

# The EU in the Arctic region: walking on thin ice?

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*While writing this foreword - sitting in a café in Uppsala, Sweden - the characteristics of an Arctic state reveal themselves by the heavy snow outside. The Café I'm at, Café Lineé, is named after Carl Linnaeus. A symbolic name for this thesis since Linnaeus' research in 1732 on biology and plants in Lapland can be seen as the beginning of the Swedish research in the Arctic.*

*With this foreword I would like to thank everyone who supported me in conducting this research in the best possible way during the past sixteen months. First of all, I would like to thank my parents. They constantly supported me without doubt - especially during the most hectic times of writing this thesis. It is impossible to thank them enough for all the support. I would also like to thank my friend Inge, who I could always call and overwhelm with questions about this research. In case I got stuck in the process of writing, we would go for long walks to empty our heads and to talk about many things outside of the Arctic. I would furthermore like to thank my supervisor, Anna van der Vleuten, who hinted me in December 2012 to take a closer look at the Arctic. A region I had just visited during that same month. I would like to thank her especially for the support offered during the summer in order to finish the thesis as far as I was able to before I moved to Sweden. Finally I want to thank Emiel, Sjoerd, Steffen Thomas, and Tijke. They are a group of friends in Nijmegen that were always there when I needed to renew my energy after long days of writing.*

*Important to mention is that the past eight months – in which I moved to Sweden and started a second masters programme – overwhelmed me more than expected. For that reason it became a struggle to focus on this project. Important short-term goals and short-term deadlines clearly stopped me from focusing on long-term projects, like finalizing this thesis. Even though I'm already away from Nijmegen for a while, this thesis is the end of last my tie to the Radboud University, where I developed myself and where I had a fantastic time as a student of Political Science.*

Reint-Jan Groot Nuelend

Figure 1.1 Map of the Arctic (Economist, 2013)



Source cover-image: Arctic Institute (2012)

## ABSTRACT

In July 2012, the European Union Commission, together with the High Representative for Foreign Affairs and Security Policy, published a Joint Communication on EU policy towards the Arctic region. In the past decade, the world's most northern territory had become a focal point for international power jockeying. Climate change has transformed the Arctic's economic potential. This, in turn, has attracted attention worldwide from those who dream of capital, those who dream of preservation, and those who believe that the two can go hand in hand. The EU proclaims that it is striving for '*Protecting and preserving the Arctic in unison with its population*', '*Promoting the sustainable use of resources*', and '*International cooperation*'. At the same time, countries such as China are leveraging their wealth and mobilizing their diplomatic power to gain preferential access to the Arctic resource marketplace. It is striking that EU policies are filtered through an environmentalist lens, whilst the world is watching the economic possibilities that are opening up. Theoretically, Liberal Intergovernmentalism (LI) anticipates that EU policy will reflect the outcome of substantive inter-state bargaining between EU member states, each pursuing their own political economic or geo-political goals. This theory does not align with documented EU Arctic policy. If economic interests govern member-state policies, why, then, is the EU Arctic policy so attentive to environmental issues? The EU Arctic policy might even restrict states in their individual economic policy towards the region. The Normative Power Europe approach (NPE) possesses greater explanatory value than LI. NPE posits that the EU, functioning as a distinct actor unto itself, behaves according to its own normative identity. This study shows that the goals and means of the EU towards the Arctic are in line with the legal basis of the EU, through which its core values are spread and for that reason contribute to the EU's norm diffusion. The thesis shows how NPE provides insights into foundational EU Arctic policy development factors.

## KEYWORDS

EUROPEAN UNION – ARCTIC – LIBERAL INTERGOVERNMENTALISM – NORMATIVE  
POWER EUROPE – UNITED KINGDOM

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## List of acronyms

EU	European Union
NPE	Normative Power Europe
LI	Liberal Intergovernmentalism
UK	United Kingdom
UN	United Nations

*'We are treated so differently than just a few years ago.  
(...) We are aware that is because we now have something to offer,  
not because they've suddenly discovered that Inuit are nice people.'*

Jens B. Frederiksen  
Greenland's vice premier  
(NY Times, 2012)

## **CHAPTER 1 - Introduction**

### **1.1 The Arctic region moving center stage**

*'Protecting and preserving the Arctic in unison with its population', 'Promoting the sustainable use of resources' and 'International cooperation'* (EEAS, 2013) are the keywords the EU uses to describe its policy towards the Arctic region.<sup>1</sup> The Arctic consists mainly of ocean ice sheet and treeless permafrost. Until the beginning of the 21st century, geographically distant countries showed little interest in the Arctic, while countries in close proximity valued the region for research rather than economic exploitation.

