



INFO PACK

# Russia's Last Frontier:

Geopolitics and the  
Competition in the Arctic

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# Introduction

**O**n August 2, 2007, Russian Arctic scientist Artur Chilingarov planted a titanium Russian flag on the North Pole's seabed to declare Russian sovereignty and consolidate evidence to extend rights over the exploitable region. Despite this effort, the United Nations rejected the claim. A few years later, Chilingarov bluntly stated that "we [Russia] will not give the Arctic to anyone."

Due openings in the Arctic engendered primarily by climate change, international players are increasing-

ly making geopolitical and economic claims to the Arctic. In particular, Russia has the most vested stake in the area, incorporating half of the coastline and making up 75 per cent of Arctic residents. In addition to comprising 11% of Russia's national assets and an expected 30% of the world's undiscovered oil, this region is regarded as critical to its national security and economic improvement. This info-pack will illustrate the significance of the Arctic Circle for Russia's national strategy, international competition, and the region's importance for each country's economy.

## Map of the Arctic Administrative Areas



Source: Arctic Centre

Experts predict that the Russian domestic agenda for 2021 will prioritise the Russian Arctic zone, one of the largest, most pristine, and undeveloped areas of the world. Although the region is one-sixth of the world's landmass, it is home to only 4 million people, scattered across eight circumpolar countries: Canada, Denmark (Greenland), Finland, Iceland, Norway, Russia, Sweden, and the United States. The region is rich in renewable (fish, marine animals) and non-renewable resources (minerals, oil, gas). According to geological surveys, up to 20% of the world's mineral reserves are located here.

Today, mining provides the main reason for the renewed interest in the Arctic from circumpolar and non-Arctic states. Although minerals and oil have been mined and explored in the region for several decades, harsh weather, combined with relatively low commodity prices, left the arctic more or less untouched. Therefore, the renewed interest raises questions about spending huge funds on developing hard-to-recover reserves when developing comparable reserves elsewhere would be significantly cheaper.

In the past 20 years, there have been substantial changes to the Arctic, including the impact of climate change, rising prices for natural resources such a wide range of metals commodities, and widely reported results of geological surveys that indicate an enormous potential for oil and natural gas resources. Thus, in the short-medium term, melting ice will make the area navigable to regular shipping and other extraction activities, which may open a new route along the arctic coast of Russia. This potential development has made the Arctic attractive to various states outside of the circumpolar countries. One such study, in particular, was carried out by geologists from the United States in 2009. As noted by international legal scholar Michael Byers, "most of the projected reserves lie at a depth of fewer than 500 meters." However, Byers explained that these potential oil and natural gas reserves "probably fall under the undisputed jurisdiction of one or another island state in the Arctic Ocean."

The political discussion relating to Arctic development boils down to one main question – will development be driven by cooperation or confrontation? The Russian expedition "Arctic-2007" gave this question further impetus. Explorers in the expedition, which was commissioned to clarify the continental shelf's boundaries at the bottom of the Arctic Ocean, symbolically hoisted the Russian Federation's flag underwater at the North Pole. Some Western politicians and journalists viewed this event as the "beginning of the battle for the Arctic." They saw this episode as part of a larger chapter on the potential future wars for resources. For them, conflict over the ownership of the Arctic ushers a new era in which international political forces will decide the fate of the region and the likelihood of a new cold war in the Arctic. The American press reacted tensely to this event. Almost immediately, countless articles appeared in the American media with a leitmotif of outrage over Russia's claims. In particular, the words of well-known American political scientist A. Cohen regarded Russia's actions as an «attempt at territorial seizure». Cohen called on the United States government to "respond decisively". By placing the Russian flag on the seabed beneath the North Pole and claiming a sector of the Continental Shelf, Moscow generated a new cause for international tension. The United States' close interest in the Arctic is not connected with the immediate task of developing the Arctic territories; rather, it should be considered within the context of a long-term geopolitical trend – both states' desire for global leadership.

