode of the Arctic, it is thus essential to begin with outlining the interests of the Arctic states. Previous research has predominantly only focused on the littoral states of the Arctic and has failed to take account for the big picture. Establishing a comprehensive understanding of what is at stake in the High North requires the involvement of all Arctic states. Furthermore, the Arctic of the 21st century is closely integrated into the global economy with an increased economic, political and scientific interest towards the region. The interests among the Arctic states and other major international players such as China, India, Japan and the European Union (EU) create an entirely new set of political, economic and social scenarios in the High North (Bochkarev, 2013). It is thus appropriate to include a foreign voice into the analysis. The EU has through its emerging Arctic policy repeatedly advocated for its interest in the High North and should hence not be ignored. Consequently, this chapter analyses the political and economic landscape of the Arctic by approaching the Arctic states' northern strategies to assess their stakes in the Circumpolar North as well as a brief introduction into the Arctic dimension of the EU to incorporate a non-Arctic voice into the discussion.

4.1 Introducing Arctic stakes

The driving forces behind Arctic affairs are often implications induced by global warming that create commercial incentives for Arctic stakeholders. Oil and gas exploitation, mineral extraction, the mapping of new sea routes and the exploration of new fishing grounds are only few of the economic possibilities in the Circumpolar North. Maintaining the traditional lifestyle of the indigenous peoples has furthermore become an important incentive of Arctic states in the past decades, as it has been a significant item on the political agenda to preserve the cultural heritage of the region.

Rising interest from non-Arctic stakeholders with capitals located far beyond the Arctic Circle moved the northern states towards more protectionist politics to support northern

communities. Policy focus has primarily shifted towards the unclaimed areas outside the exclusive economic zones (EEZ) of Arctic states. Especially the five coastal states have developed claims to extend their continental shelf to deep sea ridges of the Arctic Ocean floor (Koivurova, 2008). Back in 2007, deep-sea explorers planted a Russian flag on the seabed below the North Pole to stake a symbolic claim to the energy riches of the Arctic (Astill, 2012). Canada, on the other hand, has recently published new scientific data that claims the North Pole to be subject to Canadian sovereignty (Doyle, 2013). Although most maritime disputes have been resolved in the past years, the Arctic has become a geopolitical hotspot transformed into a political arena with different actors and their competing interests (Heininen, 2014).

The receding ice sheet has enabled an almost ice free Arctic Ocean in some periods of the year and projections estimate that the central Arctic Ocean will become completely ice free during the summer months in the next two decades. The melting of the ice does not only enable cargo ships to navigate more safely through the Arctic waters, but also opens new reachable fishing grounds for northern communities. A recent climate report by the United Nations (UN) found that fish stocks are slowly migrating further north and estimates predict that the Circumpolar North will potentially double its fish populations by 2050 (Andersen, 2014). Scientists have consequently urged policy makers for more scientific research of fish stocks in the Arctic, as industrial fisheries have the potential to destroy the vulnerable maritime Arctic (Duyck, 2012). Politicians from the United States and the EU have both expressed a halt on developments of fisheries in the central Arctic Ocean until a proper governance model is in place (Duyck, 2012). At a recent meeting on Arctic fisheries in Greenland, the Arctic Five (A5) agreed upon the need for precautionary measures to prevent any future commercial fishing without the prior establishment of appropriate regulatory mechanisms (Government of Greenland, 2014). In the chapter on the theoretical foundation I pointed out that regional specific policies nurture a sustainable region, when tailored to local needs. Regional consensus is thus important and relevant, as resources like fish stocks will eventually migrate further north and go beyond the 200nm⁴ EEZs and the jurisdiction of states (Duyck, 2012). The utilisation of new fishing grounds are far more complex and demand different institutional responses for a sustainable development (Keil, 2012b), especially since there is so far no international organisation or formal forum that has properly and in a broader sense addressed the issue of Arctic fisheries (Duyck, 2012). Lessons from the oil and gas industry illustrate that natural resources are not the same as geographical claims. Avango et

⁴ Nautical mile (=1.852 metres)

al. (2013) explain that issues shaping Arctic geopolitics are often global in scope rather than localized. Whether the Arctic resources will have importance in the future depends not only on the political responses concerning climate change, but also the social attitude towards it.

Howard (2009) and other pundits consider the unclaimed sections of the Arctic seabed as the common heritage of mankind. On those grounds, foreign policy makers have criticised the Arctic states of dividing the Arctic resources between themselves. Others suggest that climate change is only the context in which policies and treaties safeguard investments, by steering them into sustainable channels, which cause a need to incorporate the international community and not just the Arctic states (Halle, 2013). As most of the economic activity takes place in EEZs, jurisdiction lies with the sovereignty of the Arctic states. Areas outside the EEZs are thus subject to the Law of the Sea, which will be examined later in section 5.2.

The *race* for the resources of the Arctic implies competition; hence, one must ask who is competing against whom. The complexity of Arctic geopolitics consists of sovereign Arctic and Non-Arctic states interacting with organisations of indigenous peoples as well as economic interest groups. Addressing the strategies of the Arctic states focussing on commercial incentives will draw a sketch of the political and economic landscape of the Arctic. Paying attention towards economic activities, such as fisheries and energy exploitation, will identify who has high stakes in the Arctic and who is most dependent on an Arctic economy.

4.2 Arctic States

The Arctic states' interests are foremost onshore and offshore oil exploitation, but also the exploration of new fish stocks and potential sea trade routes have recently enjoyed higher significance (Knecht and Keil, 2013). *The Arctic is hot*, expressed Sweden's Arctic ambassador Gustaf Lind in a statement with a double meaning that refers both to climate change and the rise of political as well as commercial interest in the region, exemplified by the Arctic states' rush to map the Arctic seabed (Avango et al., 2013). The commercial exploitation of the region makes many people forget that Arctic governance is not only a political interplay between sovereign governments and private companies, but that the Arctic, in contrast to the Antarctic, actually is inhabited (Koivurova, 2008). Indigenous peoples organisations have emerged in recent decades and have affected the political and diplomatic process governing the Arctic. The Arctic Council legally provides and ensures the inhabitants of the Arctic with the full consultation and involvement of common Arctic issues (Arctic Council, 1996). One of its priorities is finding a consensus between northern communities and

policy makers, as for example fish and marine mammal stocks often are subject to the hunting and harvesting of indigenous peoples, who have priority over commercial industries (Muir 2010). The legal status of the indigenous peoples organizations grants them a seat at the big table influencing Arctic policy creation. Besides economic incentives, the attention devoted to the well-being of indigenous peoples can be observed throughout the strategy statements of all Arctic states.

4.2.1 Canada

The Arctic has a fundamental importance for Canada's national identity, because the region is home to many native Canadians living across the Yukon, Northwest Territories and Nunavut (Government of Canada, 2013b). Consequently the country holds high stakes in the Circumpolar North not only from a commercial point of view, but from a cultural perspective as well. Furthermore, Canada's stakes, much like its Arctic coastal neighbours, are tied to the extension of its jurisdictional territory with claims towards the continental shelf of the central Arctic Ocean (Brosnan et al., 2011).

Canada's Arctic strategy was first published in 2008 and has been updated recently in 2013. The government puts high emphasis on the exertion of sovereignty, which includes the establishment and maintenance of a physical presence in the region together with claims to an extended continental shelf (Brosnan et al., 2011). Further emphasis on its *Northern Strategy* becomes evident by the promotion of economic and social development, the protection of the environment as well as improving developments of Arctic governance structures by means of empowering the people of the north (Government of Canada, 2013b). Canada highlighted its priority of the development for the people of the north by appointing Leona Aglukkaq, an Inuk from Nunavut, as chair of the Arctic Council during Canada's chairmanship from 2013-2015 (Government of Canada, 2013a). The country's vision is a stable and rules-based region with clearly defined boundaries, dynamic economic growth and trade, vibrant communities and a healthy and productive ecosystem (Government of Canada, 2013b).

Petroleum activities accounted for more than 20% of Canada's total export, accumulating to a value of almost 100 billion US\$ in 2013. The fishing industry on the contrary exported for around 4 billion US\$, which only accounted for 1% of Canadian exports in 2013 (United Nations Statistics Division, 2014). Glomsrød and Aslaksen (2010) found that Arctic Canada's main economic activity is determined by the extraction of minerals and energy resources. Fisheries only conduct a minor percentage to its northern regional GDP. However, the government recognises the importance of fisheries in its Arctic region and in May 2010 the

Senate suggested cooperation between the authorities and the native population of the Northern Territories in order to formulate policies regarding commercial fishery in the Beaufort Sea (Muir 2010).

The Government of Canada (2013b) stresses that a proper foundation for cooperation in the Arctic lies within the acceptance and respect for northern communities and the traditional lifestyle of the indigenous peoples. By solidifying its northern identity, Canada tries to promote regional cooperation (Knecht and Keil, 2013) by recognizing a fair distribution between territorial residents and residents from other parts of Canada as significant aspect for future governance in the region (Muir 2010). Consequently, Canada argues that the Arctic states are best placed to exercise management and leadership of the region. Cooperation, diplomacy and abiding international law have always been Canada's approach towards Arctic issues, but it will not waver its commitment to protect the north and intervene with military involvement in emergency cases (Government of Canada, 2013b).

4.2.2 Denmark / Greenland

By the virtue of Greenland, Denmark is located centrally in the Arctic and is thus considered as a coastal state in the Arctic. Denmark's foreign policy incorporates the interests of both Greenland and the Faroe Islands. Denmark's initial Arctic strategy dates back to 2008 and was characterised by two aspects: fostering Greenlandic independence through economic development and the role of Denmark as an Arctic state (Brosnan et al., 2011). An updated strategy was signed in 2011 and is reflected as a joint Arctic policy of Denmark, Greenland and the Faroe Islands. Due to extensive home rule agreements of both Greenland and the Faroe Islands, Denmark highlights the importance for cooperation in its common foreign policy developments. The strategy document is to be implemented between 2011 and 2020, consisting of four main pillars focusing on a peaceful and secure Arctic region, self-sustaining growth and development, respect for the vulnerability of the Arctic's climate, environment and nature as well as the strengthening of cooperation with its international partners (Government of Denmark, 2011).

Almost 90% of Greenland's population are considered to be Inuit or descendants of the *Thule* culture. As such, the country holds high stakes in the Arctic, as it is not only located in the Circumpolar North geographically, but also almost exclusively populated by indigenous people. This has a significant impact on local fish regulation. Policy makers' need to address the discourse of whether fishing by northern communities is seen as a subsistent activity or an economic incentive with industrial character. Needless to say, the Greenlandic economy is

fairly small compared to its Arctic neighbours and depends almost solely on its fisheries. In 2013 the country exported fish and relating products for more than 400 million US\$, which accounted for 85% of total exports (United Nations Statistics Division, 2014). An economy that depends heavily on the fishing sector is very vulnerable to shocks against the Arctic marine ecosystem. Greenland was planning to diversify its economy by focusing on other sectors such as onshore mineral extraction and offshore energy exploitation to gain economic and political independence from Denmark. However, the expected wealth from minerals and other commodities have yet to be realised. Hannestad (2014) points out that Greenlanders returned their focus of economic activity towards their traditional fishing industry as large stocks of mackerel have been spotted off the coasts of Greenland. This year's fishing quota reached a record high of 100.000 tons and is expected to increase in the upcoming years, giving hope to eventually reaching the country's goal of independence.

Due to Greenland's dependence on marine resources, Denmark emphasises the self-sustaining growth and development of living resources in its Arctic strategy (Government of Denmark, 2011). Especially whaling enjoys a rather unique situation in Denmark. An EU directive bans all whaling in Danish waters; however, Greenland and the Faroe Islands have the authority to govern their policies in this regard in accordance with IWC⁵ regulations. Commercial hunting for large whales is thus forbidden, although subsistent hunting of marine mammals is still legal in both countries. Nuttall (1998) found that whaling in Greenland must be understood as something important for indigenous people in both cultural and economic terms. The hunting of marine mammals, like whaling, provides not only a vital source of meat for Inuit communities, but has powerful ideological and symbolic value for the production and reproduction of aboriginal cultures in the Arctic. Greenland's stakes in the Arctic are high. Expected wealth from mineral extraction as well as potential enlargement of fish stocks caused by a rise in sea temperature fuel domestic politics about economic independence from Denmark and fosters the national identity of the large, yet small, state in the High North.

4.2.3 Finland

Even though Finland does not share a coastline with the Arctic Ocean it is considered an Arctic state on the grounds that a quarter of its territory is located north of the Arctic Circle. Arctic issues play a significant role in Finland's foreign policy. The Government of Finland

⁵ International Whaling Commission

(2013) tries to create a unique country brand by advocating that its northernmost province Lapland is a projection of the country's Arctic image.

The Finnish government outlines four main pillars in its Arctic strategy document (Government of Finland, 2013). The first pillar focuses on Finland as an Arctic country. Finland advocates that it is a truly Arctic country, since one third of the population living north of the 60th parallel are Finns. The Saami culture is duly recognised and its participation in issues relating to indigenous peoples is ensured. A policy priority is to ensure that the northern parts of Finland remain a stable and secure operating environment. The second pillar builds on Arctic expertise. Maintaining and developing of a high standard of expertise is one of Finland's top priorities. The aim is to be an expert in the responsible commercial exploitation through Finnish expertise. Third is the comprehension of basic principles of sustainable development and international cooperation. The core of its Arctic policy lies in understanding the effects of climate change and the sustainable use of natural resources. Lastly, a key objective is to foster international cooperation through the maintenance and promotion of stability in the region.

More than half of the Finnish exports are conducted by the manufacturing sector and the production of machinery and transport equipment. Combined, both industries exported for more than 40 billion US\$ in 2013. Especially the wood industry accounts for a high share of Finnish exports. The paper industry generated an income of almost 10 billion US\$ in 2013, accounting for 13% of total exports (United Nations Statistics Division, 2014).

