

# Russia's Arctic Policy

## A Power Strategy and Its Limits



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# ***Russie.Nei.Visions***

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- *La Russie entre peurs et défis*, Paris: Armand Colin, 2016, with J. Radvanyi, published in an extended version as *Understanding Russia. The Challenges of Transformation*, Lanham: Rowman and Littlefield, 2018.
- *Russian Nationalism. Imaginaries, Doctrines, and Political Battlefields*, London: Routledge, 2018.

# Abstract

Despite the deterioration of its relations with the West and economic stagnation limiting its room for maneuver, Russia continues to have an ambitious policy for the Arctic region. Moscow sees the Arctic as one of its main strategic bastions, a key region for asserting its status as a great power, and a major source of energy for decades to come. The Russian government has therefore implemented strategies to promote a coherent power and development policy, with some notable successes like the remilitarization of its Arctic borders and the energy development of the Yamal Peninsula. But it has also faced mixed results over the international status of the Northern Sea Route, and in managing population settlement as well as environmental challenges. While the Arctic offers Russia undisputed great power status, this status is not easy to sustain and costly for its federal budget.

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# Introduction

In 2021, the Russian Federation will take over the presidency of the Arctic Council, for a period of two years. This presidency will be crucial for Russia's strategy of reintegrating the international community, in a context of deteriorating relations with the West. The days when the Arctic seemed sheltered from international tensions are indeed over. Given close ties between the Arctic and Baltic areas, tensions between Russia and the West impact the polar regions, particularly in security and military matters. Nevertheless, unlike in the Baltic and the Black Seas, these are low-intensity tensions, with the Arctic being spared direct conflict.

Russia's Arctic objectives were clearly set out in its 2008 doctrine,<sup>1</sup> as well as in several sectoral, legislative texts implemented since.<sup>2</sup> They have not evolved much, despite of the changed international context in recent years. The strategy, which is relatively stable in its long-term approach, is based on three major objectives.

First, on the international scene, Russia sees the Arctic region as a place to reassert its prestige and status as a great power, declaring that it prefers dialogue and international cooperation to confrontation. Its regional military posture is more defensive than offensive, although it also presents risks of escalation.

Second, from a security point of view, Russia wants to reassert its territorial sovereignty along the borders of the Arctic Zone of the Russian Federation (AZRF), established in 2013. This zone includes all the territories of Russia's Far North close to the Arctic Ocean, or connected to it for economic reasons.<sup>3</sup> Its objective is to secure transport routes that accompany this new frontier, and to prepare for potential threats to its

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Translated from French by Nicholas Sowels.

1. "Osnovy gosudarstvennoj politiki Rossijskoi Federatsii v Arktike na period do 2020 goda i dal'nejshuiu perspektivu" [The foundations of the Russian Federation's policy for the Arctic Zone to 2020 and beyond], Russian government site, 18 September 2008, <http://government.ru>.

2. For example, "Sotsial'no-ekonomicheskoe razvitie Arkticheskoj zony Rossijskoj Federatsii" [The social and economic development of the Arctic Zone of the Russian Federation], Russian government site, 22 April 2014, <http://government.ru>.

3. I. Katorin, "Establishing the Arctic Zone of the Russian Federation as a Factor of the Regional Development: Raising Questions (The Case of the Arkhangelsk Region)", *Arctic and North*, vol. 31, 2018, pp. 28-40, [www.arcticandnorth.ru](http://www.arcticandnorth.ru).

sovereignty—theoretical at this stage—in the high seas or on the continental shelves for example.

Finally, domestically, Russia's ambition is to consolidate the spatial unity of the country by reviving the economic development of the Far North. The Arctic zone is home to only 1% of Russia's population, but represents 11% of its product gross domestic product (GDP) and 22% of its exports.<sup>4</sup> Moscow is seeking to improve the connection of its vast Siberian territory to the European and Far Eastern parts of the country.

Moscow's foreign policy on Arctic matters is made up of three stances. To begin with, Russia is a *proactive partner* in certain areas. For instance, the Agreement on Cooperation on Aeronautical and Maritime Search and Rescue in the Arctic, signed in 2011, would not have been concluded without strong support of the Russian Ministry of Emergency Situations.<sup>5</sup> Russia has also made claims on the continental shelves under the United Nations Convention on the Law of the Sea (UNCLOS). It was the first country to do so, as of 2001, filing an official request for recognition of the Lomonosov and Mendeleev ridges as continuities of Russian territory. This request was renewed in 2015,<sup>6</sup> and Russia is now negotiating with Canada and Denmark about their respective, overlapping claims in the hope that the UNCLOS Commission may one day give a ruling.<sup>7</sup> Next, Russia is a *power of the status quo* in other fields, for example when it opposes the arrival of new members in Arctic institutions, in particular Asian countries,. Finally, Russia is a *reluctant power* in two areas of little interest to it, which it considers relate to the West's normative and ideological agenda, namely the rights of indigenous peoples and environmental issues.

Russia's policy of "re-conquering" the Arctic, both in terms of its international status and in terms of regional development, is a response to legitimate domestic concerns. However, it is hampered by obstacles specific to the Russian political and economic system, as well as by the realities of the Arctic, including climatic conditions and isolation. As a result of its Soviet heritage,<sup>8</sup> Russia is indeed the only Arctic state to have

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4. S. Closson, "Russian Foreign Policy in the Arctic: Balancing Cooperation and Competition", *Wilson Center Kennan Cable*, 24 June 2017, [www.wilsoncenter.org](http://www.wilsoncenter.org).

5. A. K. Sydnes, M. Sydnes, Y. Antonsen, "International Cooperation on Search and Rescue in the Arctic", *Arctic Review on Law and Politics*, vol. 8, 2017, pp. 109-136.

6. I. Basaran, "The Lomonosov Ridge and the Overlapping Outer Continental Shelf Claim to North Pole", *Journal of Maritime Law and Commerce*, vol. 46, No 1 (2015), pp. 1-21.

7. The Commission can rule as long as several countries have the same territorial claims, "Russia, Canada and Denmark Discuss Claimed 'Disputable' Arctic Shelf Zones", TASS, 27 May 2019, <https://tass.com>.

8. See the seminal work on the costs of exploiting Siberia during the Soviet era, F. Hill and C. Gaddy, *Siberian Curse: How Communist Planners Left Russia Out in the Cold*, Washington DC: Brookings Institution, 2003.

developed an extensive human and industrial presence in such inhospitable areas. This utilitarian vision of the region, seen as a resource to be exploited, involves human and financial investments which the Russian government cannot fully assume under present social and budgetary conditions. Russian policy is therefore garnering some successes but Moscow must also, in certain circumstances, revise its ambitions downwards.