## A brief geopolitical history of the Arctic

The Second World War demonstrated the importance of the Arctic region against a backdrop of renewed conflict between the Great Powers and the emergence of both modern transport technologies and global commodity supply chains. In the North Atlantic, Greenland, and Iceland became vital transit countries for Allied troops, aircraft, and cargo transportations routing to Europe. Key patrol bases were also established to keep German submarines out of the Atlantic. During the Cold War, the Arctic faced a new form of geopolitical pressure. [Because of fears of nuclear war](#), the witnessed a military build-up, including the introduction of submarine and air patrols, tactical exercises, radar installations, and military bases — both by the Soviet Union and the United States and its NATO allies. Due to low global prices, the rates of exploration and production of minerals were also low during this period.

However, the close of the Cold War — and with it, the prioritisation of security and economic measures opened a sphere for further exploration into the sustainable development of the Arctic. On October 1, 1987, the General Secretary of the Communist Party of the Soviet Union (CPSU) Mikhail Gorbachev [made the Murmansk initiative](#), describing the six goals of Soviet foreign policy in the Arctic: create a nuclear-free zone in Northern Europe; reduce military

activity in the Baltic, Northern, Norwegian and Greenland seas; cooperate on resource development; form an international conference on the coordination of scientific research in the Arctic; collaborate in the field of environmental protection and management, and open the Northern sea route. In the post-Cold War era, the Arctic countries began to think about solving environmental and sustainable development problems that existed outside of the limits of situational financial and scientific partnerships.

In the 1990s, several multilateral organisations were established; the most significant of which was the Arctic Council, which began functioning in 1998 with eight circumpolar countries as members. The Council was a continuation of the Ottawa Declaration of 1996, which called for the creation of an organisation to “find ways to organise cooperation, coordination and interaction between the Arctic States”. Based on several environmental workgroups established in the early 1990s, the Arctic Council has two objectives: environmental protection and sustainable development. The Council does not discuss security, defence, trade, or immigration. Decisions are made by consensus or unanimous consent among all eight countries, taking into account the disparity of forces between these countries in military, economic, and geographic terms.



*The Prirazlomnaya offshore ice-resistant oil-producing platform is seen in the Pechora Sea, Russia on May 8, 2016. Prirazlomnaya is the world's first operational Arctic rig that can process oil drilling, production and storage, as well as end product processing and loading.*  
(Sergey Anisimov - Anadolu Agency)

# The struggle for resources and influence

While there are no active border disputes between the Arctic states, there are nevertheless some disagreements. In 1990, the USSR and the United States signed [an agreement](#) on the Bering Sea border. In 2010, Russia and Norway settled a forty-year dispute over maritime borders in the Barents Sea, equally dividing the area claimed by both states. Meanwhile, the small island of Hansa, located between Canada and Greenland (Denmark), the border between the US and Canada in the Beaufort Sea, and the border in the Greenland Sea all remain [controversial](#). However, [according to Timo Koivuvuori](#), director of the Arctic Center of the University of Lapland (Finland), these differences are relatively minor as the territories are not rich in resources and the involved parties maintain quite good relations.