Finland's stakes in the Arctic are mainly linked to business and research communities as its objectives mainly regard the promotion of stability, cooperation and sustainable development (Government of Finland, 2013). Economic stakes are mainly observed in large-scale forestry. Although energy resources and minerals enjoy a fair share of Arctic Finland's regional GDP (Glomsrød and Aslaksen, 2010), traditional industries such as fishing only account for less than 1% of the country's exports (United Nations Statistics Division, 2014). Finland's future in the Arctic is definitely linked to the cooperation efforts of foreign Arctic businesses. Oil and gas reserves in the Arctic are close to Finland's territory, namely the Barents Sea. Hence, the Government of Finland (2013) calls upon Russian and Norwegian companies to utilize Finnish Arctic energy expertise in order to get a fair share of the Arctic wealth.

4.2.4 Iceland

Although Iceland is located directly beneath the Arctic Circle⁶, its metropolis Reykjavik is still the northernmost capital city in the world. The country, much like its neighbour Greenland, can be considered in geographical terms as sole Arctic state. The Arctic region is one of Iceland's top policy priorities, as the country's economy is very vulnerable towards changes in the marine ecosystem of the North Atlantic (Dodds and Ingimundarson, 2012). The financial crisis in 2009 hit the small economy of the island and the aftermath can still be observed today. Nevertheless, the country returned to its traditional industries, such as fisheries, and is slowly recovering by generating economic growth again. The Icelandic fisheries are considered to be the backbone of its economy and the country holds consequently high stakes in potential new fishing grounds in the Arctic Ocean. Catching and processing of fish and marine resources account for almost 40% of Iceland's total exports, creating an income of close to two billion US\$ in 2013 (United Nations Statistics Division, 2014). Similar to its geographic neighbour Greenland, the fishing sector remains the most important source of income for local economies. However, developments of other industries, like non-ferrous metals, have grown in recent years and increasingly add to economic developments. Exports of unwrought aluminium have reached an income of 1.8 billion US\$ in 2013 and account for approx. 37% of Iceland's exports (United Nations Statistics Division, 2014).

Iceland's Arctic policy was approved by its parliament Althingi in March 2011 and outlines twelve principles to secure the country's interests in the Arctic with regards to the effects of climate change, environmental issues, natural resources, navigation and social development by strengthening cooperation with other states and stakeholders interested in the Circumpolar North (Government of Iceland, 2011). One of its main priorities is to secure Iceland's position as a coastal state by engaging in developments as well as international decisions on regional issues based on legal, economic, ecological and geographical scopes. Dodds and Ingimundarson (2012) point out that Iceland has on many occasions criticised the hegemonic power of the A5 and its geopolitical consequences. Iceland sees itself as a coastal state and does not want to be excluded from deliberations regarding the Arctic region. The country's exclusion of important governance decisions made by the A5 caused the government to adapt more nationalistic politics by threatening to securitise its fishing grounds by imposing stricter regulations. Iceland relies more than any other state on the fragile

⁶ The island Grímsey is Iceland's northernmost populated community and located directly on the Arctic Circle.

resources of the Arctic. Hence, the government tries to resist and recast the hegemonic geopolitics of the A5 (Dodds and Ingimundarson, 2012).

Other policy principles are the strengthening of the Arctic Council as forum for Arctic issues; promoting the understanding of the Arctic as a region rather than a geographical space; resolve issues in accordance with the Law of the Sea; support the rights of indigenous peoples and their involvement in the decision making process; prevent the militarisation of the area and secure a sustainable development of the region as well as cooperate and build agreements with other stakeholders interested in Arctic affairs (Government of Iceland, 2011).

4.2.5 Norway

Norway is considered to be one of the wealthiest countries in the world. Commercial activities in the North Sea and Norwegian Sea have caused a steady increase in wealth in the last part of the 20th century. Jonas Gahr Støre (2012), former Norwegian minister of foreign affairs, stated that Norway's future is inextricably linked to the Arctic. The export of oil and gas accounted for more than 100 billion US\$ followed by the fishing industry with a value of 10 billion US\$ in 2013 (United Nations Statistics Division, 2014). Considering that the oil and gas industry accounts for more than 65% of the country's export value, demonstrates that Norway does not only have high stakes in the Circumpolar North, but is to some extent dependent on Arctic resources. Consequently the High North has become Norway's number one foreign policy priority (Norwegian Ministry of Foreign Affairs, 2011). Since Norway's economic growth is undoubtedly linked to Arctic resources, its *High North Strategy* clearly highlights its interests in a sustainable development and management of Arctic energy and fishing resources (Brosnan et al., 2011).

The first *High North Strategy* dates back to 2006 and was the first with regard to its Arctic neighbours. After the revision of the initial strategy in 2011, some outcomes could already be observed. The government introduced a comprehensive management plan for the Barents Sea-Lofoten area. It was the first effort to put the concept of an ecosystem-based management regime into practice. The project was quite successful and provides a model for regional cooperation on marine management in the Circumpolar North (Norwegian Ministry of Foreign Affairs, 2011). Since the fisheries sector is Norway's second largest export industry, the country engages quite significantly in the protection of marine life. The government has insisted upon that oil and gas activities in the Arctic are weighted against other important industries within the framework of an ecosystem-based management (Støre, 2012). It has for example launched some research programs to understand the impacts of

climate change on fish stocks, ecosystems and aquaculture. Støre (2012) points out that marine resource management requires regional cooperation and because the Barents Sea is home to some of the largest fish stocks, collaboration efforts with both Russia and Finland on measures for sustainable fisheries regarding certain fish stocks have been initiated (Norwegian Ministry of Foreign Affairs, 2011).

Norwegian businesses have invested a lot of capital into the Russian markets, thus politicians are a bit more loose when it comes to the relationship with Russia (Knudsen, 2014). As such, it is one of Norway's policy priorities to deepen its cooperation with Russia, while similarly seeking to foster closer relationships with other Arctic states as well. However, as a result of the political tensions caused by the Crimean crisis in the eastern Ukraine in 2014, Russia recently responded to the sanctions imposed by the EU and banned all food imports from Western countries. The sanctions towards agricultural products have hit the Norwegian exports very hard. Russia harbours one of the largest markets for seafood and is therefore one of Norway's most important trade partner regarding maritime products. Statistics Norway (2014) stated that in 2013 Norwegian fish exports to the Russian market accounted for up to 1.3 billion US\$.

In this context it is important to stress that Norway and Russia's political relationship has never been better at this time. Norway has a better political cooperation with Russia than for example Denmark or Sweden have. Norway and Russia share a long border in the northern parts of their territories and have recently settled a long on going maritime dispute in 2010. The delimitation dispute dates back till at least 1957 and has since then followed the developments of international maritime law (i.e. the extension of the EEZs to 200nm). Because fishing was one of the most pressing issues the two countries signed the temporary Grey Zone Agreement regarding fisheries in the Barents Sea until April 2010, when President Medvedev and Prime Minister Stoltenberg signed the Barents Sea Treaty effectively stopping a 40-year old dispute between the two Arctic states (Henriksen and Ulfstein, 2011).

Norway's Arctic policy can be summarized by three key objectives: knowledge, activity and presence. The government aims at being an Arctic leader and has developed a competitive advantage through its expertise and knowledge of northern communities. Furthermore, Norway strives to be among the top states in terms of economic activity by being the best steward of the environment and natural resources, always with the basic principle of sustainable development in mind. Lastly, an increased presence in Northern Norway, both land and sea based, is attempted through policies aiming at value creation,

encouraging settlement and nature management alongside civilian and military presence (Norwegian Ministry of Foreign Affairs, 2011).

4.2.6 Russia

Russia's Arctic strategy is closely linked to its national security strategy. Although its new security policy is considered to enjoy a more appeasing character, the country still does not emphasise its commitment to international law in its many policy documents (Zysk, 2009). Subsequently, Russia is by many of its Arctic neighbours perceived as suspicious and unpredictable, in spite of it being a signatory state to the Law of the Sea framework and thus presents a general openness towards multilateral cooperation. Furthermore, by pursuing a clear geographic strategy with no foreign intervention on Russian territory, the country is often considered to be the troublemaker in Arctic affairs (Knecht and Keil, 2013). Russia has on many occasions criticised the global and regional security architecture of being weighted in favour of the North Atlantic Treaty Organization (NATO), while expressing its willingness to cooperate on conditions of equal terms (Zysk, 2009). All other Arctic states, except Sweden and Finland, are members of NATO, which might cause political tension within the Arctic Council and might have an impact on future cooperation in the High North. It needs though to be stressed that Russia underscores the importance of resolving Arctic conflicts in a peaceful and cooperative manner, with special focus on the role of regional, bilateral and multilateral cooperation (Zysk, 2009).

That Russia holds high stakes in the Circumpolar North has become evident by its act of planting a flag on the North Pole. The economy is one of the main factors in its security document and the country acknowledges its dependence on the export of raw materials (Zysk, 2009). The oil and gas industry accounted for 70% of all Russian exports in 2013, generating a trade value of around 370 billion US\$ (United Nations Statistics Division, 2014). Other industries like the fishing sector exported goods with a value of 2.9 billion US\$ in 2013, but only accounted for a minor 0,5% of total exports (United Nations Statistics Division, 2014). Since the domestic production of fish is comparatively low, Russia imports the majority of maritime products from its Arctic neighbours, with Norway being by far the largest trade partner. Despite its economic dependency on energy resources, Russia plans to become one of the top five global economies by reducing economic differences of regions located in the Russian Arctic and Far East (Zysk, 2009).

Zysk (2009) identifies four policy priorities in Russia's Arctic strategy. The first aims at developing the Russian Arctic into a strategic base for the development of natural resources

by 2020. The region has a high importance for the country's economy in generating revenues from energy production and maritime transport. Authorities consider the economic and social development of northern communities as crucial factor to maintain competitiveness on a global scale. Another priority is the definition of Russia's limits on the continental shelf. The third goal is tied to developments advancing its Northern Sea Route, which anticipates a decrease in shipping time between Europe and Asia by 40% (Støre, 2012). Lastly the strategy confirms that one of Russia's major goals is to establish a special Arctic military formation to secure its national interests in military and political situations. The authorities stress though that military engagement are mainly for the combat of terrorism, smuggling and illegal migration as well as the protection of maritime resources. The Arctic strategy was approved in 2008 containing measures to fulfil its obligations in three stages of implementation by 2020 (Brosnan et al., 2011). Glorious Arctic expeditions in Soviet times preserve the domestic perception of Russia being an Arctic territory and its pursuit for energy resources can be seen as a way to regain its great-power status by becoming an energy superpower (Keil, 2013a).

4.2.7 Sweden

Sweden's strategy for the Arctic region was published in 2011 and its main priorities in the High North focus on climate and the environment as well as economic developments and human capital (Government of Sweden, 2011). The country is famous for being the world's most gender equal nation in the world. In connection of being the largest populated country among its Nordic neighbours, it will try to bring the human dimension and gender perspective to the Arctic. The Swedish government advocates that cooperation is a key factor for the safe development of the Arctic region and that collaboration should be in accordance of international law, specifically the principles of the law of the sea and other relevant agreements (Government of Sweden, 2011). Thus, Sweden's main aspects of their Arctic policy are the strengthening of the Arctic Council and the contribution towards the Arctic dimension of the EU. The Government of Sweden (2011) acknowledges the A5 group in the sense of establishing the continental shelves in accordance with the Law of the Sea, but at the same time advocates that strengthening the Arctic Council could reduce policy decisions in the format of the A5 and allow Sweden, Iceland and Finland to participate in vital decisions regarding the Arctic assets.

The largest export sector in Sweden with almost 40% is conducted by the production of machinery and transport equipment, accounting for an export value of more than 60 billion US\$ in 2013. Other sectors like manufactured goods account for almost 18% of Swedish

exports. While the paper industry generated an export value of more than 10 billion US\$ in 2013, the metal industry reached combined export values of more than 14 billion US\$ (United Nations Statistics Division, 2014). Much like its direct neighbour Finland, Arctic Sweden enjoys a quite diverse production of GDP with wood, minerals and energy resources as main sectors (Glomsröd and Aslaksen, 2010). Although Swedish fisheries exported goods for around 3.5 billion US\$ in 2013, its share of the total economy is only just above 2% (United Nations Statistics Division, 2014). Fisheries do not play an important part in the economic activity in Northern Sweden, since most of Sweden's fisheries are located in the Baltic Sea.

The Government of Sweden (2011) recognises that many of the Saami communities engage in mixed economies of reindeer husbandry, hunting and fishing as well as a number of other activities. Hunting, fishing and reindeer herding are not only key industries for employment for local economies in northern Sweden, but also in the neighbouring Arctic states of Norway, Finland and Russia. Sweden will generally stand for international management plans for industries such as hunting and fishing that are affected by climate change. Sweden emphasizes the importance of greater political cooperation across territorial borders in order to develop methods in areas as for example fishing and hunting.

4.2.8 The United States

Due to the state of Alaska, the United States shares a maritime boarder with the other littoral states in the central Arctic Ocean. In 2009, during the final days of the Bush administration, the United States drafted and finalised its first *Arctic Region Policy*. The contents of the document seem to have been carefully written serving as a long-term policy, as the Obama administration did not desire to change the strategy until May 2013 (Brosnan et al., 2011). The updated *National Strategy for the Arctic Region* is characterised by a three-pillar structure based on the advance of security interests, the pursuance of a responsible stewardship and the strengthening of international cooperation (Government of the United States, 2013).

In comparison to other regions, the state of Alaska has some of the highest economic indicators among the 28 Arctic regions (e.g. GDP per capita). Adding Alaska's economy together with the Russian oil and gas production, both amount for three-quarter of the entire Arctic economy (Glomsröd and Aslaksen, 2010). The United States in total has however a quite diverse economy where the export of mineral fuels and maritime products account for less than 10% and as low as 0,3% respectively of its total export value in 2013 (United Nations Statistics Division, 2014). Alaskan oil exploitation is often connected to new pipelines

and tanker transports making its commercial use unprofitable in a NAFTA⁷ market dominated by Canadian oil (Keil, 2012b). However, the Alaskan natural resources could become significant step towards decreasing dependency on the import of fossil fuels and become an important issue in the United States' Arctic policy (Keil, 2013a).

