Canada, the Arctic Council, Greenpeace, and Arctic Oil Drilling: Complicating an Already Complicated Picture

by Rob Huebert

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Executive Summary

Canada and the Arctic Council finds itself facing one of its greatest challenges – supporting economic development for people of the north while protecting the fragile environment of the Arctic. 2014 will bring the possibility of exploratory drilling for oil off the northern coasts of Russia, the United States, Canada and Greenland. Development of suspected oil wealth in the region could redraw the very face of the entire region. Opposition to oil development is strongest in non-northern locations, and is increasingly represented by environmental NGOs such as Greenpeace. This issue, to develop or not to develop, is poised to become the most divisive issue facing the Arctic states in the coming years.

Canada will need to negotiate a very delicate balance as it proceeds as chair of the Arctic Council. It will need to promote the efforts of the Arctic Council to protect the environment, while responding to increasingly vocal opposition against the large scale development of any oil resources in the region. Canada must be prepared to act against the inevitable protests that will occur against any exploratory drilling in Canadian waters. In order to protect development in the region, Canada must have the capability to ensure order in the region once permission has been granted to companies to proceed with exploration.
Canada is now in its second rotation chairing the Arctic Council. This is something that many have been looking forward to for some time. Canadians are justifiably proud of the Arctic Council and their role in creating and nurturing it. The council is now the most important multilateral organization within the Arctic region. It has developed from a relatively ignored and underutilized body into one that is actively pursued by many of the most important non-Arctic states in the international system. Successive Canadian governments – Liberal and Conservative – have championed the council. It has therefore emerged as a significant bi-partisan component of Canada’s northern foreign policy. The output of the council has also substantially improved. In its formative years, it was not much more than a forum for discussion. It has evolved into a body that has produced some of the most important studies on key issues facing the Arctic. It is also an entity that is increasingly making new agreements – and even treaties – to deal with problems facing the region. The Arctic Council is central to Canada and to the circumpolar world.

But Canada and the Arctic Council now face one of their greatest challenges – supporting economic development for the people of the North, but doing so in a manner that will protect its fragile environment. This challenge has come in the face of the immediate possibility of developing oil wealth in the region. In 2014, there will be exploratory drilling for oil off the northern coasts of Russia, the United States, Canada and Greenland. If these efforts are successful, they could redraw the face of the entire region. There is growing opposition to the prospect of such development. This opposition is growing strongest in non-northern locations, especially through environmental NGOs such as Greenpeace. The question – to develop or not to develop – is poised to become the most divisive issue facing the Arctic states in the coming year. How well Canada navigates the Arctic Council through it will determine the success of the Canadian chairmanship.

As chair, Canada is committed to protecting and strengthening the Arctic Council. Two of its most important successes have been in achieving environmentally oriented forms of cooperation, as well as in strengthening relations among the Arctic states and non-Arctic states. At the same time, Canada is committed to moving the agenda of the council beyond the

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3 Put note from DFAIT on Atlantic web-page.
4 "Arctic Oil Production Could Begin later this Year as Russia’s Gazprom Prepares to Tap Reserves," Huntington Post (October 3, 2013) [http://www.huffingtonpost.com/2013/10/03/arctic-oil-gazprom-russia-oil_n_4035078.html].
environment, to look at broader challenges facing the Arctic. To this end, the development of large-scale resource development is perhaps one of the most important issues that now confront the Arctic states. This may prove to be one of the most divisive areas, both within the Arctic Council and beyond. The need to create new economic opportunities in a region where any large-scale development runs the risk of devastating the environment is perhaps the greatest problem confronting Arctic leaders.

Northerners face limited economic opportunities, an ongoing problem that is felt especially acutely among youth of the region. Within Canada, the United States and Greenland in particular, northern indigenous populations are encountering difficult economic conditions as they move from traditional hunting-and-gathering lifestyles to ones that are much more connected to southern economies. This has not been an easy transition, a fact that has been demonstrated by high suicide rates and other indicators of societal stress. There is a growing demand for new jobs and economic opportunities in the North. At the same time, the Arctic remains one of the world’s most sensitive and complex environments. The impacts of any ecological degradation are quickly felt throughout the entire region.