### The Main Military and Energy Infrastructures in Russia's Arctic





# Assuming the Ambiguities of Remilitarizing the Arctic

In the long term, climate change in the Arctic and the prospect of increased maritime traffic in the region could affect the security situation. In particular, this could lead to an increased NATO presence through the accelerated deployment of anti-ballistic missile systems and increased submarine activity along Russian borders. At present, the security risks in the Arctic region<sup>9</sup> are mainly linked to the spiral of tensions between NATO and Russia in other areas, notably the Ukrainian crisis.<sup>10</sup>

This standoff has for example led to demonstrative military exercises on both sides of the Arctic, including Trident Juncture, the largest NATO exercise since the 1980s, which mobilized 50,000 men along the Norwegian coastline in October-November 2018.<sup>11</sup> For its part, Russia holds regular large-scale military exercises for its Northern Fleet, with its nuclear cruiser *Piotr Velikiy*, among others warships.<sup>12</sup> These exercises are part of normal armed forces simulation practices and do not necessarily amount to preparation for real military operations.<sup>13</sup> However, their scale illustrates current tensions and saber rattling on both sides, each accusing the other of stoking tensions. For the first time, the Military Doctrine of the Russian Federation of 2014 mentions the protection of national interests in the Arctic as one of the priorities of the Russian Armed Forces.<sup>14</sup> Moreover, the deteriorating international situation led Russian Defense Minister

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9. S. Pezard, “The New Geopolitics of the Arctic: Russia’s and China’s Evolving Role in the Region”, RAND Corporation, 2018, [www.rand.org](http://www.rand.org). See also, “The Arctic of the Future: Strategic Pursuit or Great Power Miscalculation?”, Center for Strategic and International Studies, 8 May 2018, [www.csis.org](http://www.csis.org).

10. E. Klimenko, “Russia and the Arctic: An End to Cooperation?”, SIPRI, 26 March 2015, [www.sipri.org](http://www.sipri.org).

11. C. G. Starling, “Trident Juncture: Nato’s Crisis Response Put to the Test”, *Atlantic Council*, 25 October 2018, [www.atlanticcouncil.org](http://www.atlanticcouncil.org).

12. T. Nilsen, “Russia Announces Massive Trans-Arctic Nuclear War Games”, *The Barents Observer*, 14 October 2019, <https://thebarentsobserver.com>.

13. E. Buchanan and M. Boulègue, “Russia’s Military Exercises in the Arctic Have More Bark Than Bite”, *Foreign Policy*, 20 May 2019, <https://foreignpolicy.com>.

14. “Voennaia doktrina Rossijskoi Federatsii” [Military Doctrine of the Russian Federation], *Rossijskaia gazeta*, 30 December 2014, <https://rg.ru>.

Sergey Shoigu to declare in 2018 that competition in the Arctic could lead to potential conflict.<sup>15</sup>

Since the resumption of its military presence in the Arctic in 2007, Moscow has resumed patrolling its NATO borders with strategic bombers. However, compared to the Baltic or the Black Seas, the detection of Russian bombers in the region by NATO radars is at a lower level, and has been well below Cold-War standards. Nevertheless, an escalation of tensions is always possible because of the risks of potentially erroneous assessments, as when Moscow simulated an attack on the Vardø radar, funded by the United States.<sup>16</sup>

However, for Russia, the issues at stake seem to justify taking risks. Moscow must indeed retain control of one of its main strategic bastions, covering the western Arctic region, from the Kola Peninsula, along the Barents and the White Seas, through to the “bottleneck” maritime border between Greenland, Ireland and the United Kingdom (GIUK). Indeed, the region between the Barents and White Seas hosts two thirds of all Russia’s nuclear weapons, stationed around Murmansk, Severomorsk, Arkhangelsk and Severodvinsk, while the GIUK choke point is the only passage the Northern Fleet can use to reach the open waters of the Atlantic Ocean.<sup>17</sup> Russia therefore finds itself facing a paradox: as Mathieu Boulègue (of Chatham House) notes, “while the Northern Fleet is supposed to be an ‘Arctic fleet’, the majority of its ships are not adapted to Arctic conditions and operate well beyond the region in other strategic areas”, notably in the Atlantic.<sup>18</sup>

The Kola Peninsula hosts most of Russia’s submarine ballistic nuclear missile launching ships (SSBNs) capable of nuclear response, as well as the Russia’s anti-air and anti-ship arsenal (its S-300 and S-400 long distance, mobile defense systems, and its medium distance P-800 Onix and Kalibr-NK missiles). The Northern Fleet, whose prestige has diminished compared to the Soviet period, has nonetheless been enhanced by several ships such as the Ilya Muromets icebreaker, which makes it possible not to

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15. “Shojgu: Arktika stala tsentrom interesov riada gosudarstv, chto mozhet privesti k konfliktam” [Shojgu: the Arctic has become a center of interest for several States, which could lead to conflict], TASS, 31 August 2018, <https://tass.ru>.

16. T. Nilsen, “11 Russian Fighter Jets Made Mock Attack on Norwegian Arctic Radar”, *The Barents Observer*, 12 February 2019, <https://thebarentsobserver.com>. See also T. Nielsen, “Norway Says Russia’s Mock Attack on Vardø Radar Troubles Stability in the North”, *The Barents Observer*, 13 March 2018, <https://thebarentsobserver.com>.

17. P. Baev, “Russia’s Arctic Policy and the Northern Fleet Modernization”, *Russie.NEI.Visions*, No 65, Ifri, August 2012, [www.ifri.org](http://www.ifri.org).

18. M. Boulègue, “Russia’s Military Posture in the Arctic Managing Hard Power in a ‘Low Tension’ Environment”, Chatham House; 28 June 2019, p. 20.

resort to civilian icebreakers,<sup>19</sup> and a fourth Borey-class nuclear submarine, the Knyaz Vladimir.<sup>20</sup> The Fleet should also soon acquire a nuclear unmanned underwater vehicle (UUV), Poseidon, as well as hypersonic anti-ship Tsirkon missiles.<sup>21</sup> The 2018-2027 Armament Program plans to develop further, modernized Arctic missile systems.<sup>22</sup> However, overall the navy remains the big loser of Russia's new budget programming, and funds provided are insufficient to renew ships, whose life span has been over-extended, and to support the country's flagging military shipbuilding sector.<sup>23</sup> In 2019, three incidents revealed the lack of funding for many Arctic infrastructures and the existence of security risks which are often underestimated: the explosion on board the AS-31 nuclear submarine; the explosion of a nuclear-powered Burevestnik missile; followed by an explosion on one of the Rosatom sites in Nionoksa, near Arkhangelsk.<sup>24</sup>

The remilitarization of the Arctic coasts has also progressed, with the reopening of 14 air bases since 2014. Most of these had been out of use since the fall of the USSR, but six new military bases along the Northern Sea Route, designed as logistical support for the Northern Fleet, have opened. Among these, three are fully autonomous and equipped with long, medium and short-range missiles. The main site is the Nagurskoye airbase, the northern-most military installation in the world, on Franz Josef Land. Since 2015, brand new buildings have been constructed to accommodate MiG-31s and Su-34s, making the American coasts more accessible to Russian bombers.<sup>25</sup> The Temp base, on Kotelny Island, operational since 2015, can accommodate transport aircraft such as the Iliushin Il-76, as can the Rogatchevo base, on the Novaya Zemlya archipelago. The other bases at Cape Schmidt, Wrangel and Srednyi are about to be finalized.

