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Centre for International  
Governance Innovation

Special Report

# The North American Arctic

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Energizing Regional Collaboration and Governance





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Energizing Regional Collaboration and Governance

John Higginbotham and Jennifer Spence

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Ice-covered road, Northwest Territories, Canada

## Key Points

- The opening of the Arctic Ocean and the forces of globalization it will unleash pose both challenges and opportunities for the largest and most autonomous subnational jurisdictions of the North American Arctic (NAA) — Greenland, Nunavut, the Northwest Territories, Yukon and Alaska.
- The economic and social development gap between the NAA and the Nordic and Russian Arctic is widening, as climate change intensifies, the Arctic ice cap melts and international attention and competition grow.
- The national governments of the Nordic and Russian Arctic dedicate substantially more attention and resources to their Arctic regions, supporting them through strong governance structures, planned investment and development, and close bilateral and multilateral ties. In contrast, although each has shown episodic enthusiasm, neither the American nor the Canadian federal government treats Arctic development consistently as a high priority on its national agenda.
- The NAA is a distinct subregion of the Arctic, with vast territories, extreme environmental conditions, small and remote communities, and significant resource and governance constraints. East-to-west cooperation among subnational, Indigenous and local orders of government is underdeveloped.
- In March 2017, the Centre for International Governance Innovation (CIGI) and the Woodrow Wilson International Center for Scholars (the Wilson Center) hosted an inaugural NAA leadership summit in Washington, DC, to stimulate discussion about enhanced east-to-west collaboration and partnerships on issues of common concern and interest, including infrastructure planning.
- Leaders who participated in the summit embraced a vision for cooperation in the North American region of the Arctic and confirmed their commitment to continuing the dialogue and finding practical initiatives that would meet the needs and interests of Northerners. Specifically, leaders recognized the value of collaborating on initiatives related to transportation infrastructure, which provide a concrete focus to advance NAA collaboration and governance.

## Analysis and Recommendations

The Arctic no longer rests at the periphery of global awareness. Over recent decades, it has grown steadily in political and economic relevance. The end of the Cold War, diminishing ice cover on the Arctic Ocean and the allure of extensive natural resources have changed the way people view the Arctic. For some, the Arctic has attracted attention as a harbinger of climate change, which is bringing new threats to the Arctic environment; for others, the Arctic is a new frontier for investment and social development; and for others still, it is a zone of renewed legal and security concerns. Meanwhile, those who live in this unique and remote region, especially its Indigenous peoples, see the Arctic as their home and seek a stronger voice in determining its future.

With this surge in international interest, there has been an increase in the number of institutions active in the region — the most prominent of which is the Arctic Council.<sup>1</sup> Over the past 20 years, the Council has contributed to maintaining the Arctic as a zone of peace and cooperation by creating a multilateral forum to discuss environmental management and sustainable development policies for the region. Its success has been attributed to its collaborative governance approach, which brings together government officials, the region's Indigenous peoples and scientific experts. The Council contributes to framing and reconciling the Arctic policies and actions of governments, intergovernmental organizations, non-governmental organizations and other stakeholders in the region.

Other pan-Arctic fora include the International Arctic Science Committee, the Conference of Parliamentarians of the Arctic Region, the Northern Forum and the Arctic Circle. Collectively, this web of official and unofficial institutions has advanced constructive Arctic policy in many areas and supported innovative efforts that are critical for the region's future development.<sup>2</sup>

But broad pan-Arctic cooperation is not always the best approach to address the many economic, social and environmental issues facing the NAA region. There are some fundamental geophysical and political differences among the Nordic, Russian and North American subregions of the Arctic, which can limit the focus and effectiveness of cooperation in important policy areas.

<sup>1</sup> See [www.arctic-council.org](http://www.arctic-council.org).

<sup>2</sup> More on these organizations and their initiatives can be found at their respective websites: <https://iasc.info/>, [www.arcticparl.org/about.aspx](http://www.arcticparl.org/about.aspx), [www.northernforum.org/en/](http://www.northernforum.org/en/) and [www.arcticcircle.org/](http://www.arcticcircle.org/).





