

Commentary

The Arctic Council in Perspective: Moving Forward

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Paradoxically, the emergence of Arctic cooperation was assisted, to a large extent, by the fact that the region was a global periphery – albeit a theatre for strategic and geopolitical games between the big powers. The collapse of the Soviet Union contributed to the audacious 1987 speech by Mihail Gorbatshev in Murmansk, whereby he was envisaging a peaceful and environmentally sound Arctic.

Towards the Ottawa Declaration

Finland picked up Gorbatshev's ideas, to see what could be followed up. Environmental concerns appeared to be the area where common understanding seemed to be wide among Arctic actors. Finland started consultations on operational level with Arctic states, getting Canada as an active partner. The first circumpolar meeting was held in Rovaniemi in 1989, followed by the first intergovernmental Arctic meeting of ministers of the environment of all Arctic states in 1991, also in Rovaniemi, where the Arctic Environmental Protection Strategy (AEPS) was adopted. This then led the way to the Ottawa Declaration and the establishment of the Arctic Council in 1996.

Although the Arctic Council is lead by the Foreign Ministers, the mandate was from the outset heavily environmental. The Council has six permanent working groups – some founded already before 1996, some after that. Four working groups are directly dealing with environmental issues, and looked after by environmental authorities and experts in the eight Arctic states.

The Ottawa Declaration was not framed to restrict the Council's activities but in one regard: military security. This footnote in the Declaration reflected the views of the founding fathers of the day – which still stand today.

A unique feature of Arctic cooperation is the role of indigenous peoples. At the beginning they were invited to the meetings as Observers, but that was not acceptable particularly to North American indigenous peoples. They demanded a position on the level of governments, which then was confirmed in the Ottawa Declaration. Permanent Participants, consisting of six indigenous groups, sit in Council meetings together with governmental representatives; only without the right to vote (but then again, has the Council ever voted?)

The First 20 Years

During its first decade, the Council was consolidating its structures and procedures. Then it started to face a new phenomena: the rapidly growing interest by non-Arctic actors. The exceptional development in 2007 with a record area of melting sea ice in the Arctic led to a new focus on both prospects of off-shore hydrocarbon exploitation and opening sea routes in the Arctic Ocean. Since the Arctic Council had become the pre-eminent Arctic discussion forum, this global interest was channeled through increasing applications to observer status in the Council. The applications came from governments as well as scientific and advocacy organizations, including UN specialized agencies.

During the second decade, the biggest political – and also logistical – challenge for the Arctic Council has been the question of observers. While all member states agreed on the need to strengthen the Council, there was no agreement on the observers. For some observers were part of the solution – an essential element in strengthening the Council – while others considered them as part of the problem and wanted to build up the Council first from inside and then deal with observers from a position of power. Simultaneously, the Permanent Participants were cautious on increasing numbers of observers, fearing that to diminish their voice in the Council. There were references to the earlier understanding that the number of observers should not exceed the number of member states and Permanent Participants.

Hence three consecutive Council Chairmanship periods 2007-2013 were working on this issue, first establishing criteria and a detailed manual for observers and then considering applications on the basis of criteria. During the second half of the Swedish Chairmanship period 2012-13 it is not an exaggeration to say that the Council was at a crossroads: either to make the right decision on the observers or being slowly marginalized. The warning signs were already there; the emerging open and inclusive fora such as the Arctic Circle in Reykjavik or the Arctic Frontiers in Tromsø. So in case the Council wanted to remain a closed club, the alternative fora were ready to step in.

However, the Kiruna ministerial meeting in May 2013 was able to find a solution in the right direction, accepting most of the state applications. Decision on organizations was deferred in block. The sticking point was the European Union (EU).

Canada, supported by Russia, was opposing the EU application on the basis of the seal product ban imposed by the EU. Finally, thanks to U.S. Secretary of State John Kerry's mediating skills, a compromise solution was found, whereby the EU application was considered affirmatively, but final decision was deferred until the seal issue was settled.