The United States is the only member among the Arctic states that to date has not signed the Law of the Sea Convention, but committed itself to the framework of the Law of the Sea⁸ by signing the Ilulissat Declaration in 2008 (Arctic Ocean Conference, 2008). Its efforts to comply with international law are outlined in the first pillar of its strategy as it seeks to support lawful commerce, achieve a greater awareness of the region and intelligently evolve the Arctic infrastructure and capabilities (Government of the United States, 2013). Protecting the fragile Arctic environment and conserving its resources are some of the guiding principles of the second pillar. It is a priority to establish an Arctic management framework that maps the High North and employs both scientific and traditional knowledge to increase the understanding of the Arctic region. One of the important aspects of the strategy document is to recognise the tribal governments of the indigenous peoples and consult the Alaskan natives in federal matters by providing a meaningful and timely opportunity to inform the indigenous population affected by policy change (Government of the United States, 2013). Whether it is done informatively or effectively in a consultative matter remains though undisclosed. Lastly, by stressing for more cooperation, the last pillar of its northern policy is formed by multilateral governance. The United States' goal is to work towards the accession of the Law of the Sea Convention and aims at increasing collaboration through bilateral and multilateral agreements, such as the Arctic Council, by advancing collective interests and the promotion of the region as a whole (Government of the United States, 2013). While the government is more strongly emphasising its stakes in the Arctic by trying to promote an Arctic identity, the American people do not consider themselves as northerners, since the High North does not play a strong role in the American personality, as the understanding of Alaska is mostly considered to be a remote and wild area (Keil, 2013a).

4.3 The European Union

Sweden, Finland and Denmark conduct the EU's Arctic dimension. Although the EU does not border the Arctic Ocean, Iceland and Norway can be considered as gateway as they are members of the European Economic Area (EEA). The Arctic is one of the EU's key issues

⁷ North American Free Trade Agreement

⁸ The United States signed and ratified the Fish Stocks Agreement in 1996, which is part of the Law of the Sea.

in the fields of regional governance, climate change and potential access to bio-marine resources (Bochkarev, 2013). A study, requested by the European Parliament in 2010, outlined the EU's legal competences in the Arctic as well as a sectorial analysis of its Northern dimension (Koivurova et al., 2010). The study identified eleven priorities consisting of: transport policy; environmental policy; common fisheries policy; common energy market and EU external energy security; research policy; animal welfare; climate change; indigenous peoples; forest policy; tourism and regional policy.

Bochkarev (2013) highlights that the EU's main interests lie within issues relating to climate change, environmental protection and natural resource management as well as the protection of autochthonous populations. Brussels justifies its interest in the Arctic region by the rise in sea level caused by the melting ice that affects its member states in both positive and negative ways. Negative aspects concern the flooding hazards for lowland countries like the Netherlands, whilst positive effects concern commercial incentives including navigation and fisheries in the High North.

Mackerel and other fish stocks have in recent years migrated further north, going beyond EU jurisdiction in the North Atlantic, creating political tensions between Brussels and Arctic fishing nations such as Iceland, Greenland and Norway (Hannestad, 2014; Arnason, 2012). The unexploited fish reserves in the Arctic are of significant interest for EU fisheries. Europe is the third largest fish producer in the world and accounts for 6% of the world's catch. However, European fleets are depleting and the EU is forced to import an increasing amount from Arctic countries like Iceland and Norway (Bochkarev, 2013). Imports from Arctic nations in the North East Atlantic accounted for 35% of all fish relating imports in 2013 (United Nations Statistics Division, 2014). The conservation of marine resources is an exclusive competence of the EU under the common fishing policy (Koivurova et al., 2010). Large areas of the Arctic are not covered by international fisheries agreements and the absence of fishing regulations is a concern to the EU. Brussels argues that fisheries in the High North risk becoming a latent, yet very important, food security issue (Bochkarev, 2013).

Besides fish stocks, EU interests in the Arctic are mainly determined by the importance of Arctic fossil energy reserves, mineral deposits and sea routes (Peimani, 2013). Brussels stakes in the Arctic are also exemplified by its imports of energy resources from Arctic states. Russian exports of oil and gas to the EU member states reached more than 200 billion US\$ in 2013 (United Nations Statistics Division, 2014). More than half of the oil and gas imports are from Arctic states and Europe's demand for energy resources will most likely increase in the future (Bochkarev, 2013).

Another major area includes Europe's *soft power* to enter Arctic governance, consequently the observer status in the Arctic Council is still considered to be one of Brussels' top policy priorities (Bochkarev, 2013). The EU's role as agenda setter in the Arctic is very limited, as some A5 countries, such as Canada and Russia, do not favour Brussels' involvement in Arctic affairs (Peimani, 2013), which is exemplified by the fact that the EU till this date could not obtain the observer status in the Arctic Council.

4.4 Concluding remarks

Policy focus has increasingly shifted towards the unclaimed areas of the central Arctic Ocean, outside the 200nm EEZs of states. The different strategies by the Arctic states are all characterized by more protectionist politics to support the economic development of the Arctic with the incentive to retain the wealth in northern communities. A key aspect of regionalism is the use of cooperation to foster economic wealth of a region. Renewable and non-renewable resource exploitation are essential key factors in providing an economic base for Arctic communities, as it takes advantage of the extensive wealth of the region while offering alternatives for dependence (Duhaime, 2010). Nevertheless, the commercial utilisation of Arctic resources whether being energy or maritime resources is complex and demands different institutional responses depending on political and social attitudes towards them, as regionalism is still considered a political project.

The members of the Arctic Council have quite diverse stakes in the Arctic ranging from political to economic priorities. Greenland and Iceland have high economic stakes in the exploration of new fishing grounds, as the fisheries sector represents the backbone of their economies. Iceland hopes to gain political importance by becoming a coastal state whilst Greenland hopes to gain political independence from Denmark by the extraction of natural resources. Sweden and Finland promote their human capital and expertise in cold climate. In the absence of a shared border with the Arctic Ocean, both have economic stakes in the forestry sector and the production of machinery for mining and maritime navigation. Canada has a strong Northern identity and stresses for the development of the region in cooperation with the indigenous peoples, whilst the United States still develops its Arctic identity and has its main priorities in the extension of its continental shelf. Russia and Norway have high stakes in the development of oil and gas exploration, whilst the latter still holds large incentives in the exploitation of Arctic fish stocks. Since the Arctic states' economies combined account for 33% and 28% of the global export of mineral fuels and fish respectively, it is not surprising that other large economies like China and the EU have an

increased desire to enter the race for Arctic resources. However, the EU has been denied the observer status in the Arctic Council till this day. The formation of the A5 as most powerful economic group in the High North has furthermore fostered tension in Arctic geopolitics.

There are no major conflicts anticipated regarding the commercial exploitation of natural resources in the near future, although the seeds of conflicts do exist. All Arctic states emphasise the importance of cooperation in their Arctic strategies, however, Russia fails to acknowledge international law in its policy documents whilst the United States, although conforming, has not signed the Law of the Sea Convention, which highlights the existing issues rooted in the dilemmas of international law. Peimani (2013) argues that the economic gains from the melting ice could also unleash tensions, disputes and conflicts between all stakeholders and justify a certain degree of militarization. However, conflicts could be avoided, as scholars opine the possibility of co-operation in regional organizations such as the Arctic Council.

The Arctic plays a significant role in global environmental stability and should not be considered the sole responsibility of the A5 (Bochkarev, 2013). Furthermore, many have perceived the exclusion of Iceland, Finland and Sweden as a marginalisation of regional Arctic governance. Peimani (2013) notes that there is no Arctic state that has the financial means to undertake all required developments on its own. A variety of pundits have thus argued that commercial activity in the Arctic must be dealt with in a complete framework that incorporates not only the Arctic states but all stakeholders into the Arctic discourse to ensure a sustainable development of the region and environment (Young, 2012; Keil, 2012b). However the incorporation of foreign voices into Arctic geopolitics progressively affects Arctic affairs and only fuels the dualism debate of whether the High North is a globalized Arctic or an Arctic of regions (Knecht, 2013).

5 Governance Structure of the Arctic

So far this thesis has accounted for the theoretical basis of the research issue and focused on outlining the interests of certain Arctic stakeholders. Returning to the research question of whether the current governance mode is suitable, it is essential to analyse what governance mechanisms are present in the Arctic. The purpose of this chapter is thus to examine the current governance structure of the Arctic by reviewing the Arctic Council and the newly established Arctic Circle to cover two regional governance arrangements as well as a global regime embodied by the Law of the Sea. As was explained in the theoretical foundation of this thesis, a good mode of governance involves all regional actors and depends on the willingness to cooperate. The focus of this chapter is thus put on the willingness to cooperate by the Arctic states and the involvement of non-state actors.

5.1 Introduction to Governance in the Arctic

In the past, the Arctic was often perceived as a backwater in both bureaucratic and literal terms. Recent developments have not only affected the Arctic as an isolated region, but will most likely have global consequences as well (Young, 2012). Almost all maritime disputes in the Arctic have been resolved by a patchwork of bilateral or multilateral negotiations that paved the way for a growing regional project of governance arrangements. Yet, competition in fisheries and other resources as well as further challenges, such as pollution, shipping and climate change in general, demand comprehensive governance decisions. Those implications shape a Circumpolar North which could serve as a knowledge based region involving innovations in political, legal and governance cooperation (Heininen, 2014). As much as the Arctic marine area is geopolitically unique, due to its construct of an almost enclosed ocean basin surrounded by land and sea jurisdictions of sovereign states (Stoessel et al., 2014), as exclusive is its governance structure. It is not simply the mosaic of bilateral, regional and international arrangements that is governed by multilateral institutions and regimes (Keil, 2013b), or the active incorporation of the indigenous population into the decision making process, but the whole concept of combining both hard and soft law mechanisms with the involvement of all relevant stakeholders that characterises the distinctiveness of the region (Stoessel et al., 2014).

Koivurova and Molenaar (2009) point out that the set of the legal instruments that construct Arctic governance is incomplete and often incoherent. They argue that the current framework often only deals with specific issues or individual sectors, rather than being an overarching institution with the legal and political mandate to deal with the cumulative effects of resource exploitation. The Arctic Council is often expected to take action in this regard, however, it does not possess the mandate nor is it designed to adopt legally binding measurements or instruments. The choice to establish a non-legally binding agreement was a clear indication by the Arctic states that the Arctic Council was not intended to be an international organisation (Molenaar, 2014b). Besides the Arctic Council a number of other governance arrangements exist⁹. Global conventions such as the Law of the Sea are the main cornerstones of current international law that provide the legal framework for the Arctic. Economic activities, like fisheries, are regulated on three levels: either by Regional Fishery Management Organisations (RFMOs), bilateral agreements between two coastal states, or national jurisdictions (Keil, 2013b).

The complexity and fragmentation of Arctic governance arrangements has started a discussion of whether the High North requires a treaty similar to the Antarctic Treaty System (ATS) to provide a holistic approach towards Arctic issues. Koivurova (2008) discovered that the Arctic states are in fact capable of finding consensus by using instruments of international law if they put their minds to it. Examples like the Polar Bear Treaty from 1973 do exist. However, future formal approaches towards an Arctic treaty are unlikely, due to the lack of commitment by the Arctic states to form a regulative organisation with a legal mandate. There is consensus among the Arctic states that there is no need to establish a new treaty regime that

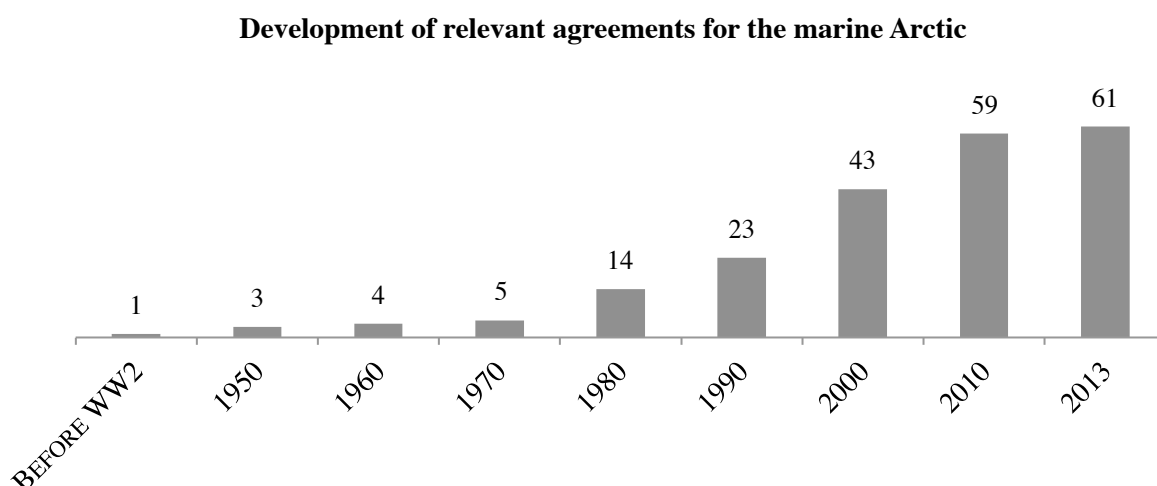


Figure 5-1 Development of relevant treaties, agreements and instruments for the marine Arctic
Based on appendix by Tedsen et al. (2014)

⁹ See appendix for a comprehensive list of treaties, instruments and agreements for the marine Arctic.

is similar to that of the ATS, as is suggested by many non-Arctic states (Heininen, 2014). Furthermore, the trend in the past decades has been to foster issue specific arrangements, rather than to establish an overarching governance instrument. Figure 5-1 illustrates this development of emerging treaties, agreements and instruments. The number of relevant governance arrangements increased greatly after the 1990s. This can in part be explained by the end of the Cold War and the shift towards appeasement politics that fostered regional cooperation in the Arctic. The fall of the Berlin Wall triggered off a reorientation of Arctic politics, separating the High North from its militarised history that initiated a variety of cooperation projects and region building by the Arctic states (Young, 2012).