Among all of the Arctic states, one important fact stands out: they believe they have the right to exploit these resources, and they have made the necessary decisions to attempt to develop them. Not one of these states – Russia, Greenland, the United States or Canada – has considered not developing its oil resources. This has set these states – Canada included – on a collision-course with the international environmental community. For Canada, this issue will come to a head in the summer of 2014, when several oil companies will begin exploratory drilling in the Beaufort Sea and Mackenzie Delta. Organizations such as Greenpeace will likely respond to such drilling in Canadian Arctic waters in much the same manner that they have responded to efforts to drill in Arctic waters off of Greenland and Russia. Canada must balance its support for its agenda within the Arctic Council with its response to possible illegal and dramatic action taken against Arctic drilling in Canadian waters. The Canadian response will need to carefully weigh multiple interests in the Arctic region. Between now and the summer of 2014, Canada needs to determine how it will protect the successes of the Arctic Council regarding the protection of the Arctic environment, while at the same time responding to any potential illegal actions taken against offshore rigs that are operating legally in Canadian waters. It must maintain good relations in the eyes of the international community as well as with its Arctic neighbors. This is not going to be easy.

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14 Greenpeace has already documented its opposition to the drilling in the offshore. See Andrew Nikiforuk, The Arctic is Not a Casino: The Beaufort Sea Project and The Enduring Hazards of Arctic Offshore Drilling, (no date) [http://www.greenpeace.org/canada/Global/canada/report/2012/09/ARTIC_OFFSHORE_REPORT.pdf].
SUPPORING THE ARCTIC COUNCIL

Why is the Arctic Council so important for Canada? Why does it matter? Support for the council has been a major policy initiative of both Conservative and Liberal governments. Leaders of both parties have seen the Arctic Council as a central plank in improving international co-operation in the region, and therefore supporting Canadian Arctic interests. Building on suggestions by leading Canadian Arctic specialists in the late 1980s, such as Franklyn Griffiths and Mary Simon, Prime Minister Brian Mulroney first suggested the creation of such a body while visiting St. Petersburg in 1989. This was an attempt to build on improvements in circumpolar relations provided by Soviet leader Mikhail Gorbachev through his Murmansk initiative, in the waning days of the Cold War. While Mulroney’s initial suggestion met with a lukewarm reception from the other Arctic states, the initiative was soon given new life. Finnish officials recognized that it was in everyone’s interest to connect the new Soviet Union with its Arctic neighbors. Working closely with the Canadians, the Finns launched an initiative to develop an environmentally focused circumpolar arrangement. Not quite an organization, nor an international treaty, the Arctic Environmental Protection Strategy (AEPS) was designed to facilitate co-operation among the eight Arctic nations – the Soviet Union/Russia, United States, Finland, Sweden, Norway, Iceland, Denmark (for Greenland) and Canada.

Finnish and Canadian officials created the AEPS to focus on environmental issues, confident that the Arctic represented a pristine environment in which co-operative agreements could easily be reached. This assumption about the unspoiled nature of the Arctic environment soon proved to be wrong, but it was a point area that all of the Arctic states could co-operate on. Canada was also able to include the participation of northern indigenous peoples, as a distinct body within the structure of the strategy. Known as permanent participants, this was one of the first times that indigenous organizations were given such standing in an international agreement.