For example, the Nordic countries (Denmark, Finland, Iceland, Norway and Sweden) benefit from open water all year round, strong transport and energy infrastructure, well-developed industries and cities, and well-established and long-standing regional cooperation among themselves and with Russia.

Meanwhile, the Russian Arctic has had strong, highly centralized Arctic development policies and has invested heavily in cities, industries, surface and marine transport, resource development and military capabilities. Russia is working hard to establish its hegemony over the commercialization of the Arctic Ocean.

In contrast, the NAA region — Alaska, Yukon, the Northwest Territories, Nunavut and Greenland — has harsher and more extreme environmental conditions, spotty or non-existent infrastructure, and is composed primarily of small, remote communities with economies that have suffered from boom-and-bust development. Furthermore, the American and Canadian Arctic regions are being pushed and pulled in opposite development directions by changing federal priorities.

As a consequence, dramatic economic and social development fissures are appearing between the North American and the Nordic and Russian Arctic regions that will only widen as the Arctic Ocean melts. In the United States and Canada, irresolute national policies on the Arctic, as well as distracted public attention and limited federal infrastructure investment in the region (and, as a result, meagre private investment), show little

sign of change. If this trajectory continues, the NAA will fall increasingly behind its neighbours in the Nordic and Russian Arctic, now backed by Chinese investment.

Further illustrations of the comparative strength of Nordic and Russian governance are their multilateral and bilateral institutions, such as the Nordic Council of Ministers, the Barents Euro-Arctic Council (which includes Russia)<sup>3</sup> and Norway's extensive bilateral ties with Russia. These institutions are actively involved in a broad range of policy issues, including borders, energy, pollution, education, transportation and fisheries. They provide effective hubs for discussion and planning of specific policies and actions that address the common needs and interests of the Nordic and Russian Arctic regions, notwithstanding geopolitical strains. The idea of a Beaufort Council to achieve similar objectives in the NAA has been suggested.

Despite the recognized benefits of subregional partnerships, the NAA does not profit from similar institutions that bring together leaders and experts at the subregional level to focus on their shared and unique opportunities and challenges. Policies about the region are often set by default, far to the south in Washington, Ottawa and Copenhagen, where decisions are dominated by international interests poorly aligned with the needs and interests of the people of the NAA.

Northerners are the first to recognize the disconnect that can occur when Arctic policies are decided thousands of kilometres away and based on southern fiscal and

<sup>3</sup> See [www.barentscooperation.org/en](http://www.barentscooperation.org/en).





political pressures. Nonetheless, formal cooperation and collaboration among the subnational and Indigenous leaders of Alaska, Yukon, the Northwest Territories, Nunavut and Greenland remain weak, despite strong people-to-people links. Dedicated efforts to improve dialogue and cooperation among these leaders could contribute to enhanced local and national NAA policies. As Arctic neighbours, these leaders are natural political allies.

On March 27, 2017, CIGI and the Wilson Center hosted leaders from Alaska, Yukon, the Northwest

Territories, Nunavut and Greenland in Washington, DC, for an unprecedented meeting to discuss common NAA challenges and opportunities.

Regional leaders were invited to envision a new path forward whereby NAA policy priorities could be developed and implemented to an increasing extent by Northerners and policy decisions could be driven by the need to develop sustainable communities and improve the quality of life of Northerners. Leaders were asked to consider several questions:

- How can subnational issues be better addressed?
- What are the conditions for sustained economic development?
- How can national perspectives support and assist communities throughout the NAA?

These regional leaders were joined by local and national partners, from both the public sector and private sectors, to discuss policies and projects that could:

- benefit from enhanced NAA relations;
- help create economies of scale;
- demonstrate the power of greater cooperation; and
- project a collective, rather than disjointed, position to their southern capitals and the world.

“

While not all residents of the Arctic have a graduate degree, or have a business degree...they do have a Masters in Arctic living, and they can be absolutely useful, if not indispensable, in resource development plans for their region.

— US Senator for Alaska  
Lisa Murkowski (Wilson Center 2017)



This meeting laid a foundation for stronger east-to-west NAA regional cooperation with a focus on responsible economic development and new investment channels. Leaders discussed common issues, such as high energy costs, food insecurity, the need to diversify northern economies, social challenges and the value of a long-term, coordinated infrastructure strategy for the NAA.