As all Arctic states are fully authorised members of the international community, they are also all active in world politics (Heininen, 2014). The recognized sovereignty in the Arctic has caused that no other state has gained any significant influence or authority within the territory, allowing the Arctic states a *hands off* and cooperative approach towards territorial claims (Weber, 2012). Keskitalo (2012) notes that regional cooperation in the Arctic does not just strengthen an Arctic region, but it creates one. Diplomacy is therefore most likely to continue, as it has not only been an important tool for cooperation, but has been essential in contemporary Arctic affairs. Despite all cooperation efforts, the Arctic still lacks an authoritative body for common policy creation, as the Arctic states still independently design their northern strategies (Young, 2012). However, it is this mosaic of cooperation that influences and shapes national regulation. The role of the emerging institutional arrangements are often intended to draw the attention of policy makers towards the significance of certain Arctic issues. The Arctic Council issues regularly a variety of environmental reports for specific policy areas which play a significant role in setting and highlighting the Arctic agenda (Young, 2005). As was described in the previous chapter, the importance of governance alongside science and indigenous people is often highlighted as a strategic priority in most policy documents of the Arctic states (Heininen, 2014). Still, the Arctic remains a patchwork of rules and institutions that reflect a mixture of national jurisdiction and multilateral regulation. Consequently, coherent governance structures are necessary, as the Arctic is not only influenced by, but also influences global systems (Stoessel et al., 2014). Besides the legal framework outlined by the Law of the Sea, the Arctic Council and the newly emerged Arctic Circle are key players in the emerging governance structure that have a direct influence on Arctic policies. In order to assess the opportunities and threats of Arctic governance it is essential to consider the institutional framework and their impacts on Arctic affairs of those arrangements.

5.1.1 Arctic Council

The forerunner of Arctic cooperation was the Arctic Environmental Protection Strategy, which was a cooperation between the Arctic states, initiated by Finland back in 1989, with the aim to protect the Arctic ecosystem including its population and ultimately to eliminate pollution (Arctic Environmental Protection Strategy, 1991). In 1996, the Ottawa Declaration then formally established the Arctic Council as a high level forum. Its intention was to provide means for promoting cooperation, coordination and interaction among the Arctic states, involving the Arctic indigenous communities and other inhabitants of the Arctic on common Arctic issues such as the sustainable development and environmental protection of the region (Arctic Council, 1996). The Member States consist of the sovereign governments of Canada, Denmark (in respect of the Faroe Islands and Greenland), Finland, Iceland, Norway, Russia, Sweden and the United States. Furthermore, the Arctic Council uses the category of Permanent Participants to incorporate Arctic organisations of indigenous peoples. Current participants are the Arctic Athabaskan Council, the Aleut International Association, the Gwich'in Council International, the Inuit Circumpolar Council (ICC), the Russian Association of Indigenous Peoples of the North and the Saami Council. Decisions at all levels are reserved to the eight Member States with the involvement of the Permanent Participants. However, the Arctic Council grants observer status to non-Arctic states, intergovernmental and inter-parliamentary organisations as well as non-governmental organisations interested in Arctic affairs. While the primary objective of an observing member is to observe the work of the Arctic Council, it is expected that observers engage in contributions at the level of Working Groups to the Arctic discourse. Current observers include seven European¹⁰ and five Asian countries as well as around 20 organisations with different backgrounds ranging from environmental protection to intergovernmental groupings¹¹. The Arctic Council's activities are conducted through its Working Groups that each have a specific mandate and are supported by a secretariat. The current six Working Groups consist of the Arctic Contaminants Action Program, the Arctic Monitoring and Assessment Programme, the Conservation of Arctic Flora and Fauna, the Emergency Prevention, Preparedness and Response, the Protection of the Arctic Marine Environment and the Sustainable Development Working Group.

Even though there exist a variety of governance initiatives in the Arctic, the Arctic Council is still considered to be the major forum for both intergovernmental cooperation on Arctic affairs and circumpolar cooperation with the indigenous population (Heininen, 2014).

¹⁰ The European Union has applied for observer status three times, but has been declined every time so far.

¹¹ For a comprehensive list of observers please visit the Arctic Council's website (arctic-council.org).

Koivurova and Molenaar (2009) highlight that the Arctic Council was established by means of a non-legally binding declaration and thus does not have the mandate to impose obligations of any kind on its members or others. Despite its efforts and success in addressing common Arctic issues, the Arctic Council is still criticised by a number of scholars for its lack of effectiveness and efficiency, as it can merely issue policy recommendations. Unlike other regional governance arrangements, the Arctic Council remains without regulatory powers and can in the light of global governance be described as a decision-shaping body that is evolving into a negotiation forum (Stoessel et al., 2014). The Arctic Council is project driven and thus not an operational body. This becomes evident in the aversion of the Arctic states to delegate any sovereignty to an Arctic organisation.

The Arctic Council's key strengths, however, lie in the engagement with the indigenous population and the creation of pan-Arctic scientific assessments through its Working Groups that raise the awareness of Arctic environmental issues (Stoessel et al., 2014). Furthermore, much like the governance structure in the Arctic, also the Arctic Council develops and improves in minor steps. Institutional progresses are slowly filling the governance gaps related to the organisations legal status and effectiveness. During the ministerial meeting in Nuuk, Greenland in 2011, the Member States decided to establish a standing secretariat in Tromsø, Norway, in order to strengthen the capacity of the Arctic Council (Arctic Council, 2011). During the same meeting the Council also announced an Arctic Search and Rescue¹² (Arctic SAR) agreement. The agreement is the first legally binding arrangement that was negotiated under the auspices of the Arctic Council and is also recognised as such in the Nuuk Declaration (Arctic Council, 2011). It is important to note at this point is that the Arctic SAR, although legally binding, was not adopted by the Arctic Council, but purely negotiated within its mandate as a high level intergovernmental forum.

A replacement of the Ottawa Declaration might seem inevitable, but the members of the Arctic Council and probably also the Permanent Participants favour the gradual and incremental development of sector-specific or issue-specific adaptations rather than a complete overhaul (Molenaar, 2014a). The establishment of a forum for cooperation rather than confrontation at that time seemed to be of more importance than to define the content of the cooperation or geographical delineation (Keskitalo, 2012). Nevertheless, the grouping of the Arctic Five (A5) as mentioned in chapter 4 caused tensions among the Arctic states. Iceland responded to its exclusion of important governance decisions regarding the central Arctic Ocean by increased efforts to collaborate with non-Arctic stakeholders. Molenaar

¹² Agreement on Cooperation on Aeronautical and Maritime Search and Rescue in the Arctic

(2014a, 2014b) advocates that the worst case scenario of a coastal states-only approach towards the central Arctic Ocean could cause high seas fishing nations to engage in Arctic fishing, not because it is commercially viable, but simply to exercise their right. A future regime, if any, should strike a balance between the Arctic states and the indigenous population, but in particular incorporate non-Arctic stakeholders to include the international community as a whole.

During its 2013 ministerial meeting in Kiruna, Sweden the Arctic Council expanded the (until then exclusively European) group of observers by five Asian states and Italy, as only European state (Arctic Council, 2013). Keil (2013b) points out that the admittance of the new Asian economies is rooted in the fear to avoid the danger of them forming their own club. However, the announcement of a new forum called the Arctic Circle about a month prior to the meeting has become reality and confirmed that anticipated fear. Whether the establishment of the rival forum should be perceived as means to pressure the Arctic Council to enlarge its observer list is still debateable. However, it needs to be stressed that Iceland as main initiator plays a significant role within the new international forum. In this connection is important to remember why states cooperate. The strength of a governance arrangement depends on the willingness of the states to participate. Thus, in a weak system, states may seek other arrangements or foster new collaborations. Iceland's objective with the establishment is unknown and subject to further analysis, but it is nevertheless a factor that should not be disregarded.

5.1.2 Arctic Circle

The Arctic Circle is an open annual assembly, taking place in mid-October in Reykjavik, Iceland. It is a non-profit and nonpartisan venue that invites organisations, forums, think tanks, corporations and public associations from around the world "to hold meetings within the Arctic Circle platform to advance their own missions and the broader goal of increasing collaborative decision-making without surrendering their institutional independence". The aim of the venue is to increase participation in the Arctic dialogue through informal discussions to strengthen the international focus on the future of the Arctic. International and Arctic institutions host different plenary sessions on issues like polar law, shipping and transportation infrastructure as well as fisheries and ecosystem management¹³. Even though the conference is designed to foster discussions that predominately focus on issues regarding

¹³ A full list of this years topics is available on the Arctic Circle's website (arctic-circle.org)

the changing environment and governance aspects one cannot stop noticing a pattern that is characteristic for a private entity. The fact that a large number of Icelandic companies are listed among the strategic partners and that the organisational structure of the assembly features a CEO instead of a general secretary, supports the assumption of a commercial agenda. The problem with the incorporation of foreign voices into the Arctic discourse is that everybody has economic interests. Especially non-Arctic states advertise for their clean technology when for example cleaning up oil spills, building ships or promoting tourism (Medred, 2014).

The difference between the Arctic Council and the Arctic Circle is that the latter is a general forum for discussion for all stakeholders on the actor level, whilst the other is a policy forum predominantly for the eight Arctic states (Keil, 2013b). Even though cooperation was the buzzword during this years Arctic Circle conference, mainly states outside the Arctic that emphasised their willingness to cooperate in Arctic developments (Medred, 2014). Still, the efforts to foster a venue for international dialogue and cooperation that involves all relevant stakeholders interested in the Arctic succeeded by bringing both foreign and northern voices to the same table (Grímsson, 2013). It is yet unclear what role the Arctic Circle is intended to play and from today's knowledge it should be understood as an additional tile in the mosaic of Arctic governance, rather than a rival institution towards the Arctic Council (Keil, 2013b).

5.2 Law of the Sea

The current international Law of the Sea is applied to the marine environment of the entire globe and is made up of a variety of global, regional and bilateral arrangements (Tedsen et al., 2014). The framework is based on the Convention of the Law of the Sea¹⁴ (UNCLOS) and its two implementation agreements referred to as the Deep-Sea Mining Agreement¹⁵ and Fish Stocks Agreement¹⁶ (FSA). The objective of the Convention is to lessen the risk of international conflict and to enhance stability by establishing a universally accepted and just legal framework for the global oceans. The Law of the Sea is global in scope and thus also applies to the Arctic. As was mentioned earlier, the United States is the only Arctic state not to have signed UNCLOS and is thus not subject to the dispute settlement mechanism of Part

¹⁴ United Nations Convention on the Law of the Sea of 10 December 1982.

¹⁵ Agreement relating to the implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982.

¹⁶ The United Nations Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks.

XV of the Convention. However, it is important to note that the United States has signed and ratified the FSA and generally complies with the provisions of the Convention.

The Convention distinguishes between maritime zones of coastal states, known as national jurisdiction, and areas beyond national jurisdiction, referred to as high seas (Tedsen et al., 2014). UNCLOS recognises the sovereignty of states and establishes a 200nm exclusive economic zone (EEZ) that allows a coastal state to exercise exclusive rights over the exploration and use of marine resources. In cases where the maximum extents of an EEZ cannot be established, due to the proximity of opposite states, maritime boundaries between those states are to be negotiated (Koivurova and Molenaar, 2009). The central Arctic Ocean is absent of any national jurisdiction and is thus part of the high seas in accordance with the Law of the Sea (Stoessel et al., 2014). Additionally, the Arctic features three more high seas areas known as the *Banana Hole* in the Norwegian Sea, the *Loop Hole* in the Barents Sea and the *Donut Hole* in the Bering Sea, which will be covered in more detail in chapter 6. The high seas are open to the international community and are considered a common good available to all states, *res communis omnium* (Cassese, 2005). Although a general freedom on the high seas exists, the freedom is not absolute and subject to provisions laid out in Part VIII of UNCLOS. A key objective is to avoid overexploitation by striving for the maximum sustainable yield and the optimum utilisation that allows states access to the surplus of resources when a relevant state cannot harvest them all (Ásmundsson, 2014). Jurisdiction over ships in international waters is determined by the state with whom they are registered. This implies that the flag state is responsible for enforcing the law on their ships, which includes international law derived from RFMOs or other regional agreements (Clark, 1999).

Fisheries are incorporated in the Law of the Sea and are regulated on a non-species-specific level through the FSA, supplemented through the soft law of the Code of Conduct for Responsible Fisheries¹⁷ (Stoessel et al., 2014). The overarching objective is to implement the legal framework of UNCLOS with a more modernized and elaborated operational regulatory framework (Molenaar, 2014b). The FSA is the international legal instrument that explicitly establishes the rule that conservation and management are to be managed by RFMOs that are relevant for all states that engage in high seas fishing including non-members. Article 8(3) states that it is the duty of states engaged in high seas fishery to either participate or become member of the relevant RFMO or at least apply the conservation and management measures established. States who do not fulfil the criteria do not have the freedom to fish on the high seas. Furthermore, Article 8(5) provides that where there is no RFMO to manage high seas

¹⁷ Code of Conduct for Responsible Fisheries by the Food and Agricultural Organisation of the United Nations.

fishery, the relevant coastal and fishing states are subject to cooperation by either establishing an organisation or reaching an agreement (Ásmundsson, 2014).

Although the Convention implicitly mentions the Arctic by directly referring to ice-covered areas in Article 234, which allows coastal states to legislate for the prevention, reduction and pollution in their respective EEZs (Stoessel et al., 2014), the melting of the ice highlighted the shortcomings with regards to global instruments (Molenaar, 2014a). Keil (2013b) emphasises that the Arctic fishing regime is significantly fragmented and not all states are members to all relevant fishing agreements. Furthermore, large parts of the world's seas are still not covered by regional management regimes that regulate fishing or environmental protection. Relevant states are often unwilling or unable to cooperate under the FSA, UNCLOS or customary international law and thereby undermine relevant rights and interests of other states and the international community (Koivurova and Molenaar, 2009).