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19. I. Egorov, "Zashchitim put' i shel'f" [Let us defend the route and the shelf], *Rossiiskaia gazeta*, 8 April 2019, <https://rg.ru>.

20. "Podlodki 'Kniaz' Vladimir' i 'Kazan' vkluchat v VMF do kontsa goda" [The Prince Vladimir and the Kazan will join the Russian fleet before the end of the year], *Izvestiia*, 12 March 2019, <https://iz.ru>.

21. "Istochnik : rossiiskaia atomnaia podlodka 'Kazan' v 2020 godu v pervye vystrelit Tsirkonom" [According to a source, the nuclear submarine Kazan will launch Tsirkon missiles in 2020 for the first time], TASS, 19 March 2019, <https://tass.ru>.

22. "U trillionov est' dva soiuznika—armii i flot" [The billions have two allies: the army and the navy], *Kommersant*, 18 December 2017, [www.kommersant.ru](http://www.kommersant.ru).

23. P. K. Baev, "Is Russia Really Cutting Its Military Spending?", *Eurasia Daily Monitor*, 6 May 2019, <https://jamestown.org>

24. P. K. Baev, "Another Russian Sea Tragedy: Unlearned Lessons Obscured by Secrecy", *Eurasia Daily Monitor*, 8 July 2019, <https://jamestown.org>; L. Bershidsky, "Russia Has Failed Another Nuclear Test", Bloomberg, 12 August 2019, [www.bloomberg.com](http://www.bloomberg.com); E. Beswick, "Five Confirmed Dead in an Explosion at a Military Testing Site in Northern Russia", Euronews.com, 10 August 2019, [www.euronews.com](http://www.euronews.com).

25. M. Humpert, "New Satellite Images Reveal Extent of Russia's Military and Economic Build-Up in the Arctic", *High North News*, 3 May 2019, [www.highnorthnews.com](http://www.highnorthnews.com).

As with all Russian Arctic projects, these new bases have a dual function. They can serve military objectives complementing the Northern Fleet, but above all they are mobilized daily to carry out civil security missions along the Northern Sea Route, to participate in search and rescue measures in the event of natural or industrial disasters, and to conduct scientific and meteorological projects. Their personnel are also mixed, including military brigades and coast guard units. Most of these Arctic military brigades have been sent to the Syrian theater of war for training and are therefore in principle seasoned troops. They have advanced equipment and can deal with extreme polar conditions.<sup>26</sup> At the end of 2017, Sergey Shoigou announced that the process of creating military infrastructures in the Arctic was “almost complete”.<sup>27</sup> From now on, the armed forces will be able to focus on improving the interoperability of these new infrastructures and to train the troops stationed there (between 150 and 600 soldiers on each base).

Russia has also invested heavily in other types of infrastructure. It has developed its (radio)electronic security capabilities by establishing two new centers in the Murmansk region and in Kamchatka, in order to maintain its superiority in radar surveillance of the Arctic.<sup>28</sup> Moscow has also invested in drones, used for assistance to navigation and coastal surveillance, and has begun construction of a trans-Arctic fiber optic cable to connect its military installations better.

The importance attached to the strategic bastion of the western Arctic is also reflected in institutional changes brought about by the Ministry of Defense. It established a unified strategic command of the North, planned to become a full-fledged military district at the end of 2019, although no confirmation of this had been made at the time of writing this report. Different army corps are also to be integrated,<sup>29</sup> a revealing indication of the importance Moscow attaches to the Arctic in the current context of tensions with the West. The reconstitution by Russia of its Arctic capacities therefore continues to be fundamentally defensive in design. It focuses on

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26. *The Barents Observer*, “Russia sends mass quantities of supplies to Arctic military bases”, *The Moscow Times*, 26 July 2019, [www.themoscowtimes.com](http://www.themoscowtimes.com) and Siemon T. Wezeman, “Military Capabilities in the Arctic: a New Cold War in the High North?”, *SIPRI Background Papers*, October 2016, [www.sipri.org](http://www.sipri.org).

27. “Minoborony zaiavilo o zavershenii stroitel'stva voennykh ob'ektov v Arktike” [The Ministry of Defense has announced the end of the construction of military sites in the Arctic], *Interfaks*, 25 December 2017, [www.interfax.ru](http://www.interfax.ru).

28. A. Staalesen, “Russia Says Its Radio-Electronic Shield Now Covers the Arctic”, *The Barents Observer*, 21 May 2019, <https://thebarentsobserver.com>.

29. “Minoborony planiruet vernutsia k doreformnym voennym okrugam” [The Ministry of Defense prepares to return to the military districts prior to reform], *Voennoe obozrenie*, 5 February 2019, <https://topwar.ru>.

the control of Russia's own territory and meeting its spatial and climatic challenges. But these measures are also intended to dissuade the potential influences of neighboring NATO countries, and in today's context, they may be interpreted as being more offensive.

# Russia's Successful Bet on Yamal, Despite a Gloomy Economic Context

On the economic front, Russian ambitions are confronted with factors that do not depend on mere political will, such as the international context over sanctions and the world price of raw materials. Exxon Mobil has for example ended its cooperation with Rosneft in the Pobeda oil field of the Kara Sea, which was considered to be extremely promising.<sup>30</sup> Despite this failure and the stagnation of the Russian economy, Moscow has kept up a steady pace in developing energy in its Arctic and sub-Arctic regions.

Contrary to the predictions of some Western observers,<sup>31</sup> Russia is in the process of succeeding in its energy bet on the Yamal Peninsula. Yamal LNG is now operating at full capacity, i.e. with annual production of 16 million tons of liquefied natural gas (LNG). A second extraction project, Arctic LNG 2, is currently under development in the Gydan Peninsula, on the other bank of the Ob Delta. Its estimated annual LNG production is set to be nearly 20 million tons.<sup>32</sup> A third project, Ob LNG, is taking shape to exploit the Verkhnetiuteyskoye and Zapadno-Seyakhinskoye gas fields, and should be completed around 2023.<sup>33</sup> Arctic LNG 2 is expected to become one of the largest LNG operations in the world, with annual production of 37 million tons by 2025 and between 55 and 70 million by 2030.<sup>34</sup> By contrast, Ob LNG has the distinction of being entirely built with Russian technologies: sanctions have certainly slowed its completion, but have also forced Russian actors in the sector to develop national expertise to free themselves from foreign know-how.

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30. Atle Staalesen, "They found one of Russia's biggest offshore Arctic oil fields but now abandon it", *The Barents Observer*, 8 March 2018, <https://thebarentsobserver.com>

31. K. Golubkova and D. Zhdannikov, "Yamal, Russia's Gas Megaplan, Becomes Symbol of Sanctions Defiance", Reuters, 19 September 2014, [www.reuters.com](http://www.reuters.com); A. Bros and T. Mitrova, "Yamal LNG: An Economic Project Under Political Pressure", *Notes de la FRS*, NO.17, Fondation pour la Recherche Stratégique, 2016, [www.frstrategie.org](http://www.frstrategie.org).