The leaders needed no lessons from the south on social and economic stewardship, the impact of climate change and the challenges of balancing economic and environmental pressures. They agreed that speaking with a more united voice to their national governments would assist them in exercising stronger leadership, for example, on ambitious trans-jurisdictional infrastructure projects.

Through these discussions, leaders confirmed that the time is right and the political will is there to take collective action to respond to their shared interests and needs. They expressed concern that national governments and southern public opinion continue to underestimate the emerging opportunities and challenges of NAA development. They voiced a desire to continue to work together to identify areas for collaboration, to leverage associated expertise and to craft strategies. However, leaders were also clear that they face many pressures on their time and limited resources. Consequently, they emphasized the importance of identifying practical activities for collaboration.

This new cluster of NAA leaders and key partners is strongly motivated to identify concrete initiatives that benefit Northerners. A clear choice for initial collaboration would be a joint strategy of developing transportation infrastructure with national authorities, including planning new north-south intermodal surface corridors; safe and seamless marine corridors from Alaska through Canada to Greenland; and subsidized north-south, north-north air transportation routes (for example, direct service between Nunavut and Greenland).

With the support of NAA leaders and allies in national legislatures and governments, the challenge is to maintain the momentum established during this initial discussion and launch complementary initiatives that demonstrate the value of sustained regional cooperation among leaders from Alaska, the three Canadian territories and Greenland, and their regional Arctic partners.

Recent geopolitical developments add to the urgency of building this cooperative regional network and dialogue. Working through the channels of national capitals with a multitude of global and domestic priorities is clearly not enough.



The biggest challenge we face right now is the cost of living, and the cost of doing business in our territory because of the lack of transportation infrastructure and the vast distances of the communities within the territory.

— Nunavut Premier Peter Taptuna  
(quoted in *The Globe and Mail* [2017])

For example, US President Donald Trump's administration has dramatically reversed the Obama administration's policy of restrictive offshore and onshore oil, gas and mineral development in Alaska, raising competitive and environmental issues for other NAA jurisdictions. China has initialled a preliminary agreement with Alaska to build a multi-billion-dollar gas export pipeline to southern Alaska, and has included the Northwest Passage through the NAA in its ambitious One Belt, One Road transport vision. Russia continues, despite sanctions, to pursue innovative development of shipping of oil, gas and mineral resources by icebreaker, exploiting the Northern Sea Route, and steadily deepening both its civil and its military presence in the Arctic.