During the second Canadian Chairmanship 2013-15, the Ukrainian crisis was overshadowing the Council deliberations to the extent that although the seal problem with Canada was solved, a consensus on the EU application was not found at the ministerial meeting in 2015.

Another challenge to the Council came from emerging cooperation between the Arctic five coastal states. Two ministerial meetings by the Arctic Five (Greenland 2008 and Québec 2010) were opposed by other Council states Finland, Iceland and Sweden, as well as Permanent Participants. Since then no ministerial meetings by the Arctic Five have been held, however working level meetings have been convened on fisheries, aiming at arrangements regulating fishing in the Arctic Ocean.

One of major achievements of the Canadian Chairmanship was the establishment of the Arctic Economic Council (AEC) in September 2014. The AEC is the child of the Council, but at the same time an independent entity. It still remains to a large extent a work in progress, both internally as well as in its relation to the Council. However, it is significant that the Council, with the establishment of the AEC, acknowledged the importance of taking into account the economic and business considerations in the region. It was a high time, since more and more global companies and financing institutions (not to talk about the World Economic Forum or WEF) are looking at Arctic opportunities.

During its existence, the Council has been changing. The Council and its working groups, task forces and expert groups have produced major assessments on the Arctic. The range of activities has carefully but steadily expanded from environmental agenda to science and research, to maritime issues, and also to legally binding agreements. The two agreements in force on search and rescue, as well as on maritime oil pollution preparedness and response, and those in the pipeline (such as on Arctic scientific cooperation) are not precisely Arctic Council agreements, but agreements between Council member states. However, by them, the growing normative role of the Council is a fact.

Furthermore, steps to strengthen the Council internally have been taken. The Council has now a permanent secretariat and a small administrative budget. Also some operational funds for limited activities have been initiated.

The Way Ahead

A few years ago the Arctic Council was considered to be “the best kept secret success story in the Arctic.” With its communication strategy and action plan the awareness of the Council has been increasing. But with the rapid and largely unpredictable change in the Arctic the question remains: can the Council keep up with the change? How to respond to growing expectations?

There are a number of challenges the Arctic Council is facing:

The Council’s mandate is limited. Environmental, social and scientific issues are covered, but many (such as security, economy and fisheries) are outside. Major changes in this regard are not possible without touching the Council structures and, ultimately, the Ottawa Declaration. And here the *Pandora’s Box* effect comes to the play. Everyone understands that the Council cannot stay complacent, but the progress is slow by necessity.

The decision-making process is complex. Many scientists and NGO’s criticize the Council of weak response to emerging Arctic issues. If voting is not customary in the Council proceedings, consensus requirement in all decision-making effectively replaces it. It suffices to have one, at any time, to break the consensus. This principle is at the core of the Arctic Council cooperation, so any changes here do not seem to be in the cards.

An exclusive or inclusive forum. There is no common view among Council members on who is the Arctic stakeholder. This is a question about Observers, but it is also increasingly a question concerning participation. The Arctic agreements are so far open to only Council member states. But there are good arguments to include observers and other Arctic stakeholders in joining the agreements. At the same time, a lot can be done to enhance the interaction between member states, indigenous peoples and Observers within the Council proceedings.

The Arctic in a global context. The Arctic is indisputably a regional issue with a global reach. Also in this respect the Council cannot act in a vacuum, but it has to take into account and collaborate with other international and global institutions and actors. Contacts with IMO – and its Polar Code – are steps into the right direction.

From soft-law discussion forum to a treaty-based organization? There are those who prefer the Council to stay a decision-shaper rather than a decision-maker, and those to whom a new institution is an impediment. Accordingly, there is no consensus on making the Arctic Council an international organization. But at the same time, the Council by its very activities is moving to that direction. Whether – or when – the Council would become a legal entity, is an open question; but a question which warrants careful consideration.

To introduce and carry out changes in the Arctic Council requires long and persistent work. The U.S. Arctic Council Chairmanship (2015-2017) has realized just that, and consequently sought continuity with many issues from the next Chairmanship.

Finland takes the lead in the Council in May 2017 as Chair for the second time. The Finnish record augurs well for the Chairmanship.