32. A. Staalesen, "Novatek Announces 3<sup>rd</sup> LNG Project in Arctic", *The Barents Observer*, 23 May 2019, <https://thebarentsobserver.com>.

33. Yu. Barsukov, "NOVATEK toropitsia szhizhat" [NOVATEK under pressure to liquefy gas], *Kommersant*, 5 May 2019, <https://www.kommersant.ru>.

34. "China Acquires 20 Percent Stake in Novatek's Latest Arctic LNG Project", *High North News*, 29 April 2019, [www.highnorthnews.com](http://www.highnorthnews.com).

The figurehead of these three Arctic projects is the private company Novatek. Moscow's strategy consists of promoting competition with Russia's two "giants," Gazprom and Rosneft, and seems to be working. The Arctic LNG 2 project is also based on two Russian successes: first, the circumvention of sanctions by the signing of an agreement with the British group TechnipFMC;<sup>35</sup> and second, Moscow's ability to find alternative partners to Western investors, in this case China. The China National Petroleum Corporation (CNPC) now controls 20% of Yamal LNG's shares. Moreover, it has recently secured, with the China National Offshore Oil Corporation (CNOOC), 20% of the shares in Arctic LNG 2 (for its part, Total owns 20% of the shares of the former and 10% of the shares in the latter project).<sup>36</sup>

Novatek's success has had an impact on the region's overall transportation infrastructure. The port of Sabetta is becoming the nerve center of the three projects (with the first two soon reaching a production of 40 million tons of LNG per year), and is capable of exporting both to the west and to the east. The objective is to export to the west in the direction of Murmansk, then to Norwegian coasts in the winter months; and to the east in the direction of Kamchatka and then to the Asia-Pacific in the summer months (the climatic conditions of the eastern Arctic are too rough to allow transportation in the winter). By 2021, Novatek will have around fifteen icebreaking LNG carriers. As with the Norilsk Nickel company, this will allow it to operate independently without having to use the icebreaker services of Rosatomflot. Novatek also plans to build two transshipment terminals in Murmansk and Kamchatka in order to reach European and Asian markets under better conditions (once in ice-free water, LNG no longer needs to be transported by icebreaker vessels and can be shipped more quickly by less expensive conventional vessels).<sup>37</sup>

Three further projects are underway: a) Novy Port, the oil port of Gazpromneft, also on the Ob Delta, and whose Shturman ARC7 oil tankers (in operation since 2015) are able to break more than two meters of ice;<sup>38</sup> b) the Prirazlomnaya offshore oil platform, in the Pechora Sea; and c) VostokCoal, specialized in coal mining in the Taybass basin, on the Taymyr Peninsula. In 2018, the first two projects made it possible to transport

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35. "Arktik CPG 2 i TechnipFMC podpisali kontrakt na stroitel'stvo SPG-zavoda "[Arctic LNG2 and TechnipFMC have signed a contract to build an LNG factory], Novatek, 20 May 2019, <http://www.novatek.ru>.

36. M. Humpert, "China Acquired 20 Percent Stake in Novatek's Latest Arctic LNG Project", *High North News*, 29 April 2019, [www.highnorthnews.com](http://www.highnorthnews.com).

37. A. Forbes, "Novatek Targets Huge Arctic Gas Resources", *Petroleum Economist*, 7 May 2019, [www.petroleum-economist.com](http://www.petroleum-economist.com).

38. "The Novy Port Project", Gazprom, [www.gazprom-neft.com](http://www.gazprom-neft.com).

8.5 million tons of crude oil to Europe, with shipments set to reach 13 million tons per year in the coming years.<sup>39</sup> As for VostokCoal, it will soon be the main user of the Northern Sea Route, ahead of the oil and gas companies, with more than 10 million tons of coal being exported in 2019, rising to 30 million tons per year by 2025. VostokCoal will work with the Danish company Nordic Bulk Carriers, and will use the services of Rosatomflot icebreakers.<sup>40</sup>

Despite the abandonment or slowing down of certain projects due to the sanctions, Russia is therefore on the way to achieving its major objective of transforming the Arctic—mainly the Yamal Peninsula—into one of its main drilling and mining regions.

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39. M. Humpert, “Saudi Arabia Looks to Enter Arctic LNG with Large Investment”, *High North News*, 19 March 2019, [www.highnorthnews.com](http://www.highnorthnews.com).

40. M. Humpert, “Traffic on Northern Sea Route Doubles as Russia Aims to Reduce Ice-Class Requirements”, *Arctic Today*, 26 November 2018, [www.arctictoday.com](http://www.arctictoday.com).



# The Mixed Success of the Northern Sea Route

Russian ambitions have encountered more difficulties in other areas. This is the case, for example, of the project to transform the 6,000 kilometers of the Northern Sea Route (the Northeast Passage) into an international shipping route. For years, the government has hesitated between two approaches: opening up the Route so that foreign ships pay transit fees and thus contribute to funding new port infrastructures, or controlling their passage more strictly in the name of national security.

Tensions between economic and security considerations as well as between the bureaucratic authorities managing regional development are frequent in Russia. Yet they are particularly visible for the Arctic region, whose administrative status has been changed many times by Moscow.<sup>41</sup> The new Arctic Commission, now directly attached to the presidency, is responsible for coordinating the different sections of ministries in charge of the Arctic,<sup>42</sup> as well as the President's Special Envoys. Since March 2019, it has been chaired by Deputy Prime Minister Yury Trutnev, whereas Arctic affairs were previously covered by Dmitri Rogozin, then Deputy Prime Minister in charge of the military-industrial complex. This change is *a priori* more favorable to economic concerns: Rogozin is known to be a "hawk," holding radically anti-Western positions, while Trutnev has built up a reputation as a solid manager of energy and environmental issues.

The Commission's main mission is to stimulate economic development in the Arctic and the competitiveness of the Northern Sea Route. Trutnev, who is also in charge of the Far East, has thus a twofold responsibility which should help improve the linkages of Arctic projects with infrastructure strategies for Russia's Pacific coast, for example by developing traffic along the Bering and Vilkitsky straits.<sup>43</sup>

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41. A. Sergunin, V. Konyshov, "Forging Russia's Arctic Strategy: Actors and Decision-Making", *The Polar Journal*, vol. 9, No 1, 2019, pp. 75-93.

42. "O nas : Gosudarstvennaia komissiiia po voprosam razvitiia Arktiki", [Concerning: the State Commission for the Development of the Arctic], Commission for the Development of the Arctic, <https://arctic.gov.ru>.

43. A. Staalesen, "A New Russian State Commission Undertakes Putin's Big Arctic Plans", *Arctic Today*, 9 October 2018, [www.arctictoday.com](http://www.arctictoday.com) and "Trutnev: Arctic Forum Agenda to Prioritize Northern Sea Route's Competitiveness", *The Arctic*, 20 March 2019, <https://arctic.ru>.