5.3 Chapter Summary

In sum, the governance mode of the Arctic can be described as a governance mosaic that consists of tiles characterised by issue-specific arrangements. Fisheries, for example, are managed on regional, bilateral and national levels. Even though the Arctic still lacks an overarching institution that oversees governance arrangements, as Arctic states are still independently creating their policies, almost all maritime disputes have been resolved and the High North has been praised as an innovative region of governance arrangements.

The Law of the Sea provides the framework of all activities in international waters and thus also applies to the Arctic Ocean. The Convention and its two implementation agreements provide provisions for the commercial usage of the high seas. However, scholars have highlighted shortcomings in the framework and noted that especially the governance structure of Arctic fisheries is still very fragmented and requires institutional responses.

Policy creation in the Circumpolar North is dominated by the Arctic Council, which is the major forum for intergovernmental cooperation in the region. However, political decisions are reserved to its Arctic member states with the involvement of indigenous peoples' organisations. Although non-Arctic stakeholders are invited to join as observers, the Arctic states have yet restrained from delegating sovereignty to any regional institution. Thus, the Arctic Council lacks a legal mandate and fails to embody clear regulatory powers for common policy creation in the Circumpolar North. With the implementation of the Arctic SAR agreement and the establishment of a permanent secretariat, the forum has started an institutional process. Nevertheless, a future regime should find the balance between the Arctic

states and the indigenous peoples as well as other relevant non-Arctic stakeholders. Iceland's recent initiative to establish the Arctic Circle, a new venue for international dialogue and cooperation, is without doubt a step towards an opening of the Arctic discourse by inviting all relevant stakeholders interested in the High North. Nevertheless, it is yet too early to draw any kind of conclusion regarding its role in the governance structure of the Arctic.

6 Case: North East Atlantic Fisheries Commission

So far this thesis has focused on the cooperation mosaic of the Arctic and outlined its main actors and governance arrangements. The following chapter will use the North East Atlantic Fisheries Commission (NEAFC) as a case to give an overview of the emergence and management of a Regional Fishery Management Organisation (RFMO) in the High North. NEAFC is in this respect very interesting, as its background features both successful and failed attempts to regulate and conserve fish stocks in the North Atlantic. The purpose of this section is thus to determine best and worst practices in the management of straddling fish stocks in order to illuminate potential regulatory responses for the sustainable development of Arctic fisheries. Obstacles to international cooperation are rooted in the interests of single states, which are consequently bound to find diplomatic consensus. It is thus important for this case to recall the dilemmas rooted in international law in order to understand state behaviour when assessing regulatory responses.

6.1 Introduction to Fishing in the North East Atlantic

The North East Atlantic is home to a variety of straddling fish stocks that are exploited both within the 200nm exclusive economic zone (EEZ) of coastal states and the high seas (Bjørndal, 2009). Such straddling and highly migratory fish stocks are, as mentioned in the previous chapter, to be managed in accordance with the Fish Stocks Agreement (FSA) by RFMOs consisting of coastal states and relevant Distant Water Fishing Nations. NEAFC is thus the presumed guardian to one of the most abundant fishing waters in the whole world. The organisation is tasked with the management of shared fish stocks located in the North East Atlantic. The regulatory area contains three areas that are considered international waters and are as such not subject to national jurisdiction: the *Loop Hole*, the *Banana Hole* and the *Reykjanes Ridge*. NEAFC is considered to be a RFMO in accordance with international law provided by the framework of the Law of the Sea. It has been considered to be a quite dormant organisation as it only began to adopt significant management measures in 1996, whilst its sister organisation, the Northwest Atlantic Fisheries Organisation (NAFO), already engaged in managing straddling fish stocks since 1979 (Churchill, 2001). Prior to the mid-1990s, NEAFC was mainly used as a forum for consultation rather than a platform for effective enforcement of conservation measures to maintain a sustainable development of fish

stocks in the North East Atlantic (OECD, 2009). With the introduction and recognition of the Fish Stocks Agreement in the mid-1990s NEAFC went through some significant policy changes affecting the overall performance of the organisation. These organisational changes as well as a historical and structural background are examined in the following sections.

6.2 Background

Fishing in the high north has traditionally been done for many years. Throughout the beginning of the 20th century fishing in the Atlantic was characterised by the transformation of being a coastal and subsistent activity to a long distance operation with an economic incentive. Sen (1997) found that fishing nations realized that regional cooperation, due to narrow coastal zones and large high seas areas, would minimise the potential for conflict and later even reduce the thread of overfishing. At the same time, developments in the international regime laid grounds for the concept of managing shared resources.

After the First World War, negotiation attempts were launched to prevent disputes between fishing nations in order to approve extensive conservation measures backed by scientific consultations from the International Council for the Exploitation of the Sea (ICES). The attempts to cooperate resulted in a negotiated convention that never went into force due to the start of the Second World War. Further attempts to formalise cooperation after the war were made, but often ended in long negotiation processes and were considered inadequate when finalised (Sen, 1997).

In order to overcome those weaknesses, 14 coastal states¹⁸ signed the 1959 North East Atlantic Fisheries Convention after a four year long negotiation process, which went into force in 1963 (NEAFC, 1959). The Convention covered all fish stocks in the specified area and established the Commission referred to as NEAFC that represented the management body of the Convention, whose purpose it was to recommend measures on the rational exploitation of the fish populations in the area beyond national jurisdiction (OECD, 2009). The Commission was empowered to recruit any staff deemed necessary, however, it only appointed one secretary, who worked mainly in the British Ministry of Agriculture, Fisheries and Food, as well as two typists (Sen, 1997). The main task of the organisation was to establish recommendations regarding closed seasons and areas, gear restrictions and total allowable catches (TACs). ICES provided scientific advice, however, the recommendations

¹⁸ Belgium, Denmark, France, Federal Republic of Germany, Iceland, Ireland, Netherlands, Poland, Portugal, Norway, Spain, Sweden, the UK and the former USSR.

were only binding if the member states would not object to them. A major obstacle in the effective management of the fish stocks was the bureaucratic architecture of the organisation itself. A contracting state would have 90 days to oppose to a recommendation if it did not want to adopt the measurement. Afterwards, a second state would have the option to oppose on the same basis within 60 days after the initial objection. The recommendation would then not be binding for the two objecting states. Even further, if a third state objected as well, the whole recommendation would become void for all contracting states (NEAFC, 1959). The imposition of TACs was even more difficult, as the objection of a single contracting state would make the whole recommendation invalid. These structures made it difficult for NEAFC to achieve any significant results. Sen (1997) noted that it seemed as if states did not want to give away any sovereignty to fisheries organisations.

Even though the Commission was set up without real executive power, it managed to establish a Scheme of Joint Enforcement in 1969, which allowed the boarding of ships on the high seas and an inspection of the vessels' nets and catches (OECD, 2009). The infringements were sent to the related flag state of the vessel to punish the operator, however, the flag states were not eager to punish their own vessels, hence the success of the scheme was fairly limited (Sen, 1997). Furthermore, ICES had repeatedly reported concerns to NEAFC in relation to overfishing already back in the late 1950s. Nevertheless, due to economic interests many contracting states frequently objected to recommendations. By the end of 1976, NEAFC was discredited as an organisation that failed to regulate fishing in the North East Atlantic (Sen, 1997).

The developments of UNCLOS led to an extension of the coastal jurisdiction to a 200nm EEZ by all littoral states in the North East Atlantic, causing a significant reduction of the management area of NEAFC as it fell under national jurisdiction (Churchill, 2001). As a result, NEAFC established a working group on the future of the Convention, which concluded that the future of the organisation was within a forum for consultative matters covering areas outside national jurisdiction. Due to the withdrawal of the member states of the European Economic Community¹⁹ (EEC) and the extension of the fishery limits to 200nm, negotiations resulted in an agreement in 1980 on the Convention on Future Multilateral Co-operation in the North East Atlantic Fisheries that went into force in 1982 (NEAFC, 1982). Sen (1997) concluded that the minor differences between the two conventions were intentional by the contracting states and thus only presented a willingness to collaborate with no actual

¹⁹ The EEC was in 1992 renamed to the European Community and later merged into the European Union due to the 2009 Treaty of Lisbon.

outcomes. Up to the mid-1990s NEAFC acted mainly as a forum for consultative matters rather than adopting conservation measures. Only two recommendations had been adopted until then, the regulation of mesh sizes for capelin (1984) and blue whiting (1986) (OECD, 2009). Many described those minor changes of the organisation as a simple façade of cooperation (Sen, 1997).

6.3 The Convention

The origins of NEAFC lie in an organisation from 1953 known as the *Permanent Commission*, which on the other hand was based on the 1946 Convention for the Regulation of Meshes of Fishing Nets and the Size Limits of Fish – known as the *Overfishing Convention*. As described in the previous section, the Contracting States signed the NEAFC Convention in 1959, in order to overcome the lack of international control over enforcement paired with many other contraventions of the convention (Sen, 1997). In an attempt to adjust to the developments in international law, especially the extension of coastal states' EEZs, the signatory states signed a *new* Convention in 1980 that also established a *new* Commission.

The purpose of the organisation is outlined in Article 2 of the Convention. Its objective is "to ensure the long-term conservation and optimum utilisation of the fishery resources in the Convention Area, providing sustainable economic, environmental and social benefits" (NEAFC, 1982). In 2005 the Contracting Parties stated in the London Declaration on the interpretation and implementation of the Convention that the Commission's aim is to provide "a forum for consultation and exchange of information on the state of fishery resources and on the management of policies and their impacts on fishery resources and other living marine resources" (NEAFC, 2005).

6.3.1 Boundaries

Article 1(a) defines the Convention area of NEAFC as parts of the Atlantic and Arctic Oceans and their dependent seas excluding the Baltic Sea and Belts as well as the Mediterranean Sea. It is important to highlight that NEAFC distinguishes between the general convention area, including both parts of national and international waters, and the regulatory area, i.e. the areas beyond the jurisdiction of states (OECD, 2009). The convention and regulatory area are illustrated in Figure 6-1. Legally speaking, the Contracting Parties exercise within their 200nm EEZ sovereign rights over living resources for the purpose of exploring and exploiting as well as conserving and managing these resources (NEAFC, 1982) and

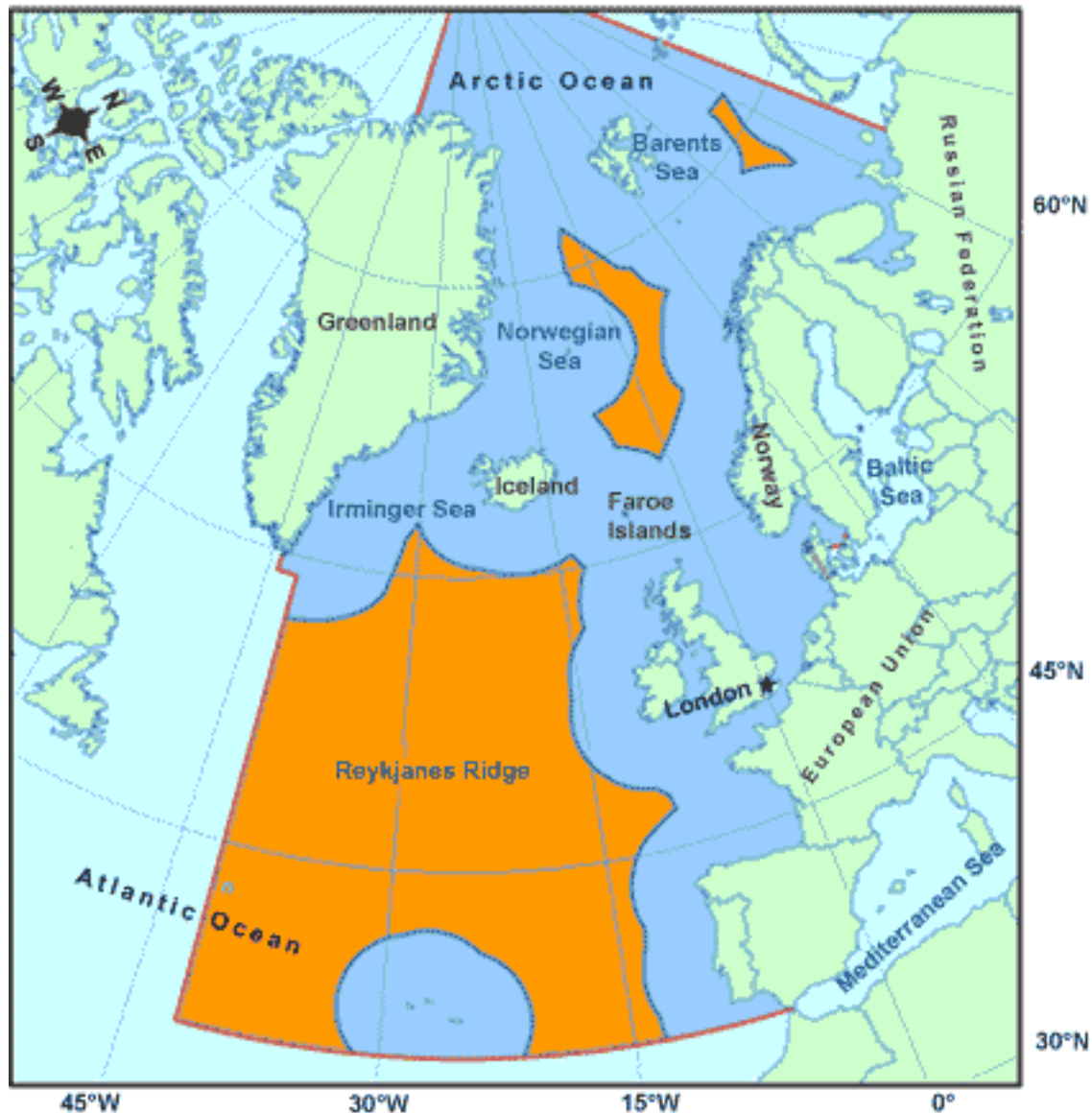


Figure 6-1: The NEAFC Regulatory and Convention Area

NEAFC has thus only authority over the high seas areas of the North East Atlantic. It needs to be stressed that even though the London Declaration distinguishes between fishery resources and living marine resources in matters of interpretation, they do not define the term living resources (NEAFC, 2005). As such, it can be said that national jurisdiction covers all living components of the marine ecosystem, including mammals and different types of fish species.