In August 2007, Russia installed its flag on the seabed below the North Pole. This can be viewed as the symbolic starting point for a non-military battle over Arctic resources (Śmieszek, 2013). Global temperature rise has caused the icecaps to melt, simultaneously opening various windows of economic opportunity. These developments prelude non-localized potential tensions between countries where economic interests and territorial rights overlap.

Eight states are at the forefront of Arctic development. Their bargaining is channeled through the Arctic Council, which was established in 1996. This platform consists of the following member states: Canada, Denmark (through the Faroe Islands and Greenland, which are autonomous countries within the Kingdom of Denmark), Finland, Iceland, Norway, Russia, Sweden and the United States of America. They established the Arctic Council to function as a forum for cooperation between and coordination among the members. Important to note is that the EU has three member states with a permanent seat in the Arctic Council. Furthermore are Norway and Iceland members of the European Economic Area and is Iceland close to becoming a member of the EU (BBC, 2013b).

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<sup>1</sup> There exists no universally agreed definition of the Arctic. In this thesis the definition of the Arctic used is the one found in the Arctic Human Development Report. Following the report's demarcation, the Arctic is the total territory of Alaska, the area of Canada above 60° (this means it includes the cities of Quebec and Labrador), the total territory of Greenland, the Faroe Islands, Iceland, the northern parts of Norway, Finland and Sweden and Russia (Young & Einarsson, 2004).



Since Arctic politics have gained attention in the recent past, the Arctic Council has enjoyed newfound validation (Koivurova & VanderZwaag 2007; Koivurova 2010; Axworthy et al. 2012; Kankaanpää et al. 2012; Reuters, 2011). Historically, the Arctic Council has focused on sustainable development and environmental protection. However, the focus of the Arctic Council seems to have shifted in recent years towards economic progress. One of the Arctic Council's new objectives outlined in its most recent declaration of May 15, 2013 illustrates the transformation:

*'Recognize the central role of business in the development of the Arctic, and decide to increase cooperation and interaction with the business community to advance sustainable development in the Arctic'* (Arctic Council Secretariat, 2013).

Another striking development in the Arctic Council politics is that several Asian countries were recently granted observer status (NY Times, 2013). Observer status allows them to present their perspective in the Arctic Council, but not to vote. For these countries, involvement is linked to a race for securing energy sources as a means of gaining or preserving economic growth and international power (NY Times, 2013). China, for example, has not officially published an Arctic policy, but justifies its activities in the Arctic by arguing that the Arctic's development is of global relevance (Jakobson & Peng, 2012). The Arctic holds about thirteen percent of the world's undiscovered oil reserves and thirty percent of the world's undiscovered gas (BBC, 2013a). Numbers like these inevitably attract covetous glances.

China's position is emblematic when surveying the international community at large. Non-Arctic EU-member states (for example Germany, France, and the United Kingdom) are partly motivated by economic gain: *'For all three countries, energy security and the protection of maritime transport routes are of utmost importance'* (Major & Steinicke, 2011, p. 14). Against this context of divergent interest of countries towards the Arctic - especially among the EU member states - the EU's policies towards the Arctic seem puzzling.

Besides the natural resources that might become accessible when the ice melts, two important shipping routes in the melted areas have been charted (illustrated in Figure 1.1): the Northwest Passage and the Northern Sea Route. More ships are relying on these shorter trade routes than ever before (Liu & Kronbak, 2010). Increased maritime traffic, exacerbated further by a rise in Arctic cruise tourism, has led to new legal concerns.

The first point of departure is the United Nations Convention on the Law of the Sea of 1982. According to the Convention, every Arctic border country has rights to an Exclusive Economic Zone of 200 nautical miles offshore. Countries with such rights include Russia, the US, Canada, Norway and Denmark. If a country can prove that its continental shelves extend further into the Arctic region, it can propose an Exclusive Economic Zone expansion. While the UN Security Council accepted Norway's proposal, Russia's was rejected. If Canada and Denmark would also apply for an extended zone then this might overlap with Russia's and be a source of international friction (Financial Times, 2013). Not all Arctic states have signed the United Nations Convention on the Law of the Sea, but they have all agreed with the terms and agreed to collaborate in settling disputes over territorial claims (Arctic Ocean Conference, 2008).

With greater maritime traffic and greater exploration of Arctic economic potential by states or transnational organizations comes enhanced environmental pressure. A change or loss of the flora and fauna within the region will present new challenges to the actors with commercially viable interests (Stokke, 2011). Melting ice causes floes of drifting icebergs and greater waves that can make shipping and offshore operations increasingly dangerous. Besides that, coastal erosion and thawing permafrost can endanger onshore infrastructure (Śmieszek, 2013, p. 167). Changes that have already occurred and expected developments yet to come influence the Arctic governance structure and trigger socioeconomic, ecological, and geopolitical consequences.