In December 2018, the Russian government decided to share the supervision of the Northern Sea Route between two actors: the Ministry of Transport which continues to issue traffic authorizations; and the Rosatom State Corporation which is responsible for establishing the conditions and infrastructure necessary for navigation and for deciding whether foreign vessels can operate with or without the help of Russian icebreakers.<sup>44</sup> The reasons for choosing Rosatom are known: the company is not subject to Western sanctions, it has accumulated years of experience in cooperation with foreign partners, and is already very present on the Arctic scene, as its subsidiary Rosatomflot manages nuclear icebreakers, which are spearheading Russia's conquest of the Arctic. Initially, Rosatom hoped to be given complete authority over the Northern Route. However, its poor business performance (it was much criticized by Russia's Accounts Chamber for bad financial management), and opposition from Novatek and Gazprom, that were favorable to the Ministry of Transport, played out in favor of a binary solution.<sup>45</sup>

Rosatomflot already operates a fleet of four nuclear icebreakers and Russia's only nuclear-powered container ship. The company is currently building six new icebreakers, of which three (the Arktika, Sibir and Ural) are in their completion phase. These nuclear-powered ships are the backbone of Arctic traffic, which has been increasing steadily for several years (see Table 1).

**Table 1. Traffic along the Northern Sea Route, in millions of tons<sup>46</sup>**

2013	2014	2015	2016	2017	2018	Official Forecasts for 2024
2.8	3.7	5.15	7.5	9.7	18	80

Source: M. Humpert, "Traffic on Northern Sea Route doubles as Russia aims to reduce ice-class requirements," *Arctic Today*, 26 November 2018, [www.arctictoday.com](http://www.arctictoday.com), and "Shipping Traffic on Northern Sea Route Grows by 40 percent", *High North News*, 19 December 2019, [www.highnorthnews.com](http://www.highnorthnews.com).

44. A. Staalesen, "It's a Law—Russian Arctic Shipping to Be Regulated by Rosatom", *The Barents Observer*, 2 January 2019, <https://thebarentsobserver.com>.

45. "Rosatom i Mintrans konkuriruiut za severnyi morskoi put" [Rosatom and the Ministry of Transport are competing on the Northern Sea Route], *Regnum*, 28 October 2017, <https://regnum.ru>. "Rogozin: Operatorom Sevmorputi i Arktiki stanet Rosatom" [Rogozin: Rosatom will be Sevmorput's operator in the Arctic], *Regnum*, 5 December 2017, <https://regnum.ru>.

46. M. Humpert, "Traffic on Northern Sea Route Doubles as Russia Aims to Reduce Ice-Class Requirements", *Arctic Today*, 26 November 2018, [www.arctictoday.com](http://www.arctictoday.com).

The official traffic forecasts for 2024 (mainly for coal, oil, LNG and various ores) along the Northern Sea Route are probably too optimistic. Nevertheless, emerging trend is clear: the development of Yamal and other Arctic infrastructures will considerably strengthen domestic traffic in the years to come. The project for a new railway line across the Yamal peninsula, connecting the Bovanenkovo deposit to the port of Sabetta (LNG), should speed up freight traffic on the Sabetta-Barents Sea route.<sup>47</sup> However, other infrastructural railroad projects discussed by Russian authorities seem utopian under current conditions: for example, reviving the railroad track between Salekhard and Igarka, which was started under Stalin by Gulag prisoners but interrupted at his death; or the dream of a trans-Arctic railroad from Chukotka to Alaska.<sup>48</sup>

At the same time, foreign traffic, which reached 500,000 tons in 2018 (its highest level since 2013), is actually only a small part of the Arctic transport. It will therefore not be able to finance the necessary port infrastructures. This is one of the major weaknesses of Russia's ambitions for the Northeast Passage: the State program for the Arctic by 2025 envisages expenditures of RUB900 billion (about USD14 billion), with a third being financed by public authorities.<sup>49</sup> Yet, it is unlikely that the remaining two-thirds will be fully covered by the Russian private sector, let alone foreign capital.

The Russian government is indeed sending contradictory signals to foreign actors interested in the Northern Sea Route. For example, it prohibited foreign ships from transporting oil, gas and coal, with one notable exception for Novatek, whose icebreaking LNG carriers fly foreign flags.<sup>50</sup> This administrative tightening has been accompanied by new legislation, passed in March 2019, which requires foreign warships to notify the Russian government of their passage by the Route, 45 days in advance.<sup>51</sup> According to maritime law, only passage within 12 nautical

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47. "Glava Minprirody Rossii ozvuchil zadachi vedomstva v rossijskoi Arktike" [The Head of the Ministry of Natural Resources and Ecology has set out goals for Russia's Arctic], Press office of the Russian Ministry of Natural Resources, 4 October 2018, <http://mnr.gov.ru> and Atle Staalesen, "Bridge over river Ob marks the state of a new grand railway project", *The Barents Observer*, 18 May 2018, <https://thebarentsobserver.com>.

48. See "Intercontinental Railway Project Summary", [www.intercontinentalrailway.com](http://www.intercontinentalrailway.com).

49. "O novoj redaktsii gosudarstvennoj programmy 'Sotsial'no-ekonomicheskoe razvitie Arkticheskoy zony Rossijskoi Federatsii'" [On the new drafting of the State program on the socio-economic development of the Arctic zone of the Russian Federation], Russian government website, 7 September 2017, <http://government.ru>.

50. A. Staalesen, "Russian Legislators Ban Foreign Shipments of Oil, Natural Gas and Coal Along Northern Sea Route", *The Barents Observer*, 26 December 2017, <https://thebarentsobserver.com>.

51. "Russia Tightens Control Over Northern Sea Route", *The Maritime Executive*, 8 March 2019, [www.maritime-executive.com](http://www.maritime-executive.com); "Russia Imposes Foreign Sailing Restrictions on Northern Sea Route", Warsaw Institute, 8 March 2019, <https://warsawinstitute.org>; see also A. Kozachenko,

miles of territorial waters requires authorization, unlike passage on the high seas. But for decades Moscow has been pursuing an asserted policy of “nationalizing” the entire Route, considering that it is an integral part of its territory.<sup>52</sup> This situation is viewed with distrust by the United States, which supports the freedom of navigation on the oceans.

The contradictory messages sent by Moscow to its foreign partners about the conditions of use of the Route therefore hamper the Russian ambitions for a waterway whose infrastructure would be largely financed by foreign capital. Even Russia's faithful Chinese partner has complained about changing standards and Russian dependence on external funding.

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B. Stepovoj, I. Bainazarov, “Kholodnaia volna: inostrantsam sozdali pravila prokhoda Sevmorputi” [A new cold front: rules for passage by Sevmorput have been created for foreigners], *Izvestiia*, 6 March 2019, <https://iz.ru>.