The convention area features the three earlier mentioned high seas areas, more commonly referred to as the *Loop Hole* in the Barents Sea between Russia and Norway, the *Banana Hole*²⁰ in the Norwegian Sea and the large Reykjanes Ridge to the south of Iceland and Greenland's coast. The latter is not of substantial interest for this thesis, as it is significantly below the Arctic Circle. Although the convention area includes the *Loop Hole* as regulatory

²⁰ In some cases referred to as the *Atlantic Donut Hole*

area, NEAFC does not consider any recommendations for that particular area, since it is managed by the joint Norwegian-Russian Fisheries Commission (JointFish) and subject to a dispute regarding maritime boundaries between Norway and Russia (Bjørndal, 2009). However, the long lasting dispute was surprisingly resolved in 2010, when both states agreed upon a delimitation line in the Barents Sea²¹.

At this point it is important to state that NEAFC actually features a fourth area of international waters, which is a small part of the central Arctic Ocean, having been hidden under a thick sheet of ice for the past centuries. Although not commercially valuable yet, the thawing of the Arctic ice opens the region for potential new fisheries. As briefly stated in chapter 4, the Arctic Five (A5) recently discussed the possibilities of commercial fishing in the Central Arctic Ocean and concluded that it would be very unlikely to happen in the near future and referred to NEAFC as at least one RFMO that would have jurisdiction to regulate parts of the Arctic Ocean (Government of Greenland, 2014). Though the area is not yet subject to commercial fisheries, it can be observed that NEAFC has not made any efforts so far as to include this part of the Arctic Ocean as regulatory area in its official documents.

6.3.2 Membership

The current members of NEAFC are Denmark (in respect of the Faroe Islands and Greenland), the European Union, Iceland, Norway and the Russian Federation. One of the main differences to the previous convention is that it allowed the EEC to become a signatory state and act on behalf of its member states (NEAFC, 1982). Hence, a handful of contracting parties from Europe formally withdrew their participation from the Commission when acceded to the European Union²² (EU) reducing the amount of contracting states from its original 13 signatories to only five. NEAFC allows Cooperating Non-Contracting Parties to join pending their compliance with the framework provided by NEAFC. However, those members must apply annually to receive such a status and thus the number varies from year to year depending on other states' interests. Canada, New Zealand and St. Kitts and Nevis constitute the Cooperating Non-Contracting Parties in 2014.

²¹ For more details on the Barents Sea Treaty see Henriksen and Ulfstein (2011)

²² Those countries were Germany (after 1990), Sweden and Finland (1995) as well as Estonia and Poland (2005).

6.3.3 Fisheries

The main fisheries in the convention area are all, at least to some extent, regulated by NEAFC and consist of herring²³, mackerel, blue whiting and oceanic pelagic redfish. Other industrial fisheries include haddock and some deep-sea species. The parts of the Barents Sea that are covered by the convention area, however, are not covered by NEAFC directly, as demersal fisheries in the *Loop Hole* are covered by the aforementioned bilateral arrangement between the coastal states of Norway and Russia. NEAFC (2006) stated in its performance review from 2006 that more than 30% of the total catch, which account for almost four million tonnes, was taken within the key fisheries, whereas the regulatory area accounted for just over one million tonnes of catch. The commercially most significant fish stocks are herring, blue whiting and mackerel with catches taken from the regulatory area that accounted for 230 million US\$ in 2005 (OECD, 2009). Because most of the fisheries are industrial in nature they have consequently a significant importance for northern communities and coastal states (NEAFC, 2006).

The pelagic redfish fishery is mainly located in the Irminger Sea between Greenland and Iceland and is part of both NEAFCs and NAFOs regulatory area. The two organisations have agreed that NEAFC should adopt overall TACs for redfish in the two areas and set aside a part to be taken in the NAFO area.

All Contracting Parties fish for the three pelagic fish stocks of herring, blue whiting and mackerel in both the regulatory and national areas of the Convention. The relevant coastal states²⁴ have agreed on management plans as well as harvest control for those fish populations (NEAFC, 2006). Some recommendations have expiring dates and need to be renegotiated and go through the initial process including the objection periods. Management measures for herring and blue whiting expired in the end of 2013 and did not pass their objection period yet by mid-2014. A further recommendation, regarding the protection of vulnerable marine ecosystems is pending to go into force as well.

In regards to overfishing it needs to be stated that the herring fisheries from Norway, Iceland and the former USSR reached an unsustainable high of catches between one and two million metric tonnes, thus causing the stock to collapse in 1969. In 1975, ICES evaluated the fish populations in the North East Atlantic and concluded that only one stock was fully exploited, whilst 28 were overexploited, two were underexploited and two fish stocks were

²³ Belonging to the species of Norwegian Spring Spawning (Atlanto-Scandian) Herring (*Clupea Harengus*)

²⁴ Relevant states for herring: EU, Faroe Islands, Iceland, Norway and Russia; mackerel: EU, Faroe Islands and Norway; blue whiting: Faroe Islands, Norway and Iceland.

considered depleted (Sen, 1997). Efforts by NEAFC were too little and too late and only thanks to Norwegian conservation measures that the herring stock was gradually rebuild resuming its (although different) migration patterns by the early 1990s (Churchill, 2001).

Other fish stocks like Rockall haddock, which are mainly exploited by large trawlers from the EU and Russia, are not regulated by NEAFC. Furthermore, there are no long term management plans or objectives in place for deep-sea fisheries. Although acknowledged by NEAFC, it needs to be understood that the variety of deep-sea species is very heterogeneous.

6.3.4 Governance Structure

NEAFC is an organisation that is comprised of the five Contracting Parties, who signed the Convention in 1982. To ensure a smooth running of its operations, the organisation is assisted by a permanent secretariat, based in London, three permanent committees and a hand full of working groups. The London-based office was in its current state established in 1999. The committees are: the Permanent Committee on Control and Enforcement (PECCOE), which is responsible for advising the Commission in matters regarding fishing controls and enforcement of the Scheme; the Permanent Committee on Management and Science, which takes care of the contact to ICES and is responsible for advising on measures related to area management; and the Finance and Administration Committee, which operates the financial and administrative part of the organisation. The working groups are formed at the request of the Commission and work for as long as it sees the work useful. The groups discuss very detailed information and present the results as a whole to the Commission. Currently NEAFC has five working groups: the Advisory Group for Data Communications, the Working group on statistics, the Working Group on the Future of NEAFC, the Working Group on Blue Whiting and the Working Group on the Appraisal of Regulatory Measures for Deep-Sea Fisheries.

In terms of international law, the Contracting Parties have stated in the London Declaration that they *recognise* the provisions of the following international instruments: UNCLOS from 1982, the FSA from 1995, the Compliance Agreement²⁵ from 1983, and furthermore take *into account* the Code of Conduct for Responsible Fisheries²⁶ from 1995 (NEAFC, 2005).

²⁵ Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas

²⁶ See footnote 17

Article 3 of the Convention establishes and defines the Commission and creates its legal personality. The Commission is made up of the members where each contracting party has one vote. Decisions are made by simple majority or by qualified majority if required. The Commission can only put things to vote if a quorum of two-thirds is present (NEAFC, 1982). Hence, four out of the five Contracting Parties need to be present in order to make effective decisions. Article 4 prolongs the duties of the Commission in stating that recommendations are to be based on the best scientific evidence available, to apply the precautionary approach, take into account the effects of large scale fisheries on other species and to take due account to preserving the biological marine diversity.

Articles 5 and 6 codify the procedures for recommendations. Article 5 states that the Commission may make recommendations beyond the jurisdiction of states in international waters of the convention area. Article 6 elaborates and allows the Commission to create recommendations for areas within national jurisdiction if requested by a Contracting Party. In both scenarios the recommendations need a qualified majority to be adopted, thus at least two thirds of the Contracting Parties need to find consensus. The Contracting Parties have utilised these two Articles into two scenarios. The first allows groups of coastal states to adopt management measures for the whole distribution area of a certain fish population, which includes conservation proposals for NEAFC to adopt for the high seas areas, i.e. in both areas of national jurisdiction and the regulatory area. Examples are the fisheries of mackerel, blue whiting, herring and haddock. The second scenario permits NEAFC to adopt measures for the whole distribution area of a stock in high seas areas as well as inside national jurisdiction (NEAFC, 2006). It is important to bear in mind that mechanisms for states that require measures to be carried out unanimously are desired, however, it also implies that measurements can be discarded in the absence of consensus.

6.4 Organisational changes

In 1995 a series of developments in international law, the FSA and the Code of Conduct for Responsible Fisheries, affected RFMOs with regard to conservation measures and governance structures and caused NEAFC to undergo a series of significant changes. The OECD (2009) noted in a report about the strengthening of RFMOs that the lack of control and enforcement was one of the initial problems of NEAFC since its inception. In the mid-1990s a working group on Measures for Control and Enforcement was initiated to overcome those

obstacles. The working group established a Control and Enforcement Scheme²⁷ in 1999, which amongst others set out control measures for the monitoring of fisheries and had the duty to collect and communicate VMS²⁸ data as well as rules concerning follow-up infringements (OECD, 2009). In the same year, the working group also established a NCP Scheme²⁹, which reflected the illegal, unreported and unregulated (IUU) fisheries plan of action established by the Food and Agricultural Organisation (OECD, 2009). In 2001 the working group was altered into PECCOE and incorporated into the structure of NEAFC. Its tasks were primarily to oversee the implementation of the two schemes. Among the most significant amendments to the NCP Scheme was the implementation of a *blacklist* of illegal fishing vessels in the convention area to tackle the increased activity of IUU fisheries (OECD, 2009). RFMOs have developed lists of vessels that are engaging in IUU fishing in order to put political pressure on the flag state. NEAFC maintains two blacklists, the A- and B-list. The A-list contains vessels that are from non-Contracting Parties that have been observed engaging in illegal fisheries in the regulatory area and explanations by the flag states are requested. If not satisfactory, the vessel will be put on the B-list and will not be authorised to enter ports of Contracting Parties nor will it have access to supplies of any kind (NEAFC, 2014). NAFO and NEAFC mutually recognized each other's IUU fisheries lists.

During the annual meeting in 2006 the two Schemes were merged into a new Scheme of Control and Enforcement, which established a strong port state control system (OECD, 2009). European ports are required to close landings to catches, which have not been verified by the flag state as legal (NEAFC, 2014). The port state control system has been proven a strong instrument in tracking, combating and stopping the activity of IUU vessels in the regulatory area (OECD, 2009).

Another important change in NEAFC was the establishment of a dispute settlement mechanism that was amended to the Convention in 2004. The new system allows the Contracting Parties to refer to an *ad hoc* panel in cases of dispute regarding the interpretation or application of the Convention. Furthermore, the signatories agreed to an amendment to the objection procedure. The Contracting Parties are now required to give a statement of reasons in regard to objecting to a recommendation and to further suggest alternatives or steps for conservation measures to be taken by the Contracting Party (NEAFC, 2004). The OECD

²⁷ Scheme of Control and Enforcement in respect of fishing vessels fishing in areas beyond the limits of national fisheries jurisdiction in the Convention Area

²⁸ Vessel Monitoring System

²⁹ Scheme to promote compliance by non-Contracting Party vessels with recommendations established by NEAFC

(2009) sees those developments as an important step towards more cooperation and effective decision making processes.

Further organisational developments were made with the 2006 amendments. The change was proposed by Iceland and aimed at modernising NEAFC in order to align with recent international developments, i.e. in particular improvements of the FSA, the Code of Conduct for Responsible Fisheries and the Compliance Agreement. The organisation included aspects of an ecosystem approach, the precautionary approach and the protection of biodiversity (NEAFC, 2006). Both the OECD (2009) and NEAFC (2006) performance report note that the Contracting Parties solve most of their disputes in a bilateral manner outside of the NEAFC framework. Only disputes relating to straddling fish stocks in the high seas areas are discussed within NEAFC.

6.5 Concluding Comments

Management measures adopted by NEAFC were often considered too little and too late. Global developments within international maritime law and the resulting agreements have created pressure on coastal states in order to increase cooperation and change their engagement towards RFMOs. Thus, the organisational changes in NEAFC in the late-1980s and mid-1990s can be described as efforts to fulfil global treaties and implement customary international law. Whether states cooperate effectively, still depends on their national interest. The OECD (2009) pointed out that those external factors, for example the adoption of the FSA, were necessary in order to produce change. However, systematic overfishing and the conservation of biodiversity are often only considered when it is already too late, as states' economic incentives are more prioritised. These state interests exemplify the obstacles of cooperation within international law. Hence, regulatory responses need to find a balance between economic state interests and the conservation of the environment.

The panel tasked with the performance review of NEAFC noted that the Convention and its recent amendments generally implement the global instruments aimed at fishing resources mentioned earlier. Hence it does not reflect the broad provisions outlined in global regimes, as its provisions are specified on a regional basis that take place within the context of those global instruments (NEAFC, 2006). Furthermore, the performance review concluded that the inability of coastal states to reach agreements ultimately hinders the potential of NEAFC concerning management in the regulatory area. NEAFC's capability to manage straddling stocks is thus always dependent on the Contracting Parties' ability to reach an agreement. The Contracting Parties have set up the organisation in a way that it is incapable of acting properly

and only acts as last resort to take a fall when fish stocks are almost collapsed, thus creating an organisation without teeth (Sen, 1997). The organisation is only what the Contracting Parties make of it and has as such a highly unutilised capacity (NEAFC, 2006). At this point, similarities between the management of NEAFC and the Arctic Council become evident, although, both pledge its willingness to cooperate, both structures struggle with the issue of legitimacy caused by a lack of authority.