The AEPS started slowly, with a skeptical United States only reluctantly participating. Through direct political pressures brought upon the American senior leadership by Prime Minister Mulroney and subsequently by Prime Minister Jean Chrétien, the Americans eventually became full participants. The AEPS was officially created in June 1991. Canada was an important participant in its creation, but never gave up on the concept of creating and organizing a politically more powerful entity that could deal with both environmental issues and the larger issues facing the circumpolar region. To this end, Canadian officials began to renew efforts to develop an Arctic Council. By early 1996, these efforts had succeeded, as the eight circumpolar nations agreed to transform the AEPS into the Arctic Council. This process would take the successes of the AEPS, specifically the improvements in Arctic understanding and co-operation in regard to environmental issues, and build an international organization that would be able to expand co-operation within the region to other issues.

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Canada, as the main supporter of this initiative, became the first chair of the new organization. Under its terms of reference, the chairmanship of the Arctic Council would be held for two years, and then rotated among the other members. By 2013, all eight of the Arctic states had been chair. This meant that it was once again Canada’s turn to take the position. As the Arctic Council is a point of pride among Canadian political elites – both Liberal and Conservative – there was a large degree of anticipation in regard to Canada resuming its leadership.

The Arctic Council has grown considerably since its inception in 1996. This has been driven by two key forces. The first was a renewed interest in the Arctic by the U.S. leadership. Toward the end of the administration of President George Bush Jr., the country began to recognize the increasing importance of the Arctic. The Bush administration undertook and released a policy review that outlined a renewed American policy for the region. Included in its findings was recognizing the need to improve and build upon existing means of international co-operation. This presidential directive was supported and further consolidated by President Barack Obama’s administration. This gave the Arctic Council much greater prominence within American political circles. Secretary of State Hillary Clinton attended the ministerial meeting held in Nuuk, Greenland, in May 2011, the first time that the U.S. had sent its most senior State Department official to a meeting of either the AEPS or the Arctic Council. The increased interest of the U.S. has resulted in a series of important improvements. The council has now created a permanent secretariat, among a number of enhancements in its running. The U.S. had originally been concerned that such a move would give too much power to a multilateral organization, and had insisted that any secretariat be staffed on a voluntary basis by the state holding the chairmanship. Such a rotating arrangement ensured substantial bureaucratic difficulties, as the secretariat moved from member state to member state every two years. This is no longer the case as of 2013. The Arctic Council has also developed new international arrangements, including new treaties dealing with Arctic issues.

The second major trend highlighting the growing importance of the Arctic Council is the desire among non-Arctic states and entities to join. Beginning with China, many Asian countries have a growing interest in the region, and they have begun to make the case to join. Under the organization’s terms of reference, non-Arctic states are allowed to become observers. There are two types of observers: state and non-state. In the early days, state observers appeared to not take their membership as a particularly onerous requirement, and they did not participate actively in most of the council’s activities. By the mid-2000s, this had changed. Asian countries that had previously not been considered to have strong Arctic interests, as well as the European Union, began to actively pursue observer status in the council. There was some reluctance to admit these new applicants, but the Asian states, along with Italy, were ultimately granted observer status. The European Union was not. The main reason for not admitting the Europeans appears to stem from Canada’s opposition, which is related to the EU ban on seal products from
the Canadian seal hunt. However, the EU has clearly indicated that it will continue to pursue observer status. The Arctic Council is therefore seen by the outside world as something worthwhile to pursue, even when membership is not easily granted.

THE DEVELOPMENT OF OIL RESOURCES WITHIN THE ARCTIC

Canada’s second chairmanship has come at a time in which Canadian officials can justifiably be proud of the growth and success of the organization they were so instrumental in creating. The challenge for the council ahead comes from the determination of most of the Arctic states to allow the development of oil and gas resources in the Arctic. This is beginning to be challenged by many outside of the region, a movement that is led by various international environmental organizations. The growing resistance and radicalization of groups such as Greenpeace, among others, are beginning to have a substantial impact on the ability and willingness of the Arctic states to co-operate. This is developing into a particularly sensitive issue for Canada, as one of the primary objectives of the Canadian chairmanship is to improve business activities and opportunities among the Arctic states. The development of oil and gas resources within the region is one – if not the most – economically significant economic activity that will take place in the Arctic. However, much of the success of the Arctic Council to date has involved actions directed to understanding and protecting the Arctic environment.