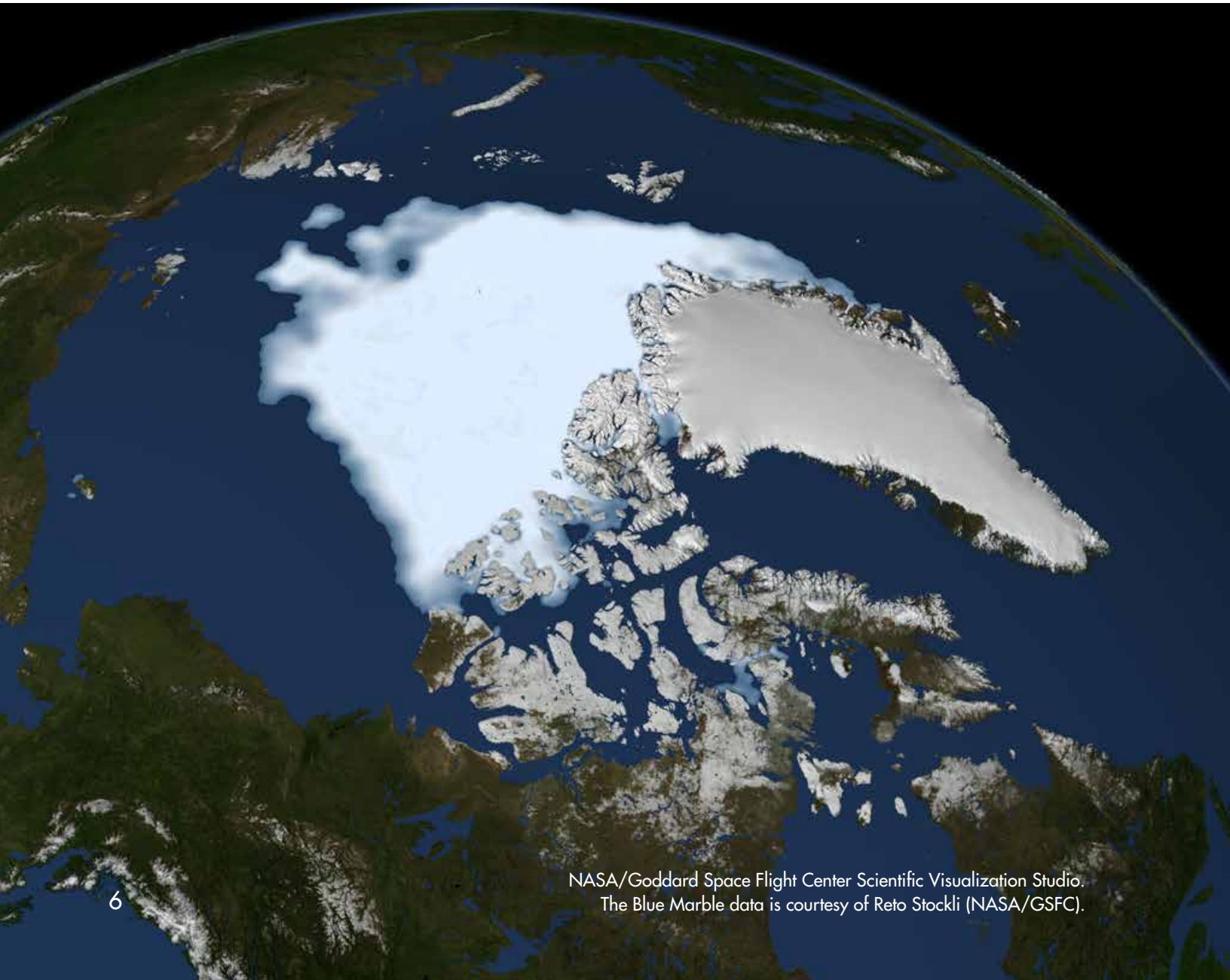
All of these and other political developments challenge status quo thinking, and are warning lights for NAA governments. With the foundation now laid for stonger regional cooperation, NAA leaders are encouraged to continue pursuing and developing productive partnerships with stakeholders and experts at other levels of government and in the private sector. Seeking out further opportunities to collaborate on creating strong policy, visionary initiatives and constructive strategies will help to better meet the needs of Northerners and address this unique region's urgent challenges.



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## About the Authors

**John Higginbotham** is a senior fellow at CIGI in Waterloo and the Norman Paterson School of International Affairs at Carleton University in Ottawa. John's research focuses on Arctic economic and governance development and international relations, Canada's ties with the United States and China in a global context, and North American Arctic marine transportation as the Arctic Ocean melts. John leads CIGI's Global Security & Politics research project on the Arctic, including organizing action-oriented round tables and publications. John's previous work with the Government of Canada, including lengthy international assignments, spanned more than 30 years. He was an assistant deputy minister in three departments, including for policy development at Global Affairs Canada, and served at Canadian embassies in Washington, Beijing and Hong Kong.

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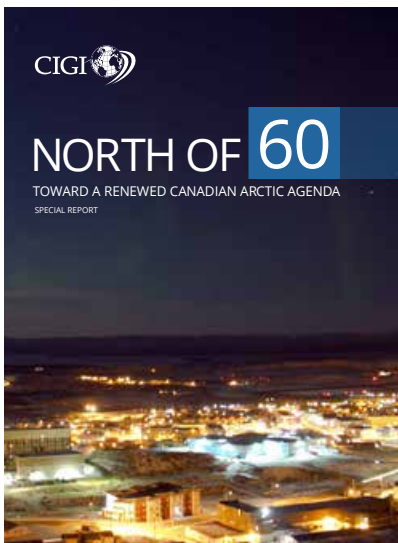
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