## **1.2 The EU policy towards the Arctic region**

According to the Joint Communication of June 26, 2012 (European Commission, 2012), the EU aims to *'meet the challenge of safeguarding the environment while ensuring the sustainable development'* (European Commission, 2012, p. 2) in cooperation with other relevant countries, with the concepts of *knowledge, responsibility, and engagement* in mind. The EU feels responsible for an environmentally friendly development in the region. Its aims are outlined thus: fighting climate change, conducting research on the Arctic environment, reducing future uncertainties and monitoring changes, shipping and maritime safety and investing in sustainable development (European Commission, 2008; 2012).

Even so, we must keep in mind that EU concerns are relatively novel: *'EU interest in the Arctic up until early 2008 was ad hoc, coincidental, and to a certain extent based on the interest shown by individuals within the EU system'* (Offerdal, 2010, p. 39). The first time an EU body mentioned its concerns about the Arctic was in an Action Plan of the EU Commission attached to a Blue Book – a document that describes the vision of the Commission - that was written during the process of writing the Integrated Maritime policy in 2007. The timing is striking since the publication was right after Russia planted a flag on the Arctic (Śmieszek, 2013, p. 174). How can the goals of environmental

protection, sustainable development and international cooperation be consistent with the divergent interest of the member states? This touches upon the empirical question of this thesis: why does the EU pursue an Arctic policy that is focused on sustainable development, environmental protection, and international cooperation?

### 1.3 The puzzle and conceptual model

This thesis discusses two of the most influential theories from the body of literature on the behavior of the EU that help to interpret the EU's Arctic policy trajectory: Liberal Intergovernmentalism (LI) and the Normative Power Europe approach (NPE).

LI's assumption is that EU policy is the outcome of substantive inter-state bargaining between EU member states pursuing political economic and/or geo-political goals. The EU can merely be regarded as an intergovernmental regime that facilitates economic interdependence through policy coordination. The states call the shots, behave rationally, and base their policy preferences on domestic interests. Decisions are reached on the basis of the lowest common denominator. It is crucial in bargaining that economic or commercial interests converge so that integration can take place.

NPE on the other hand explains EU foreign policy as a product of normative identity construction (Manners, 2002). By exploring what the EU *is*, observers can provide explanations for what the EU *does* outside its borders. NPE proclaims that the EU identifies itself as a normative power that diffuses core and minor norms. This normative basis gives it '*the ability to shape conceptions of "normal" in international relations*' (Manners, 2002, p. 239). Manners elaborates:

*'The idea of the 'pooling of sovereignty', the importance of a transnational European Parliament, the requirements of democratic conditionality, and the pursuit of human rights such as the abolition of the death penalty, are not just 'interesting' features – they are constitutive norms of a policy which is different to existing states and international relations' (2002, p. 253).*

This interprets EU actions based on a 'greater idea' within the organization.

When confronting both theories with the question why the EU pursues an Arctic policy that is focused on sustainable development, environmental protection, and international cooperation, a striking contradiction emerges. If, based on the reasoning of LI, the EU Arctic policy is the outcome of substantive bargaining between EU member states pursuing individual economic goals, why does EU-Arctic policy so strongly emphasize environmental concerns? It is notable that 'non-Arctic-Council

member-states' like France and the UK call for securing energy sources and protection of the maritime shipping routes (Major & Stenicke, 2011). According to LI, these countries will not pursue policy that goes against the interest of their most important domestic economic interests. Why would France and the UK support an EU-Arctic policy that is based on environmental concerns and restricts resource extraction? It appears that the EU policy directly undermines the interests of the most influential EU member states.

A remarkable case amongst the group of EU member states that signed the Joint Communication of 2012 is Denmark. Its position is strongly different from the other EU member states in the case of the Arctic. Denmark has a formal relationship with Greenland, which gives it a powerful position in the Arctic Council. For Denmark there is no direct need for a EU involvement, since it could be argued that that negatively affects its power position (Degeorges, 2013). The example of Denmark illustrates for that reason how taking the state-centric perspective for explaining the formation of the EU Arctic policy is problematic. The preferences of member states vary enormously and based on that, one cannot directly explain EU's standpoint towards the Arctic. This asks for an alternative approach that can help in explaining EU behavior towards the Arctic.

The theory of NPE is likely to provide key answers. The statements in the Joint Communication of the Commission of 2012 concerning the Arctic seem to be in line with the expectations of NPE for how the EU aims at diffusing its norms:

*'The European Union has an important role to play in supporting this successful co-operation and in helping to meet the challenges that now confront the region. The European Union is the world's strongest proponent of greater international efforts to fight climate change, through the development of alternative energy sources, resource efficiency and climate change research'* (European Commission, 2012, p. 3).

This means that, at a first sight, the policy is based on the self-identification of the EU as distinct actor on the world scene that spreads the norms of sustainable development and environmental protection. For that reason NPE is likely to offer key explanations.