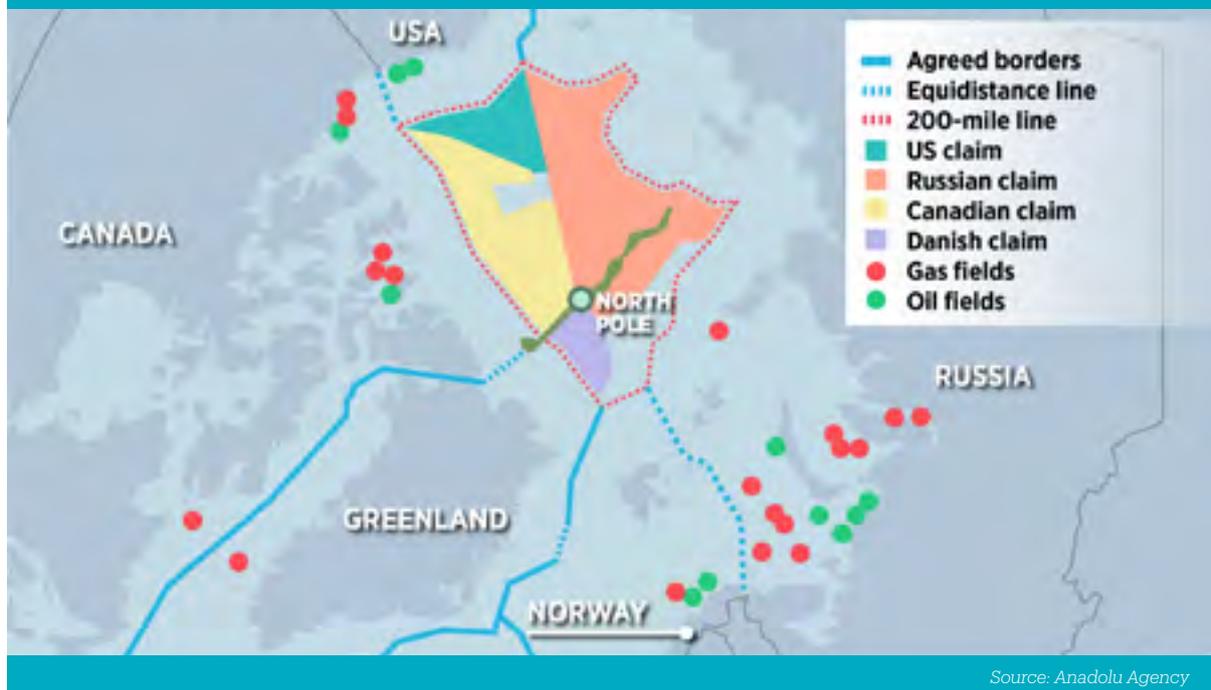
However, global interest in the Arctic had increased dramatically in recent years. Due to climate change, Arctic waters have become more favourable for navigation and the development of natural resources. The Arctic region may become a source of international tension due to competition over access to these resources. According to the US Geological Survey, about [22 per cent of the world's](#) undiscovered hydrocarbon resources lie under the Arctic ice. At the same time, [84% of the resources](#) are located on the Arctic Ocean shelf and [only 16%](#) can be found on the Arctic states' land territory within the Arctic Circle.

## Map of large mineral and hydrocarbon deposits in the Russian Arctic and sub-Arctic regions



Source: Valdai Club

## Russia claims 1.2 mln square metre of Arctic territory



Source: Anadolu Agency

[Article 76 of the UN Convention](#) on the Law of the Sea automatically sets the shelf's limits at 200 nautical miles but grants the involved state the right to issue a claim over shelf extending beyond this limit. Denmark, Canada, and Russia have all sought to expand the limits of their continental shelves. In 2015, Russia, for the second time, applied to the UN requesting to extend the borders of its continental shelf in the Arctic. For the first time, the UN rejected the application, citing a lack of evidence that Russia's territories are an extension of its continental shelf. On April 3, 2019, the UN sub-commission tentatively recognised the geological affiliation of part of the Arctic territories to the Russian continental shelf; now the shelf area can increase by 1.2 million km. For comparison, this area is approximately equal to the territory of France, Germany and Poland combined.

Moreover, Russia, Denmark, and Canada have argued at the UN with regards to the Lomonosov Ridge ownership; each state considers it an extension of its continental shelf. According to [Lev Korolkov](#), an expert at the Center for Crisis Studies, states began to lay their claims to the ridge once it became known that it is particularly rich in hydrocarbons. Korolkov believes that the situation will be resolved in favour of Russia because recent scientific studies conducted by Russian scientists have confirmed that the Lomonosov Ridge is an extension of the Russian continental shelf.

Other border disputes involve the Lincoln Sea (claimed by Canada and Denmark), Hans Island (Canada and Denmark), and the Beaufort Sea (Canada and the United

States) — where, again, potential mineral deposits are located. Hansa Island – a small uninhabited 1.3-square-kilometer island located between Canada and Greenland, has been a disputed territory since 1973 when Ottawa and Copenhagen disagreed over its ownership. The 40-year-old dispute over the Barents Sea border between Russia and Norway was resolved in 2010 with the signing of a treaty. This move allowed the development of oil and gas fields in this area to begin.

The Northwest Passage and Northern Sea Route are of constant concern as well. The first is claimed by Canada, who considers it to be part of its territorial waters, and the second by Russia, who considers this route to be part of its internal waters. Both routes allow merchant ships to significantly reduce travel time and opens up opportunities for the exploitation of Arctic resources in the event of widespread ice melting. Countries like the US and China consider the Arctic Archipelago an international strait through which their vessels can move freely. Any deviation from this principle in Washington and Beijing's vision sets a precedent for other global shipping channels, such as the Straits of Gibraltar and Malacca.