Churchill (2001) points out that the multiplicity of instruments for managing straddling fish stocks in the North East Atlantic provide a good opportunity to improve conservation management, but are always dependent on relevant stakeholders to have the political will to utilise them (Churchill, 2001). Observations of NEAFC's effectiveness have shown that there is a clear need to strengthen its role in terms of decision making procedures and that there is considerable room for improvement (Bjørndal, 2009). The overall suggestion of the performance review was that the Contracting Parties should provide NEAFC with more authority in order to perform a more effective management of fish stocks in the North East Atlantic (NEAFC, 2006).

Even though industrial fishing in the Arctic Ocean is not yet commercially worthwhile, it will eventually be. The historical background shows that NEAFC is an RFMO with a tradition of many discussions and debates among the Contracting Parties when it comes to agreeing on new recommendations or TACs. Back in the late-1950s, ICES formed an Arctic Fisheries Working Group, which is its longest running working group still in existence. Its comprehensive research is used to advice both NEAFC and JointFish and could benefit a future agreement for the central Arctic Ocean. However, regulatory responses regarding the sustainable development of Arctic fisheries need to begin by addressing the authority of RFMOs in order to overcome obstacles of legitimacy before it is too late.

7 Assessing Arctic Governance

In the previous chapters I have presented the research and its results in detail in order to have a sound basis for a thorough discussion of a highly complex issue. The purpose of this chapter is to discuss those findings with regard to the theoretical foundation in order to assess the mode of governance of the Arctic and also to assess regulatory responses for the development of Arctic fisheries. The chapter is rounded off by a conclusion to the research question: is regional governance a suitable mode of governance for the High North. This includes also an outlook on the regulatory responses required to sustainably develop Arctic fisheries.

7.1 Discussion

The research question focused on the one hand on the suitability of regional governance for the Arctic and on the other hand on regulatory responses for the development of Arctic fisheries. This section draws from the theoretical foundation and discusses the findings of the previous chapters in the following subsections. Furthermore, suggestions for future research are made.

7.1.1 Regional Governance in the Arctic

The first part of the research issue poses the question whether regional governance is a suitable mode of governance for the Arctic. The nature of the question suggests an explorative approach that evaluates the governance mode, rather than predicting a certain outcome. The theoretical foundation outlined that a good mode of governance involves all regional actors and that its success depends on the willingness of those actors to cooperate. Following Hveem's (2003) framework of a comparative political advantage, additional measures can be listed. Such an advantage requires amongst others the just distribution of wealth and the right balance between top-down and bottom-up politics. Furthermore, overcoming issues related to legitimacy, identity and efficiency are essential for a suitable governance mode.

Chapter 4 outlined the current stakes of the High North and identified that there is a general willingness among the Arctic states to cooperate. The Arctic states realise that collective action in the Circumpolar North is necessary to overcome the impacts of climate change as no single state has the financial means to address these problems alone. Consequently, conflicts are very unlikely to arise in the near future. It needs though to be

stated that the seeds for conflict do exist, as the United States till date have not signed the Law of the Sea Convention and Russia still fails to acknowledge compliance with international law in their official documents. Nonetheless, Arctic affairs differentiates itself significantly from conventional international relations, as it leaves the armchair studies of conflict and actually observes what diplomats do (Weschke, 2012). Therefore, the Arctic presents an opportunity to study regionalism as a new phenomenon, rather than focusing on the conflict potential of states, as previous research has done so far.

These findings further promote the Arctic as an innovative region of governance agreements under the auspices of the Arctic Council as major intergovernmental forum for policy creation. The unique aspect that distinguishes the Arctic Council from other regional arrangements is the role it gives to the indigenous people. The indigenous population of the Arctic evolved to a parcel of the overall governance mechanisms and is perceived as *close to equal* to that of a state (Hossain, 2013). The regional governance mode developed by the Arctic states features thus an important step towards trans-regional governance in a globalised world. The theoretical foundation indicated that regionalism advocates for a less sovereign way of state interaction, which in retrospect can be observed in the Arctic. The achievement by the indigenous peoples of the Arctic to sit at the big table with political decision makers marks a turning point in the framework of international law, which is *de facto* a state centric project. The inclusion of local and traditional knowledge increasingly affects the outcome of Arctic governance. However, it would be utopic to believe that the Arctic Council will find the perfect balance between global and local forces and come up with solutions to all issues in the region. The southerly-based governments that are subjects to the structure of international law, often fail to comprehend the extent and traditional livelihood of the indigenous population. Some natives fear that they will be overrun like the Indians in former America (Medred, 2014). Hossain (2013) found that even though indigenous peoples play an active role in Arctic dialogues, their collective role in the decision making process is still a passive one. Strengthening the role of the native population would thus make Arctic governance more legitimate and contribute to a more effective mode of regional governance.

By involving the local population into political processes, the Arctic Council tries to find the right balance between top-down and bottom-up politics, which seemingly adds to the value of its governance mode. However, this does not apply to all relevant stakeholders. The Arctic states' political and economic interests have recalled protectionist politics towards foreign actors. Although the Arctic Council admits foreign members into the work process by granting observer status, their influence is limited in policy outcome. Although a handful of

Asian countries have been admitted to the Arctic Council in 2013, the European Union's (EU) application efforts for observer status have been declined twice so far and are likely to be dismissed again. The official reason is said to be a dispute between the EU and Canada regarding a ban on seal products, however, others have argued that an exclusive governance approach by the Arctic states is the reason for the exclusion of non-Arctic states (Keil, 2012a). It can thus be assumed that some of the Arctic states (Russia and Canada in particular) do not favour an involvement by the EU in Arctic affairs, as it is a very powerful institution with a centralised government that could arraign the status quo within the Arctic Council. The Arctic states in general refrain from delegating any sovereignty to international institutions or organisations. The Arctic Council is considered the highest intergovernmental body in the Arctic for policy creation, but clearly lacks a legal mandate and does thus not possess any regulatory powers. Although the Arctic Council initiated an institutionalisation process by negotiating the Arctic SAR and the establishment of a permanent secretariat, the absence of actual authority is an indication for shortcomings within its legitimacy and especially efficiency.

Weber (2012) highlights that the robustness of a governing system is related to its ability to withstand stress or other impacts and goes hand in hand with a willingness to participate within the system. If a system is robust, the participants will find a way to make it effective, however, in a weak system, participants will most likely search for alternatives outside the system. This can arguably be exemplified by Iceland's initiative to establish the Arctic Circle. A strong argument can be that the initiation of a rival forum was not aimed at increasing the participation of non-Arctic states, but rather a consequence of the exclusion of an Arctic state within the Arctic Council. Iceland's exclusion from formal governance decisions relating to the central Arctic Ocean, especially in relation to fisheries, has not strengthened its relationship with the littoral states of the Arctic. Although the Arctic Circle cannot be understood as a direct rival institution to the Arctic Council, one still has to acknowledge it as an important tile of the governance mosaic.

These implications also indicate a lack of collective regional identity among the Arctic states. Canada is the only country among the Arctic states that clearly promotes a northern identity through its *Northern Strategy*. Policies are often made in the southern capitals of the Arctic states, with no direct relation to the everyday life in the High North. Okalik Eegeesiak, chair of the Inuit Circumpolar Council (ICC), asked during the recent Arctic Circle assembly to consult the inhabitants before trying to reinvent the Arctic. The indigenous peoples are very widespread geographically and have different cultural backgrounds. From the theoretical

foundation it can thus be derived that the region qualifies as a cultural space with distinct identities. Consequently, efforts to find consensus between policy makers and the inhabitants of the Arctic require the promotion of a collective identity, as social and cultural coherence is a clear advantage when adapting to new challenges.

The investigation of the governance mode in this thesis has shown that Arctic governance is by no means perfect. In conclusion it can be said that the current governance mode of the Arctic has significant shortcomings in the evaluation of its legitimacy, identity and efficiency. However, this thesis addresses the suitability rather than the correctness of governance mechanisms in the Arctic. From this point of view, it can be observed that there is a general willingness to cooperate among the Arctic stakeholders with an increased effort to incorporate non-Arctic voices into the discourse. The lack of a legal organisation for policy creation is substituted by the institutionalisation process of the Arctic Council and should be perceived as a development towards an authoritative body. Furthermore, the involvement of indigenous peoples organisation fosters regional progress and opens the possibility for a regional identity. Considering the recent developments within Arctic governance, despite its shortcomings, one can assess that the current regional governance structure of the Arctic in fact is a suitable governance mode for the region.

7.1.2 Regulatory Responses for Arctic Fisheries

The second research question addresses potential regulatory responses for the sustainable development of Arctic fisheries. For this purpose the North East Atlantic Fisheries Commission (NEAFC) has been evaluated in a case based approach. The philosophical detour of international law in chapter 2, stated that the biggest obstacle to international cooperation is often rooted in the interests of single states. It is thus pertinent to recall those philosophical dilemmas when discussing regulatory responses for Arctic fisheries.

The findings in chapter 6 determined that management efforts by NEAFC have often been too little and too late. Although many have advocated that the proper mechanisms to regulate fisheries were present, the member states often failed to utilise them. This phenomenon is a result of the jealous guarding of sovereignty by nation states, as was outlined in section 0. From international law it can be derived that states will either engage in international regimes in order to acquire more power or to solve common problems by creating interdependences, due to common interests. The historical developments within NEAFC have shown that the member states started to overfish the fish stocks and only gave authority to the organisation as a last resort when it was already too late. Those shortcomings

are mainly caused by the institutional structure of the organisation. NEAFC was drafted in a way that it was unable to create any proper regulations. Nevertheless, the developments of international maritime law forced the organisation into structural changes and managed to seemingly increase the effectiveness of the organisation.

The organisational changes within NEAFC also established an *ad hoc* dispute settlement mechanism, which is vital for a fast resolution of conflicts between its member states. The new instrument requires states to express a statement of reason when objecting to proposed fishing regulation and propose suggestions for alternative regulation. This organisational development is a huge step towards a more effective decision making process within the organisation. Although some steps towards the protection of biodiversity have been made, it is still problematic that states mainly regulate the large commercial stocks and disregard to a certain extend smaller species and by catch that are vital for the marine ecosystem. Furthermore, a repeating issue is often the long process of negotiating proper fishing quotas, which almost creates annual tension among major fishing nations. It appears that fish stocks like mackerel are already migrating further north in the Atlantic, going beyond EU jurisdiction and into Iceland and the Faroe Islands' EEZs, planting the seeds for tension. Altered migration patterns and geographical location of economic valuable fish stocks (like mackerel) may thus undermine formal and informal arrangements and cause international disputes, as it often has been the case between the EU and Iceland (Arnason, 2012). The Arctic marine environment is very fragile to outside shocks and regulatory responses need thus to include not only fast processes for negotiation fishing quotas but also include the protection of the biodiversity.

Economies of states like Iceland and Greenland (as well as Norway to a certain degree) are dependent on the revenue generated by high seas fisheries. For some states the access to high sea fisheries might not pose a significant economic implication, whilst it can have a major affect on other states' economies (Kaye, 2004). The management of fisheries in the central Arctic Ocean needs thus to acknowledge the economic importance of fisheries of those states when considering regulatory responses towards fisheries. Climate change and its impacts on fish stocks are very unclear. Hence, uncertainty and risk must be an integral part of managing marine life and requires more and diverse parts of expertise. Reducing or increasing a fishing quota policy for a certain stock might be difficult to explain to non-scientific members, such as policy makers and other stakeholders, eventually increasing scepticism and tension (Arnason, 2012). To overcome those obstacles policy makers need to address the issues related to accountability and legitimacy in the establishment of RFMOs.

However, states are bound to find diplomatic consensus when drafting agreements. As historical developments have shown, it would be utopic to believe that they would delegate any sovereignty to a RFMO in the near future.

First steps towards the regulation of fisheries in the Arctic have been taken by the littoral states in the Ilulissat Declaration. Furthermore, the United States and the EU expressed a general halt of commercial fisheries in the central Arctic Ocean before a relevant governance arrangement is in place. However, a key step is strengthening the authority of RFMOs. In doing so, regulatory responses need not only to establish effective measurements, but more important, need to include the marine ecosystem. The biodiversity of the Arctic is very fragile and proper management measures require the incorporation of all fish species including relevant by catches. Further, it is important to recognise the dependency on fish stocks of certain Arctic economies in order to eliminate political tension when drafting an agreement. These findings not only advocate for the requirement of regulatory responses, but also indicate what necessary steps are to be made in the sustainable development of Arctic fisheries.

7.1.3 Suggestions for Future Research

This thesis shows several contributions to the study of regionalism and current Arctic affairs and enhances the understanding of importance for regional approaches towards governance structures. The findings add to a growing body of literature on Arctic governance and fisheries regulation. A natural progression of this work would be to pick certain findings and analyse them in a deeper context. Since this thesis has heavily drawn upon secondary sources, future research should include the collecting of primary data through multiple methods. Areas of future interest could for example include the examination of the indigenous peoples' role in Arctic geopolitics or an analysis of the newly established Arctic Circle assembly.

Besides practical research, future contributions could also include the use of the Arctic governance model to foster a deeper theoretical understanding of regionalism and kick-start a discourse for new approaches in the studying of international relations. The growing importance of regional actors in state interaction creates a need to look beyond conventional approaches in international relations and could thus promote the establishing of a less sovereign bound theory. Furthermore, the inclusion of different stakeholders in Arctic geopolitics also enables research in the field of international law. Future research is needed on how to incorporate non-state actors into the structures of international law.

More fundamentally, I would argue that extensive research is needed in finding a common understanding of the Arctic. Drawing scientific and political boundaries are essential for future research approaches in any particular field. Especially political limitations are needed for the studying of regional factors in Arctic affairs. Whether the Arctic should be governed by southerly-governments or create an independent parliament that consists of the 28 regions present fruitful possibilities to be considered. However, new literature concerning the Arctic is growing rapidly and need to be considered before approaching the study of the Arctic.