52. *Ibid.*

# The Sino-Russian Arctic Partnership: Yes, But...

Given the international tensions with the West and stagnation of the Russian economy, China has quite naturally become essential to Moscow's strategy for the Arctic. For a long time the Kremlin did not hide its doubts about Beijing's Arctic ambitions: for example, between 2007 (when China first requested to join the Arctic Council) and 2013 (when it acceded to observer status), the Russian authorities spoke out against China's candidacy,<sup>53</sup> not recognizing its self-proclaimed status as a "near-Arctic state". Since 2014, however, relations have improved significantly, to the point of forming what many observers call a "strategic honeymoon" between the two countries.<sup>54</sup> In fact, Moscow has had no choice but to seek alternatives to the losses of its technological partnerships with the West, and so open up to China.<sup>55</sup>

For its part, China has pursued a real "infrastructure diplomacy"<sup>56</sup> in order to win Moscow's good graces as Russia searches for investors in its Siberian and Arctic projects. The Kremlin has therefore welcomed Chinese investment in its Yamal projects, despite difficult negotiations: China has indeed called for an easing of Russian legislation and forced Moscow to finance the port of Sabetta, in exchange for the purchase of shares in Yamal LNG.<sup>57</sup> Yet apart from this exception, Russia is still struggling to convince its Chinese partner to invest more. The Russian authorities are for instance still waiting for China to decide to finance the construction of a new deep-

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53. S. Chen, "Landmark Decision Sees China Join the Arctic Council as an Observer", *South China Morning Post*, 19 May 2013, [www.scmp.com](http://www.scmp.com).

54. S. Golunov, "Russian and Chinese Influences in Shared Borderlands", *PONARS Eurasia Policy Memo*, No 453, January 2017, [www.ponarseurasia.org](http://www.ponarseurasia.org); H. Appel, "Are Xi Jinping and Vladimir Putin Partners? Interpreting the Russia-China Rapprochement", *PONARS Eurasia Policy Memo*, No 603, July 2019, [www.ponarseurasia.org](http://www.ponarseurasia.org).

55. C. Sørensen and E. Klimenko, "Emerging Chinese-Russian Cooperation in the Arctic", *SIPRI Policy paper*, No 46, June 2017, [www.sipri.org](http://www.sipri.org) and S. Pezard, "The New Geopolitics of the Arctic", RAND Corporation, 2018, [www.rand.org](http://www.rand.org).

56. These words are from F. Jia and M. Bennett, "Chinese Infrastructure Diplomacy in Russia: The Geopolitics of Project Type, Location, and Scale", *Eurasian Geography and Economics*, vol. 59, No 3-4, 2018, pp. 340-377.

57. Y. Sun, "The Northern Sea Route: The Myth of Sino-Russian Cooperation", *Stimson*, 5 December 2018; N. Filimonova and S. Krivokhizh, "China's Stakes in the Russian Arctic", *The Diplomat*, 18 January 2018, <https://thediplomat.com>; "La Russie lance son titanesque projet gazier Yamal dans l'Arctique", *Le Point*, 12 August 2017, [www.lepoint.fr](http://www.lepoint.fr).

water port in Arkhangelsk, connected with the Belkomur-Ural railroad project, linking the Republic of Komi and its natural resources with the Trans-Siberian railroad, and so to Asia.<sup>58</sup>

In terms of navigating the Northern Route, Russian and Chinese objectives are also struggling to converge. Russia is optimistic about the development of international traffic, but the figures contradict it: in 2017, the vast majority of traffic was domestic, as only 24 voyages out of 1,800 were international (i.e. only 1.3%).<sup>59</sup> For its part, China would like to ship part of its mineral requirements *via* the Northern Route, in order to avoid the southern straits of Ormuz and Malacca, which are overloaded and geopolitically unstable. Its main ship owner, COSCO, has nonetheless repeatedly criticized the lack of port infrastructure and the need for Moscow to renovate better its ports and strengthen the commercial viability of the Route, before opening up to world traffic.<sup>60</sup>

That said, both countries are seeking to take advantage of their respective geopolitical tensions with the United States in order to intensify their cooperation. At Moscow's behest, first in 2015 in the declarations of Dmitri Rogozin, and then in 2017 by Vladimir Putin, Russia has invited China to draft a doctrine articulating Chinese and Russian projects for the Arctic. After several attempts, this finally led the launching of the "Polar Silk Road" by Beijing in early 2018, as part of its Belt and Road Initiative (BRI).<sup>61</sup> Although this Silk Route will be more modest than other routes of the BRI, it could still constitute a significant part of international traffic on the Northern Sea Route. It needs however to be linked with Russia's ambitious development project for the Primorye 1 and Primorye 2 international transport corridors.<sup>62</sup> An increased Chinese presence in the Arctic would only constitute a half-victory for Moscow if it does not also contribute to the better integration of Russia's Far East in the Asia-Pacific region.

Russia also remains wary of any Chinese activities that could undermine its own goals, such as the prospects of a Chinese fleet of

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58. A. Staalesen, "Chinese Company Cosco Confirms Interest in Trans-Arctic Shipping to Arkhangelsk", *The Barents Observer*, 26 September 2017, <https://thebarentsobserver.com>.

59. M. Humpert, "Shipping Traffic on Northern Sea Route Grows by 40 percent", *High North News*, 19 December 2017, [www.highnorthnews.com](http://www.highnorthnews.com).

60. Y. Sun, "The Northern Sea Route: The Myth of Sino-Russian Cooperation", Stimson Center, 5 December 2018.

61. J. Nakano and W. Li, "China Launches the Polar Silk Road", CSIS, 2 February 2018, [www.csis.org](http://www.csis.org).

62. These two corridors are meant to connect better Chinese freight and Russian infrastructures in the Far East, so that the region can benefit from Chinese trade and integrate the trade flows in Northern Asia. See "Go East: Russia's Eastern Transport Corridors", *ITE Transport and Logistics*, 17 May 2017, [www.transport-exhibitions.com](http://www.transport-exhibitions.com).

icebreakers which would make China autonomous of Russian icebreakers and free it from existing laws for use of the Northern Sea Route. This negotiated balance between the two powers—with China trying not to upset Russian ambitions and Russia knowing that Beijing does not appreciate the growing militarization of the region—will be one of the building blocks of their bilateral relationship in years ahead.<sup>63</sup>

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63. P. Baev, “The White Whale Chooses Freedom: Hard Choices in Opposing Russian Dominance in the Arctic”, *PONARS Eurasia Policy Memo*, No. 622, October 2019, [www.ponarseurasia.org](http://www.ponarseurasia.org).

# Daily Life in the Arctic: Managing the Environmental and Human Challenges

In its Arctic policy, Moscow also has to deal with daily challenges on the domestic front. Russia accounts for more than half of the world's Arctic population (more than 2.5 million inhabitants out of the 4 million living beyond the polar circle, to which about 10 million people living in sub-Arctic environs can be added). It therefore faces immense environmental and human obstacles, which defy Russia's territorial coherence and the economic development of the Far North as a whole.