What, then, is the uniqueness and value of this region? The answer to this question is as follows: the main reasons for the particular interest in the Arctic are related to its macro-economic and geopolitical opportunities, as well as natural and transport resources.

## Russia's approach in the Arctic: cooperation or competition?

The previous section illustrated how and why Moscow regards the Arctic with a sense of national pride and identity drawn from history. The basis for Russia's simultaneous collaborative and ambitious strategy is that the Arctic is significant to both Russia's planned economic growth and international position. As Western Siberian natural resources decline, Russia aspires to tap into the rated [13 per cent](#) of the earth's oil, [30 per cent](#) of the earth's natural gas, and limited earth minerals discovered within its Arctic zone. Russia expects a massive increase in the control of its maritime Northern Sea Route, presenting an increased possibility of the almost 2 million Russians living near the Arctic shoreline.

Several geographically defined Arctic regions and regulations make it challenging for Russia to stake out an exact role in the area. Instead, Russia has highlighted both its outsized geopolitical assertion in the Arctic as confirmation of its great power status globally, while still advancing collaboration regionally. As indicated in the [2008 Arctic strategy](#), Russia would like to "maintain the role of the leading Arctic power." Consequently, Russia has many diverse interests in the Arctic region and the North: First, the Arctic region's appeal to Russia lies in its vast natural resources reserves. According to the [US Geological Survey](#) in 2008, the total reserves of probable oil and gas resources in the Arctic are estimated at 90 billion tons barrels of oil, 1,669 trillion cubic feet of natural gas, and 44 billion barrels of liquefied natural gas.

The Arctic deposits account for about [3 billion](#) dollars' worth of oil and natural gas in oil equivalent, almost [10% of the world's known oil reserves](#) (total production and remaining proven reserves). However, as far as oil is concerned, most of the Arctic territory remains unexplored, especially the shelf. Most of the Arctic's hydrocarbon reserves are located in the Russian Arctic. This region is the most productive in Russian gas [production \(95%\) and oil \(about 70%\)](#). Russian geologists have also discovered [about 200 oil](#) and gas fields on the Barents and Kara Seas shelf, where 22 large deposits are located that will be developed shortly.

[The Russian Arctic](#) is also rich in other mineral resources. [Local mining companies](#) are extracting primary and alluvial diamond deposits (99%), platinum group metals (PGE) (98% of the total Russian production), deposits of Nickel and cobalt (over 80%), chromium and manganese (90%), copper (60%), antimony, tin, tungsten and rare metals (from 50 to 90%), and gold deposits (about 40%).

The development of the Arctic and subarctic natural resources is a necessary measure for Russia and the whole world. However, this difficult task requires huge costs and advanced geological and environmental training. In addition to mineral resources, the Arctic is also rich in bioresources. More than [150 species](#) are found in the Arctic waters, including commercial fish, which are the most critical products for Russian (and foreign) fishing – such as herring, cod, pink salmon, haddock and flounder.

## The economic significance of Russia's Arctic zone

During the Soviet era, [the Russian Arctic had a solid production base](#). This territory encompassed mining enterprises, fuel and energy complex, pipeline systems, power plants, and the Bilibino nuclear power plant – a vast transport infrastructure consisting of an extensive network of railways, highways, airfields, and river and seaports. [In this zone](#), there are 46 cities with more than 5,000 inhabitants, including four cities with a population of more than 100,000 people, the highest among the coastal Arctic states.

State and private businesses intend to restore the Russian Arctic industry and infrastructure and facilitate its further development. The region's economy is expected to attract direct Russian and foreign investment; hundreds of billions of dollars are expected to be invested in energy, mining, transport infrastructure, and communications.

Furthermore, the situation in which the Arctic ice continues to melt must be considered. In such a case, Russia stands to benefit significantly from the development and

maintenance of the [Northern Sea Route \(NSR\)](#) – the shortest sea route from European to East Asian ports, as well as an essential internal route connecting Siberian river ports with the European and Far Eastern regions of the country. Another promising transport project is the cross-polar air

communication between North America and Asia (with transit through Siberian airports). It should be noted that the growth rate of traffic flows through cross-polar air-space is already four times higher than the global average.