The world’s attention is currently focused on the Greenpeace crew that boarded a Russian Arctic oil rig in the Pechora Sea in September 2013. The 30 Greenpeace crew members were arrested, and they currently await trial on charges that initially included piracy. If found guilty of these charges the protestors will face substantial time in Russian prisons. The Netherlands has become involved because the 'Arctic Sunrise', the vessel used by Greenpeace to board the Russian rig, bears a Dutch flag. As a result, the Netherlands government has been attempting to seek the release of the Greenpeace protesters through the International Tribunal for the Law of the Sea. Russia has publicly stated its acceptance of the United Nations Convention on the Law of the Sea (UNCLOS) as an instrument to resolve differences pertaining to the Arctic, among state parties. However, it has refused to submit the case to the tribunal’s authority, on the grounds that its sovereignty protects its right to prosecute individuals that would violate Russian laws within Russian sovereign territory. This raises questions over Russia’s commitment to the use of UNCLOS for resolving conflicts in the Arctic. There is also considerable unease among most Western states over the charges that have been brought before Russian courts, including in Canada.

But this is not the only challenge that Canada faces. The actions of the Greenpeace protestors in Russia are not the first of their kind. Any concern that Canadians may have in regard to a perception of Russian heavy-handedness will soon dissipate. What is being overlooked is the

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25 Matt McGrath, “China joins Arctic Council but a decision on the EU is deferred,” BBC News (May 15, 2013) [http://m.bbc.co.uk/news/science-22527822].
30 RIANOVOSTI, “Russia Criticizes Dutch Over Arctic Sunrise Amid Royal Visit,” (November 8, 2013) [en.ria.ru/Russia/20131108/184592702/Russia-Criticizes-Over-Arctic-Sunrise-Amid-Royal-Visit].
The fact that the Danish navy was required to use a similar level of force to remove and arrest Greenpeace protesters when they boarded an oil rig off the west coast of Greenland in 2011.31 The protesters, using tactics that were identical to those used against the Russians, were protesting oil exploration in the waters surrounding Greenland. Two members of Greenpeace who boarded the oil rig there were charged with trespassing and breaching an exclusion zone around the rig. They were fined 20,000 DKK (C$3,780), deported from Greenland and barred from re-entry for one year.32 In both the Russia and Greenland cases, Special Forces within the military seized and arrested the individuals. Both Russia and Greenland used naval forces to position their personnel in order to respond.33

It is expected that Exxon Mobile and BP will begin exploratory drilling in the Beaufort Sea and the Mackenzie Delta in 2014. It is also assumed that Shell will begin exploratory drilling off of Alaska’s northern coast, in the Chukchi Sea, at the same time. It is likely that Greenpeace and/or other environmental groups will attempt to board these drilling rigs. It is equally possible that both American and Canadian officials will take similar actions to remove and arrest those protesters. The types of charges and penalties that will be brought against such actions will depend on the nature of the protests – should they occur. While any charges will be more in line with the Danish response than the Russian, that will not be known until the protests happen. It is possible that Greenpeace will choose not to repeat its protests, but this seems unlikely. That would send a message that the Russian charges against the Greenpeace crew have successfully intimidated the organization and caused it to back down.

The challenge for officials in both states is their ability to remove and arrest Greenpeace protestors. Canada and the U.S. have fewer ice-capable vessels dedicated to law enforcement than the Russian and even the Danish governments. Canada and the U.S. will need to rely on a limited number of coast guard vessels to physically prevent the protesters from approaching the rigs, or they will have to deploy law enforcement agencies or military force to remove the protesters. Law enforcement agencies in Canada and the U.S. are not trained to board oil rigs at sea and confront protesters. Both countries will probably have to rely on military forces that have training in such dangerous situations.