## Environment

Russia's position on climate change is ambivalent. The Russian scientific community has studied the evolution of the polar climate for several decades, and during Soviet times interpreted changes as natural variations of the climate. Since then, Russian experts are divided between those who attribute climate change to mainly anthropogenic factors, and those who continue to prefer the idea of a natural cyclical evolution (the "Earth's cycles", in the words of Vladimir Putin).<sup>64</sup>

Politically, the regime is playing on both views, opportunistically, depending on the audience and the situation. Three main lines of reasoning put forward by Moscow can be identified:<sup>65</sup> a) climate change is real but non-anthropogenic and is part of a Western campaign against Russia's reassertion on the international scene; b) climate change is real and anthropogenic, but it will bring mostly positive changes for the country (development of agriculture in northern regions, easier navigation and access to new deposits of raw materials, etc.); and c) climate change is real, anthropogenic and negative, but Russia will continue nonetheless to give priority to its energy and extraction policies, because the country cannot

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64. O. Anisimov and S. Reneva, "Permafrost and Changing Climate: The Russian Perspective", *Ambio*, vol. 35, No. 4, 2006, pp. 169-175.

65. E. Wilson Rowe, *Russian Climate Politics*, New York: Palgrave Macmillan, 2014.



afford to develop alternative economic strategies and will limit the impact of change through adaptation measures.<sup>66</sup>

These ambiguities are part of a more general context in which the Russian government is reluctant to commit itself more decisively to environmental issues. The fires of summer 2019 that affected the regions of southern Siberia, but also the Republic of Sakha-Yakutiya, much of whose territory lies beyond the Arctic Circle, are a testimony to this issue.<sup>67</sup> The arguments of the Ministry of Emergency Situations that the fire zones were not accessible were not convincing given the overall slow government response.<sup>68</sup> Due to the importance of Siberia as the world's second "lung" after the Amazon, its role in maintaining global biodiversity and the ecological fragility of the Arctic, already strongly affected by climate change, Russia needs to take a more active position in the years ahead if it wishes to comply with the obligations of the Paris Agreement.

Moscow nevertheless takes the overall environmental situation in its Arctic region seriously, and does not deny the consequences of its industrial and military activities in the region over decades. For example, Russian researchers have identified 27 Arctic areas affected by pollution to the point of causing severe environmental damage and increased mortality among the population, such as the Murmansk region, the surroundings of Norilsk, and regions in western Siberia with large investments in gas and oil exploitation.<sup>69</sup> For several years, the Russian government has taken measures to clean up certain polluted areas, often in the context of joint projects with the Arctic Council and the Barents Euro-Arctic Council. These include: cleaning up metallic waste left behind by military infrastructures on Franz-Joseph Land, and Wrangel Island; the decontamination of certain Soviet nuclear submarines stationed in the Kola Peninsula; and the dismantling of their nuclear waste, etc.<sup>70</sup> However, some other projects have not been completed, such as cleaning of the mining towns of Svalbard, and incidents such as the one at Nionoksa confirm—if need be—that the safety risks are numerous and often poorly managed.

Industrial pollution is even more difficult to tackle because it directly contradicts the government's economic objectives. Eight of the

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66. "Why Russia Is Ambivalent about Global Warming", *The Economist*, 19 September 2019, [www.economist.com](http://www.economist.com).

67. "Huge Wildfires in Russia's Siberian Province Continue", NASA, 16 August 2019, [www.nasa.gov](http://www.nasa.gov)

68. E. Gershkovich, "As Anger Simmers over Wildfires, Protesters Demand Resignation of Siberian Governor", *The Moscow Times*, 2 August 2019, [www.themoscowtimes.com](http://www.themoscowtimes.com).

69. A. Sergunin, V. Konyshchev, "Russia's Arctic Strategy", in *Russia Strategy, Policy and Administration*, London: Palgrave Macmillan, 2018, pp. 135-144.

70. *Ibid.*

world's 12 Arctic cities with more than 100,000 inhabitants are in Russia. These cities face two parallel phenomena, the “greening” and the “browning” of land. The first, occurring in the tundra, describes the lengthening of the seasons favorable to the growth of vegetation and the appearance of a more southern flora, due mainly to the rise in local temperatures linked to industrial production. It is estimated that the bioclimatic zones of Siberia will move north by 600 km by the end of the century.<sup>71</sup> This “greening” contributes to the arrival of new fauna, especially insects, which increases the risk of pandemics, while also opening up new agricultural opportunities.<sup>72</sup> As for “browning”, it is occurring in more southern areas, those of the taiga, around industrial cities (generally in a radius of five to ten kilometers, and sometimes beyond, such as the technogenic deserts of Norilsk and Nickel). Such “browning” is accompanied by a decline in land output due to pollution linked to extraction activities and multiple chemical contaminations not only from industries, but also from transport systems and urban activities (such as heating, etc.).<sup>73</sup>

The Russian authorities also face serious risks of thawing permafrost that releases methane and other greenhouse gases.<sup>74</sup> This mass thawing could gradually transform certain Arctic regions into a “mosaic” of land and water, thus worsening problems of connectivity and the state of transport networks.<sup>75</sup> It also has a major impact on the urban and industrial fabric of the Russian Arctic, because the permafrost thawing destabilizes the foundations of buildings: a recent study has calculated that around 20% of all industrial and transport infrastructure, and more 50% of residential buildings will be affected by 2050, at an estimated cost of USD250 billion.<sup>76</sup> Last but not least, Arctic cities are also affected by the “urban heat island” effect: urban temperatures rise by several degrees

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71. I. Esau, V. Miles, “Warmer Urban Climates for Development of Green Spaces in Northern Siberian Cities”, *GES journal*, vol. 9, 2016.

72. N. M. Tchebakova, E. Parfenova and A. J. Soja, “The Effects of Climate, Permafrost and Fire on Vegetation Change in Siberia in a Changing World”, *Environmental Research Letters*, vol. 4, No 4, 2009, pp. 1-9.

73. R. Treharne, J. Bjerke, H. Tømmervik, L. Stendardi, “Arctic Browning: Impacts of Extreme Climatic Events on Heathland Ecosystem CO<sub>2</sub> Fluxes”, *Global Change Biology*, vol. 25, 2019, pp. 489-503.

74. E. Gray, “Unexpected future boost of methane possible from Arctic permafrost”, Climate NASA, 20 August 2018, <https://climate.nasa.gov>.

75. R. K. Heikkinen, M. Luoto, R. Virkkala and K. Rainio, “Effects of Habitat Cover, Landscape Structure and Spatial Variables on the Abundance of Birds in an Agricultural-Forest Mosaic”, *Journal of Applied Ecology*, vol. 41, No 5, 2004, pp. 824-835.

76. D. A. Streletskiy *et al.*, “Assessment of Climate Change Impacts on Buildings, Structures and Infrastructure in the Russian Regions on Permafrost”, *Environmental Research Letters*, vol. 14, No. 2, 2019.

relative their environment because of the use of concrete on the ground.<sup>77</sup> Again, this phenomenon could be mitigated through better urban planning at local levels.