## Military-strategic significance

For Russia, the importance of the Arctic region is also primarily due to security considerations. The Kola Peninsula and surrounding waters are a zone of particular military importance. This territory provides direct access to both the Atlantic Ocean and the Arctic, of both potential targets and several extensive defence industry facilities and infrastructure that make it an ideal theatre for strategic naval operations. The strategic importance of the North is primarily due to the sea-based nuclear forces deployed in the region.

Nuclear deterrence is a critical element of the Russian military strategy and a symbol and guarantee of great power status. Thus, the maintenance of nuclear capabilities is of the highest priority in the modernisation of Russian defence. Russian politicians and military officials [have repeatedly stated](#) that political and military pressure from the United States and NATO in the Far North has been increasing. They argue that the United States and other NATO countries are trying to undermine Russia's position and reduce its presence in the region by actively penetrating the Arctic. The Kremlin remains [suspicious](#) of military exercises, even small ones, conducted by NATO near its borders. The modernisation programmes of the Arctic coastal states' armed forces are also of serious concern to Russia.

Russian military theorists are also concerned about the plans of the United States and NATO in the Arctic. The po-

tential of the Arctic being ice-free for at least a few months of the year will have serious consequences. According to Russian military analysts, the Pentagon will permanently deploy a nuclear submarine fleet and sea-based missile defence systems in the Arctic Ocean. These assets will be capable of intercepting Russian ballistic missiles and delivering a pre-emptive strike. An [analysis of the recently developed](#) US military strategy in the Arctic confirms Russia's concerns about Washington's plans for the region.

While Moscow's military progression continues to be the most contentious of its Arctic policies, its practical economic and security interests arguably require an Arctic military expansion that is somewhat more defensive than offensive in nature. According to Russia's first Arctic policy, the Russian Navy and Northern Fleet renewed its ship occupation in 2008 to ensure political interests in the Arctic, prominently the Northern Sea Route, which continues to hold upmost security concerns for border administration and maritime protection. Based on this update, many [Russian military theorists](#) recommend that the Kremlin maintain strategic forces at their current level and regularly modernise them. Russia has every reason to be a leading player in the Arctic. There are significant economic, social, environmental, and military-strategic interests of the country in this region and Russia has officially demonstrated its readiness to protect these interests.

## Russia's strategies in the Arctic

Russia sees its authority in the Arctic, both through unilateral and multilateral methods, as a mechanism to maintaining its magnanimity. Russia holds three significant objectives in the Arctic in the maintenance of promoting its great power status: to secure its sovereignty over its economic position and continental shelf in the area, to defend its financial interests in its Arctic zone, and to illustrate that it maintains world-class military capacities.

The Russian Federation was one of the first Arctic States to start developing a policy on the Arctic, however, oth-

ers began to catch up. In 2006, Norway issued an official document entitled "[Strategy for the Far North](#)". Denmark and Greenland [launched a joint draft](#) «Strategy for Action in the Arctic Region» in May 2008. However, on June 14, 2001, the Russian government approved a draft document entitled «Fundamentals of the State Policy of the Russian Federation in the Arctic» (Government of the Russian Federation 2001). This document articulated Russian interests and the directions of the main strategies in the Arctic, even though the final version of the strategy took another seven years (and the election of a new president) to formalise.

## Strategy 2008

Medvedev [declared](#) that Russia needed to turn the Arctic into "a resource base for Russia in the 21st century". On September 18, 2009, he [approved](#) the «Fundamentals of the State Policy of the Russian Federation in the Arctic for the period up to 2020 and beyond.» This six-page document listed Russia's national interests in the region: the development of Arctic resources, the use of the Northern Sea Route as a national unified transport link, and the maintenance of the region as a zone of peace and international cooperation. Per the plans for the multilateral development of the northern territories, the Arctic should become the "leading strategic resource base of the Russian Federation" between 2016 and 2020.

The task in the field of military security is defined as "ensuring a favourable operational regime in the Arctic zone of the Russian Federation, including maintaining the necessary combat potential of groups of general-purpose troops (forces) of the Armed Forces of the Russian Federation, other troops, military formations and bodies in this region." This task also implies the need to create an active coast guard system of the Federal Security Service of the Russian Federation in the Arctic zone and an instrumental technical control over the strait zones, estuaries, and estuaries on the route of the Northern Sea Route. Thus, the Arctic Group of troops' tasks are to protect the territory and preserve Russia's economic interests in this region.