Denmark, Russia, Canada and the U.S. will ultimately use military force to protect their right to develop resources within the Arctic region. For Canada, this complicates its efforts to further promote the role of the Arctic Council and to shift the council’s attention to include economic activities, beyond its current focus on the environment. It is probable that, given Norway’s development of its own oil resources in the North Sea, the Norwegian government would be

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31 CBC News North, “Greenpeace activities arrested on Greenland Oil Rig,” (June 2 2011), [http://www.cbc.ca/news/canada/north/greenpeace-activists-arrested-on-greenland-oil-rig-1.1044389]. The same protestors had also scaled a rig off the west coast of Greenland in September 2010. In that case it was police that removed the protestors. Nunatsiaq News “Greenland Premier slams rig Occupation,” (September 3, 2010) [http://www.nunatsiaqonline.ca/stories/article/010910_greenlands_premier_slams_greenpeace_over_rig_occupation/].


sympathetic to the position of the Arctic four. But this will be on a private and not a public basis, given the political sensitivity of this issue. The fact that Finland and Sweden do not have Arctic maritime areas means that these two countries will not likely be vocal supporters of the right to develop oil and gas in the region. They may prefer to appear sensitive to environmental causes. This means they will likely remain neutral on the issue. Iceland, which has also been pushing for a greater economic focus within the Arctic region, may be sympathetic to the four Arctic states that are producing, or hope to produce, oil in the region. Beyond the state members of the Arctic Council, it is probable that the council’s permanent participants will be divided on the issue, depending on how much they are affected, either positively or negatively, by oil development in the region. There are several environmental groups, such as the World Wildlife Fund, with observer status on the council. While such organizations have not been engaged in the type of aggressive activities taken by non-observer groups like Greenpeace, they will likely be sympathetic to calls for better protection of the environment, by not developing oil resources in the region. Some state observers may also oppose the development of oil resources there. The United Kingdom seems to be developing a posture that is highly skeptical of the economic promises, and it is more concerned about the potential ecological risk to the region. While some may consider such a posture hypocritical, given the UK’s own development of oil resources in the North Sea, this still seems to be the country’s position. Voices within the EU are also beginning to take a position opposed to drilling, although in 2012, the European Parliament voted down a proposal to support a total ban on oil drilling in the Arctic.

The focus that the protesters have given to Arctic oil development will make it more difficult for the Arctic Council to openly deal with what is becoming a negative political issue. It will be hard for the four Arctic states to publicly present a common front on their respective rights to develop their resources in the region in face of the environmental risks. The states will not necessarily be deterred from acting; they simply will not want to provide a forum where such intentions can be publically assailed.

It therefore seems unlikely that the Arctic Council will be able to address the issue of oil development in the Arctic. If it is seen as supporting oil drilling in the region some will consider

35 However, Norway has been willing to publicly attack the efforts of the European Unions to push for a moratorium on Arctic drilling, so the Norwegians may be willing to be more public in their support of Arctic Drilling. See Thomas Nilsen, “Norway: EU has no jurisdiction in the Arctic,” Barents Observer (October 3, 2013) [http://barentsobserver.com/en/energy/norway-eu-has-no-jurisdiction-arctic-03-10].
37 Claudia Cattaneo, “Can Big Oil Handle the Arctic?” Financial Post (May 5 2013) [http://business.financialpost.com/2013/05/16/is-big-oil-ready-for-primetime-in-the-arctic/?__lsa=db07-d432].
38 In fact the WWF has not supported a total ban on Arctic oil drilling but only wants to see the most vulnerable regions protected. TheStar.com, “Greenpeace steps up activist campaign against Arctic oil Drilling,” (August 29, 2012) [http://www.thestar.com/business/2012/08/29/greenpeace_steps_up_activist_campaign_against_arctic_oil_drii.ng.html].
39 The UK position is currently unclear, but with many British politicians calling for a total ban. But that is not the official position of the government. CBC news, “British MPs call for halt to Arctic oil and gas drilling,” (September 20, 2012) [http://www.cbc.ca/news/world/british-mps-call-for-halt-to-arctic-oil-and-gas-drilling-1.1181740].
40 Nunatsiaq News “No Moratorium on Arctic Drilling, says EU Lawmakers,” (October 10, 2012) [http://www.nunatsiaqonline.ca/stories/article/65674no_moratorium_on_arctic_drilling_say_eu_lawmakers/].
the council no longer able to protect the environment. It is also likely that the individual Arctic
states will want to guard their unilateral sovereign right to develop these resources within their
national territory. The Arctic Council may also be unwilling or unable to deal directly with the
most significant economic issue in the region. This means that Canada’s goal of refocusing the
council on economic issues will be still-born. Or it may only be able to deal with minor economic
activities. One of the most important issues facing the region will remain off the agenda, and it
will not benefit from the co-operative approach that the Arctic Council could provide.