7.2 Conclusion

The assessment of contemporary Arctic affairs with regard to the exploration of new fisheries in the High North allows us to identify some issues that are likely to attract the attention of Arctic stakeholders in the next few years. A key takeaway from the 2014 Arctic Circle assembly was that nobody really knows much about anything, except for the general agreement on the big picture (Medred, 2014). Even the broad scope is controversial, as a variety of definitions for the Arctic region exist. The boundaries of the Arctic are often drawn opportunistically and depend on political, economic and scientific incentives. The Arctic is often depicted as an icy wasteland that holds abundant natural resources. Yet, it needs to be acknowledged that the Arctic is neither remote nor a frontier. It is the livelihood of indigenous peoples and therefore conflicts between subsistence and industrial activities are very likely to occur (Christiansen et al., 2014). Consequently, governance and regulatory decisions are required. By means of analysing regional cooperation in the Arctic with a particular focus on fisheries this thesis has sought to assess whether regional governance is a suitable mode of governance for the High North and suggests regulatory responses required to sustainably develop Arctic fisheries. Important in the assessment of regional governance is to understand the process of regionalisation in global affairs. Regionalism is a political process that depends on the willingness to cooperate, the involvement of all regional stakeholders, a just distribution of wealth, the right balance between top-down and bottom-up politics as well as efforts to overcome the drawbacks of legitimacy, identity and efficiency.

The study found that the political and economic landscape of the High North is very diverse and that some of the Arctic states hold high stakes in the natural resources of the northernmost region of the globe. Iceland and Greenland depend heavily on commercial fisheries in the Circumpolar North, whilst Russia has increasingly recognised that its economic success primarily depends on its natural energy resources located in northern

Siberia. Consequently, policy focus has shifted towards more protectionist politics by the Arctic states towards the incorporation of foreign voices into Arctic affairs. The Arctic economy is based on commodities, which is a global market. It will thus be difficult to separate the Arctic from the global economy in the near future (Heininen et al., 2013). Policy creation in the Circumpolar North is predominantly reserved to the members of the Arctic Council and is still closed to non-Arctic stakeholders. However, the establishment of the Arctic Circle in recent years, has opened the Arctic discourse to other stakeholders in order to discuss the Arctic from a global perspective. Rather than forming an overarching organisation in order to govern Arctic relations, the developing trend has been a governance mode that is characterised by a number of issue-specific arrangements as illustrated in Figure 5-1.

Especially the management of Arctic fisheries is still very fragmentary. The regulation of fisheries is in general a very complex matter and depends primarily on states' willingness to cooperate and finding consensus when drafting agreements. Even though technical innovations have supported the gradual improvement of RFMOs in terms of efficiency, discordancy is still a major factor in negotiating fishing quotas. A key step in the sustainable development of Arctic fisheries is thus strengthening the authority of RFMOs. Regulatory responses need to establish effective conservation measurements that incorporate the marine ecosystem as a whole, instead of only focussing on large commercial fish stocks. When drafting such regulatory agreements, it is important to acknowledge that some states depend more on fishing resources than others in order to avoid political tension in negotiating conservation measures.

The observations in this thesis have shown that there is a general willingness to cooperate among the Arctic stakeholders with an increased effort to incorporate non-Arctic voices into the discourse. The shortcomings of a legal mandate in the High North is substituted by institutional responses of the Arctic Council and should be perceived as a step towards the progressive development of an authoritative body. Furthermore, the incorporation of indigenous voices in the Arctic policy progress distinguishes the governance mode from other arrangements and fosters regional progress as well as the possibility for developing a common northern identity. Following recent developments in Arctic governance, despite certain deficiencies, one can assess that regional governance is in fact a suitable mode of governance for the Arctic region.

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Appendix – List of Relevant Treaties, Instruments, and Agreements

Short title	Full title and citation
AEPS	Arctic Environmental Protection Strategy, 14 January 1991, 30 I.L.M. 1624 (1991)
Antarctic Treaty	The Antarctic Treaty, 1 December 1959, 402 U.N.T.S. 71. Entered into force 23 June 1961
Anti-fouling Convention	International Convention on the Control of Harmful Anti-fouling Systems on Ships, 5 October 2001, IMO Doc. AFS/CONF/26, of 18 October 2001. Entered into force 17 September 2008
Arctic SAR Agreement	Agreement on Cooperation on Aeronautical and Maritime Search and Rescue in the Arctic, 12 May 2011, 50 I.L.M. 1119 (2011). Entered into force on 19 January 2013
Arctic Shipping Guidelines	Guidelines for Ships Operating in Arctic Ice-Covered Waters, IMO MSC/Circ. 1056, MEPC/Circ. 399, 23 December 2002
Basel Convention	Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal. 22 March 1989, 1673 U.N.T.S. 57. Entered into force 5 May 1992
BMW Convention	International Convention for the Control and Management of Ships' Ballast Water and Sediments, 13 February 2004, 30 I.L.M. 1455 (1991). Not in force, IMO Doc. BWM/CONF/36, of 16 February 2004
Bunker Oil Convention	International Convention on Civil Liability for Bunker Oil Pollution Damage, 23 March 2001, 402 U.N.T.S. 71. Entered into force 21 November 2008
CBD	Convention on Biological Diversity, 5 June 1992, 1760 U.N.T.S. 79. Entered into force 29 December 1991
CBS Convention	Convention on the Conservation and Management of Pollock Resources in the Central Bering Sea, 16 June 1994, 34 I.L.M. 67 (1995). Entered into force 8 December 1995
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora, 3 March 1973, 993 U.N.T.S. 243. Entered into force 1 July 1975
Civil Liability Convention	International Convention on Civil Liability for Oil Pollution Damage, Brussels, 29 November 1969, 9 I.L.M. 45 (1970). Entered into force 19 June 1975. Replaced and entered into force 30 May 1996
CMS / Bonn Convention	Convention on the Conservation of Migratory Species of Wild Animals, 23 June 1979, 1651 U.N.T.S. 33. Entered into

Short title	Full title and citation
	force 1 November 1983
COLREG 72	Convention on the International Regulations for Preventing Collisions at Sea, 20 October 1972, 1050 U.N.T.S. 16. Entered into force 15 July 1977
Compliance Agreement	Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas, 24 November 1993, 33 I.L.M. 969 (1994). Entered into force 24 April 2003
Espoo Convention	Convention on Environmental Impact Assessment in a Transboundary Context, 25 February 1989, 1989 U.N.T.S. 309. Entered into force 10 September 1997
Fish Stocks Agreement	Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks, 4 August 1995, 2167 U.N.T.S. 3. Entered into force 11 December 2001
Fund Convention	International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 18 December 1971, 11 I.L.M. 284 (1972). Entered into force 16 October 1978
Gothenburg Protocol	Protocol to the 1979 Convention on Long-range Transboundary Air Pollution to Abate Acidification, Eutrophication and Ground-level Ozone, 30 November 1999, EB.AIR/1999/1. Entered into force 17 May 2005
Helsinki Protocol	Protocol to the 1979 Convention on Long-Range Transboundary Air pollution on the Reduction of Sulphur Emissions or their Transboundary Fluxes by at least 30 percent, 14 June 1985, 1480 U.N.T.S. 215. Entered into force 2 September 1987
HNS Convention	International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea, 3 May 1996, 35 I.L.M. 1406 (1996). Not in force
HNS Protocol	Protocol on Preparedness, Response and Co-operation to Pollution Incidents by Hazardous and Noxious Substances, 15 March 2000, IMO Doc. HNS-OPRC/CONF/11/Rev.1, of 15 March 2000. Entered into force 14 June 2007
ICCPR	International Covenant on Civil and Political Rights, 16 December 1966, 999 U.N.T.S. 17. Entered into force 23 March 1976
ICRW	International Convention for the Regulation of Whaling, 2 December 1946, 161 U.N.T.S. 72. Entered into force 10

Short title	Full title and citation
	November 1948
ILO Convention No. 169	Convention concerning Indigenous and Tribal Peoples in Independent Countries, 27 June 1989, 28 I.L.M. 1382 (1989). Entered into force 5 September 1991
Ilulissat Declaration	Ilulissat Declaration, Arctic Ocean Conference. Ilulissat, Greenland. 27 May 2008, 48 I.L.M. 382 (2009)
Kyoto Protocol	Kyoto Protocol to the United Nations Framework Convention on Climate Change, 11 December 1997, 2303 U.N.T.S. 148. Entered into force 16 February 2005
London Convention/LC	Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter. 29 December 1972, 1046 U.N.T.S. 120. Entered into force 30 August 1957
London Protocol/LP	Protocol to the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, 7 November 1996, 36 I.L.M. 7 (1997). Entered into force 24 March 2006
LOS Convention	United Nations Convention on the Law of the Sea, 10 December 1982, 1833 U.N.T.S. 396. Entered into force 16 November 1994
LRTAP Convention	Convention on Long-range Transboundary Air Pollution, 13 November 1979, 1302 U.N.T.S. 217. Entered into force 16 March 1983
MARPOL 73/78	International Convention for the Prevention of Pollution from Ships, 2 November 1973, 2 I.L.M. 1319 (1973). Entered into force 2 October 1983
Montreal Protocol	Montreal Protocol on Substances that Deplete the Ozone Layer, 16 September 1987, 1522 U.N.T.S. 3. Entered into force 1 January 1989
Murmansk Treaty	Treaty between the Kingdom of Norway and the Russian Federation concerning Maritime Delimitation and Cooperation in the Barents Sea and the Arctic Ocean, 15 September 2010, U.N.T.S. Reg. No. 49095. Entered into force 7 July 2011
NAFO Convention	Convention on Future Multilateral Cooperation in the Northwest Atlantic Fisheries, 24 October 1978, 1135 U.N.T.S. 369. Entered into force 1 January 1979
NASCO Convention	Convention for the Conservation of Salmon in the North Atlantic Ocean, 2 March 1982, 1338 U.N.T.S. 33 (1983). Entered into force 1 October 1983
NEAFC Convention	Convention on Future Multilateral Cooperation in the North-East Atlantic Fisheries, 18 November 1980, 1285 U.N.T.S. 129. Entered into force 17 March 1982
NPAFC	Convention for the Conservation of Anadromous Stocks in the

Short title	Full title and citation
	North Pacific Ocean, 11 February 1992. 22 Law of the Sea Bulletin 21 (1993). Entered into force 16 February 1993
OPRC Convention/OPRC 90	International Convention on Oil Pollution Preparedness, Response, and Cooperation, 30 November 1990. 30 I.L.M. 733 (1991). Entered into force 13 May 1995
OSPAR Convention	Convention for the Protection of the Marine Environment of the North-East Atlantic, 22 September 1992, 32 I.L.M. 1072 (1993). Entered into force 25 March 1998
Ottawa Declaration	Declaration on the Establishment of the Arctic Council, 19 September 1996, 35 I.L.M. 1382 (1996)
Part XI Deep-Sea Mining Agreement	Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982, 28 July 1994. 1836 U.N.T.S. 3. Entered into force 28 July 1996
Polar Bear Agreement	International Agreement on the Conservation of Polar Bears, 15 November 1973, 13 I.L.M. 3 (1974). Entered into force 26 May 1976
Polar Shipping Guidelines	Guidelines for ships operating in polar waters, IMO Assembly Resolution A.1024(26), 2 December 2009
POPs Protocol	Protocol to the 1979 Convention on LRTAP on Persistent Organic Pollutants (POPs), 24 June 1998, 2230 U.N.T.S. 79. Entered into force 23 October 2003
Port State Measures Agreement	Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing, 22 November 2009. Not in force (at 27 November 2012)
Ramsar Convention	Convention on Wetlands of International Importance Especially as Waterfowl Habitat, 2 February 1971, 996 U.N.T.S. 245. Entered into force 21 December 1975
Rovaniemi Declaration	Rovaniemi Declaration (1991). Declaration on the Protection of the Arctic Environment, 14 June 1991, 30 I.L.M. 1624 (1991)
SAR Convention	International Convention on Maritime Search and Rescue, 27 April 1979. 1405 U.N.T.S. 118. Entered into force 22 June 1985
Stockholm Convention	Stockholm Convention on Persistent Organic Pollutants, 22 May 2001, 2256 U.N.T.S. 119. Entered into force 17 May 2004
SEA Protocol	Protocol on Strategic Environmental Assessment to the Convention on Environmental Impact Assessment in a Transboundary Context, 21 May 2001, UNECE Document ECE/MP.EIA/2003/2. Entered into force 11 July 2010
Sofia Protocol	Protocol to the 1979 Convention on Long-Range Transboundary Air Pollution Concerning the Control of

Short title	Full title and citation
	Emissions of Nitrogen Oxides or their Transboundary Fluxes, 31 October 1988, 28 I.L.M. 212 (1989). Entered into force 14 February 1991
SOLAS	International Convention for the Safety of Life at Sea, 1 November 1974, 1184 U.N.T.S. 278. Entered into force 25 May 1980
Spitsbergen Treaty	Treaty Concerning the Archipelago of Spitsbergen, 9 February 1920, 2 L.N.T.S. 7. Entered into force 14 August 1925
STCW Convention	International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1 December 1978, 1361 U.N.T.S. 2 Entered into force 28 Apr 1 1984. As amended and modified by the 1995 Protocol
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples. General Assembly Resolution. New York, 13 September 2007. A/RES/61/295
UNESCO World Heritage Convention	Convention Concerning the Protection of the World Cultural and Natural Heritage, 16 November 1972, 1037 U.N.T.S. 151. Entered into force 17 December 1975
UNFCCC	United Nations Framework Convention on Climate Change, 9 May 1992, 1771 U.N.T.S. 107. Entered into force 21 March 1994
Vienna Convention	Vienna Convention for the Protection of the Ozone Layer, 22 March 1985, 1513 U.N.T.S. 293. Entered into force 22 September 1988
VOC Protocol	Protocol to the 1979 Convention on LRTAP concerning the Control of Emissions from Volatile Organic Compounds or their Transboundary Fluxes, 18 November 1991, 2001 U.N.T.S. 187. Entered into force 29 September 1997

Source:

TEDSEN, E., CAVALIERI, S. & KRAEMER, A. (eds.) 2014. *Arctic Marine Governance*: Springer Berlin Heidelberg.