One of the strategic priorities of the Russian Federation's state policy on the Arctic adopted in 2008 is to strengthen bilateral relations within the framework of regional organisations, such as the Arctic Council and the Barents Council/The Euro-Arctic Region (BEAC). The same could be said for both other Arctic states and the European Union. Given the intensifying competition over the Arctic's natural resources, Russia needs to develop a policy of partnership with prominent countries, such as the United States.

## Strategy 2013

On February 20, 2013, President Vladimir Putin [approved](#) a document entitled «Strategy for the Development of the Arctic Zone of the Russian Federation». It should be noted that this document cannot be considered a comprehensive Russian [doctrine](#) concerning the Arctic because it covers only the Russian Arctic and not the Arctic region as a whole. This doctrine is on par with the Canadian and Norwegian strategies for the development of the northern territories. The 2013 strategy also has international dimensions, including, for example, Moscow's intention to legally formalise the boundaries of the Russian continental shelf in the Arctic Ocean and submit a new application to the UN Commission on the Limits of the Continental Shelf.

Furthermore, Russia points to the need for international cooperation in exploring and developing natural resources, environmental protection, preservation of traditional lifestyles, and the ethnocultural development of the Arctic indigenous population.

Unlike the previous document, Strategy 2013 provides an in-depth scope of work for regional and local authorities and private entrepreneurs, or the so-called 'public-private partnership'. The document details how local governments and private businesses will participate in major Arctic projects. Some priorities and specific projects of the 2013 Strategy run counter to the policies of other Arctic states. For example, Moscow intends to solve the Russian Arctic's energy problems by building floating nuclear power plants. This move contradicts the EU's plans to curtail the nuclear industry and worries environmentalists about the Arctic's fragile ecosystem.

## Putin approves Arctic development strategy until 2035

According to this perspective, the troops stationed in the Russian Federation's Arctic zone should be equipped with modern weapons, and base infrastructure and equipment should be improved. This task was set by Russian President Vladimir Putin in the [strategy](#) titled 'Development of the Arctic Zone of Russia and Ensuring National Security until 2035'. The text is published in the official portal of legal information.

The text refers to the need to "improve the composition and structure of the Armed Forces of the Russian Federation, other troops, military formations and bodies in the Arctic zone." The decree also says that it is necessary to create "a favourable operational regime in the Arctic zone, including maintaining the level of combat readiness of groups of troops (forces) of the Armed Forces of the Russian Federation [...]."

The strategy talks about equipping the Russian armed forces in the Arctic with modern weapons adapted to Arctic conditions and creating the necessary infrastructure. The development strategy is [envisaged until 2035](#). In addition to defence, the strategy also provides for development in the social sphere, including the modernisation of the health care system and social infrastructure facilities, elimination of environmental risks and economic activities of people, preservation of the culture of the indigenous population of the North. The document mentions the state's support for the construction of housing and social infrastructure facilities. According to [experts](#), even though the decree is primarily a strategic document, it contains specific reference points and targets for both the entire Russian Arctic and each specific region.

## Conclusion

It is challenging to prognosticate all the possible implications of Arctic development without knowing the future course of climate change and international politics. However, since the impact of climate change will not likely end or reverse within the next few decades, melting summer sea ice will increase international attention on the Arctic and hold significant economic, political, and social implications for the region. Even though the militaries of Arctic nations do not currently seem to be heading towards a military dispute, it also cannot be entirely ruled out, particularly in the Russian arctic, where the country's economy, control of natural resources and security are at stake.

For now, the Russian government maintains an assertive stance regarding its capacity to balance collaboration and competition in the Arctic. At the same time, Arctic nations are achieving binding agreements on more manageable security standards and promoting people-to-people associations. In short, based on Russia's Arctic strategy and Western evaluations of this assertiveness, Russia is affirming some expansionary intentions. How to deal with these via diplomacy and other constructive approaches is of the utmost importance for the future Arctic neighbourhood.



*The Prirazlomnaya offshore ice-resistant oil-producing platform is seen at Pechora Sea, Russia on May 8, 2016.  
(Sergey Anisimov - Anadolu Agency)*

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