This issue may not be totally avoided by the council. It has attempted to address elements of it,
for example through the development of guidelines for responding to oil spills in the region.41
But will it be able to move beyond the development of such guidelines? Canada has already
found it difficult to respond to the public campaign among European countries protesting
against the seal hunt. It has been able to keep the EU out of the Arctic Council because of this
issue. But the move by Denmark/Greenland, Russia, Canada and the U.S. toward the
exploitation of oil resources in this environmentally sensitive area will undoubtedly lead to
increasingly aggressive public campaigns launched against these four states by the
environmental movement. The Canadian experience with protesters organized against the
Keystone XL Pipeline and Northern Gateway Pipeline provides a clear indication of the
persistence, scope and determination of the international environmental movement. Equally
important, many Canadians will be sympathetic to the protestors’ actions, and will not support a
government intent on developing oil resources in the Arctic. This will become one of the most
critical issues facing Canadian officials.

The question becomes how Canada will balance the conflicting requirements of strengthening
the Arctic Council, protecting its right to exploit its Arctic resources, protecting the fragile Arctic
environment, and responding to the actions of environmental groups opposed to northern
development.

Canada will need to proceed delicately in the last remaining year of its Arctic Council
chairmanship. It must ensure that the efforts of the council to protect the environment are
promoted. It will also need to respond to an increasingly vocal opposition to the development of
oil resources on a large scale in the Arctic region. Canada must be prepared to act when the
inevitable protests are launched against exploratory drilling in its waters. It will need to ensure
that Canadian laws are upheld, once it has given permission to oil companies to proceed with
exploration. It will also need to respond to greater public awareness, and opposition to, of the
action taken to remove, arrest, and prosecute Greenpeace protesters in Russia. It is going to be
difficult for the Canadian government to avoid being portrayed in the same light as the Russian
government. At the same time, it must ensure that any effort to distance its actions from those of
the Russians do not damage Canadian efforts to co-operate with the Russian government in the
Arctic. It will want to be seen as assertive and in control of its Arctic region, as well as
sympathetic to the concerns of the environmental groups, while not supporting their actions.
This will be difficult but not impossible. It is time for Canada to bring to the Arctic Council the
need to deal directly and openly with such sensitive political issues. After all, this is the role that
Canada proposed for the council in the first place.

41 Arctic Council, Emergency Prevention Preparedness and Response, Agreement on Cooperation on Marine Oil
Pollution, Preparedness and Response in the Arctic May 15 2013 Kiruna [http://www.arctic-
council.org/eppr/agreement-on-cooperation-on-marine-oil-pollution-preparedness-and-response-in-the-arctic/].
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In November 2010, he was appointed as a director to the Canadian Polar Commission. Dr. Huebert has taught at Memorial University, Dalhousie University, and the University of Manitoba. His area of research interests include: international relations, strategic studies, the Law of the Sea, maritime affairs, Canadian foreign and defence policy, and circumpolar relations. He publishes on the issue of Canadian Arctic Security, Maritime Security, and Canadian Defence.

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