## Demographics

Environmental issues are closely linked to the management of Russia's population and human capital. The Far North was one of the regions most-affected by the disappearance of the centralized Soviet system, and the cessation of public funding. Overall, about a third of its population has moved to the European regions of the country in the last three decades.<sup>78</sup>

Today, the Far North is subject to three major yet contradictory demographic forces: a) cities with falling population, for the most part founded during the Soviet period and specialized in the extraction of ores (Vorkuta, Norilsk, Monchegorsk, Nickel, etc.), and, to a lesser extent, the more diversified, large centers (Murmansk, Arkhangelsk and Severodvinsk); b) developing cities, born in the 1970s and 1980s with the extraction of oil and gas (Nadym, Novyi Urengoy, Noyabrsk, Muravlenko and Gubkinsky); and c) the exceptional case of Yakutsk, the only large sub-Arctic city to experience unprecedented population growth due to the arrival of rural migrants (the city's inhabitants went from 186,000 to 324,000 between 1989 and 2017, an increase of 45%).<sup>79</sup> With the exception of the Yamalo-Nenets Autonomous District, whose economic growth in oil and gas is attracting new inhabitants, all of the Russia's polar regions will continue to experience more or less pronounced demographic decline in the decades to come.<sup>80</sup>

The situation of the indigenous peoples is probably the most worrying. They represent only 5% of Russia's Arctic population, but their living and health conditions have deteriorated since the disappearance of the Soviet system. Climate change and new plans to exploit the Arctic's sub-soil jeopardize what remains of their traditional way of life. Russia is not a signatory of the UN Declaration of Rights of Indigenous Peoples, nor of the Indigenous and Tribal Peoples Convention, 1989 (No.169) of the

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77. M. Laruelle *et al.*, "Arctic Cities as an Anthropogenic Object: A Preliminary Approach through Urban Heat Islands", *Polar Journal*, forthcoming in early 2020.

78. T. Heleniak, "Migration and Population Change in the Russian Far North during the 1990s" in C. Southcott, L. Huskey (ed.), *Migration in the Circumpolar North: Issues and Contexts*, Edmonton: CCI Press/University of Alberta, 2010, pp. 57-91.

79. S. Sukneva, M. Laruelle, "A Booming City in the Far North: Demographic and Migration Dynamics of Yakutsk, Russia", *Sibirica. The Journal of Siberian Studies*, vol. 18, No. 3, 2019, pp. 9-28.

80. J. N. Larsen and G. Fondahl, *Arctic Human Development report*, Norden, 2014, pp. 98-101.

International Labor Organization that protects indigenous rights<sup>81</sup> But, new achievements must be highlighted, such as the decision of the Republic of Sakha-Yakutiya to make independent expertise compulsory on the damage caused by the exploitation of the subsoil. This decree obliges all the extraction companies present on the spot to negotiate financial and material compensations with the indigenous communities, before the installation of any new economic projects.<sup>82</sup> The decision of the Yamalo-Nenets District to compensate financially the communities affected by the exploitation of gas and oil should also be mentioned.<sup>83</sup> Yet, despite these few advances, the indigenous peoples remain the main losers of this new wave of development in the Russian Arctic.

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81. United Nations Human Rights Council, "Observations on the State of Indigenous Human Rights in the Russian Federation Prepared for the 30th Session of the United Nations Human Rights Council Universal Periodic Review", *Cultural Survival*, May 2018, [www.culturalsurvival.org](http://www.culturalsurvival.org).

82. V. Gassiy, "Protecting Indigenous Rights from Mining Companies: The Case of the Ethnological Expertise Committee in Yakutia", *Sibirica. The Journal of Siberian Studies*, vol. 18, No. 3, 2019, pp. 92-108.

83. D. Samson Normand de Chambourg, "We Are Not Dead Souls: The Good Petroleum Fairies and the Spirits of the Taiga in the Siberian Arctic", *Sibirica. The Journal of Siberian Studies*, vol. 18, No 3, 2019, pp. 109-150.

# Conclusion

Russia's Arctic policy illustrates the resilience of its public policies in areas deemed as strategic: budgets are certainly limited, but monies available are carefully targeted into sectors considered crucial to Russia's ability to assert its power.

From a security point of view, Russia's strategy to regain control of its Arctic territory and its borders has been a success: within a decade, Moscow has managed to restore its military and paramilitary presence on the borders of its territories, in extreme climatic conditions. Despite reduced budgets, the Northern Fleet is gradually modernizing, albeit with some of the typical dysfunctioning of Russia's military sector like production delays, corruption, and sometimes failing quality. It remains to be seen to what extent a strained public budget can continue to finance this costly recovery.

Furthermore, this success has come at the price of an aggravation of tensions with Western countries, although this is due more to an extremely deteriorated general context than to the specific situation of the Arctic. The duality of Russia's new Arctic bases is explained by endogenous reasons: it is cheaper and logistically easier for Moscow to deploy military personnel than to train a new generation of civil engineers specialized in the Far North, as it existed during the Soviet era. However, it is unclear how the various Western players and Russia will manage the risks of escalation and possible spillover from the Baltic region in order to maintain a climate of confidence and cooperation in the Arctic.

The energy ambitions around the Yamal Peninsula are also gradually taking shape, thanks to Novatek's innovative policy. Yet, they will have to face several fundamental problems, such as the maintenance of sanctions, and a difficult business environment which may lead large foreign companies, including Chinese firms, to hesitate in doing business in Russia. Moreover, Moscow remains unable to invent there are the structural impossibilities of designing a form of economic development that is not solely focused on exploiting minerals and fossil fuels, and which creates new human capital. Again, these issues are not specific to the Arctic but common to all of Russia.

The situation is more critical in the areas of environmental and population management, as the Russian authorities tend put these issues

on the back burner, unlike the security and economic challenges. That said, we must note Moscow's desire to take better account of the proposals of the regional authorities. These are often at the origin of new local initiatives, involving a greater variety of actors, as well as civil society.<sup>84</sup> However, the Siberian fires in the summer of 2019 clearly showed the shortcomings of Russian decision-making in environmental matters. More generally, the management of industrial risks remains a key issue which is not satisfactorily addressed by Moscow, especially in a region that is already fragile like the Arctic.

In this context, Russia has set several objectives for its presidency of the Arctic Council in 2021, including:

- Efforts to avoid a worsening security situation in the Arctic region, while continuing to strengthen its own military and paramilitary presence;
- Remaining prepared in the event of an incident or accident along the Northern Sea Route, because Russia's legitimacy as a great Arctic power would be severely diminished if it proves incapable of managing a crisis situation;
- Demonstrating its ability to launch international initiatives supported by other countries, in order to strengthen its soft power and compete with the United States, for example in the area of science diplomacy;
- Finding the right balance with China, in which Chinese investments are welcome, but Beijing is kept apart in terms of a security presence or an institutional role;
- Curbing international pressure on the rights of indigenous minorities and environmental issues, which are at the center of the activities by the Arctic Council.

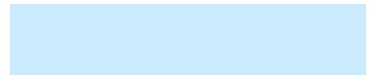
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84. See for example efforts made in terms of urban planning, N.G. Bobylev, A.A. Sergunin, "Printsipy strategicheskogo planirovaniia ustoichivogo razvitiia rossiiskikh arkticheskikh gorodov", *Vestnik severo-vostochnogo federal'nogo universiteta*, vol. 14, No. 2, 2019, pp. 7-15.

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