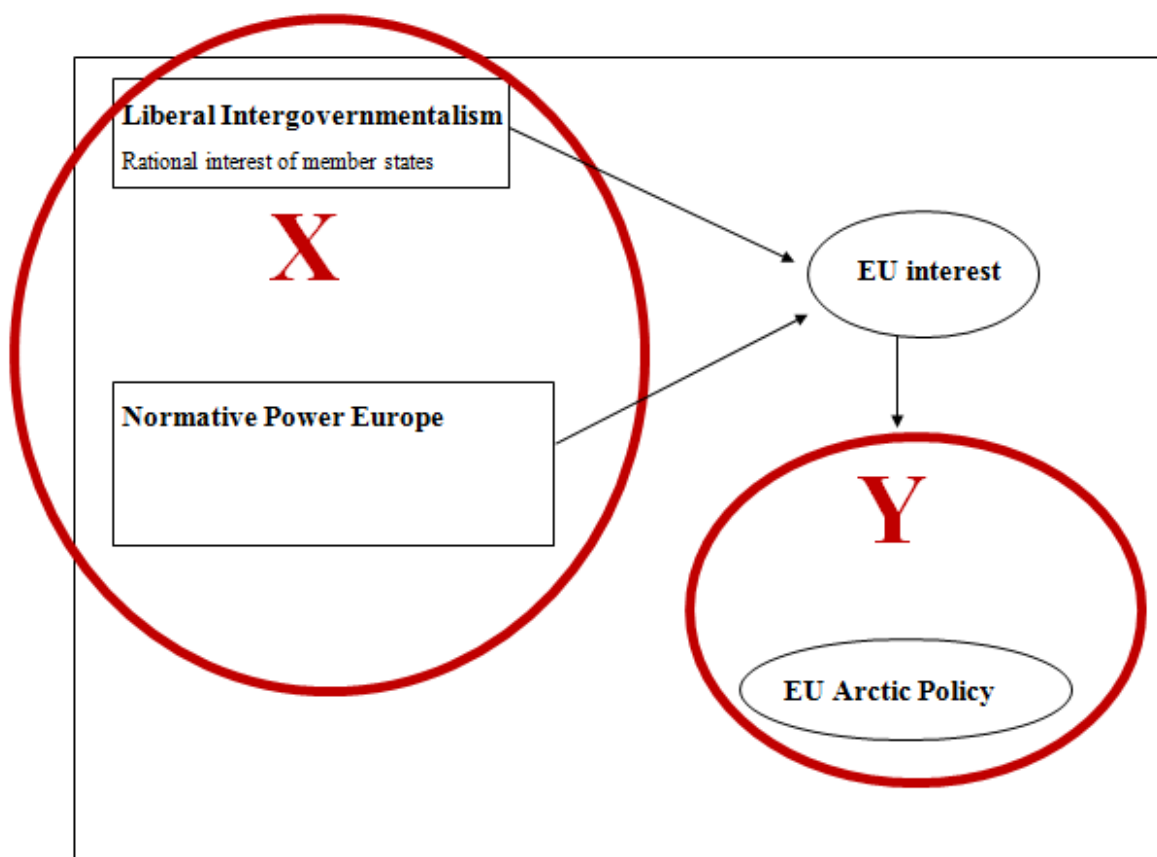
When reasoning the other way around, to get a better understanding of 'why now?' and 'why this policy?' this thesis still assumes that it can be useful to focus on the wishes of the individual EU member states, by taking a closer look at their motivation for signing the EU policy. It can be speculated that they signed a policy that mostly aims at 'green policy goals', based on a rational consideration to become more politically involved in the Arctic than they are now. It can be the case

that the member states aim to figuratively stand on the melting Arctic ice with a greater economic foot. That would mean that the non-Arctic member states strive for preservation of nature, as a means to have something to say in the debate on influence in the region. Focusing on the country level through the theory of LI might provide key explanations on the timing of the EU in the chain of events concerning the Arctic that is mostly related to the melting ice.

In sum, these are the points where both theories converge. To test both theoretical expectations, one has to view the EU up close from the point of view of the member states through the LI lens, and at a distance through the NPE lens which identifies the EU as a distinct actor with its own normative identity.

The core question of this thesis and the explaining variables are presented in the following conceptual model (Figure 1.2.). The aim is to understand which independent variable offers a better explanation of the dependent variable.

Figure 1.2. Thesis' conceptual model.



(Compiled by the author)

This conceptual model illustrates the motivation for EU Arctic policy as the independent variable, X, and EU Arctic policy as the dependent variable, Y.

In sum, it is striking that EU policies are filtered through an environmentalist lens, whilst the world is watching the economic possibilities that are opening up. Theoretically, Liberal Intergovernmentalism (LI) anticipates that EU policy will reflect the outcome of substantive inter-state bargaining between EU member states, each pursuing their own political economic or geo-political goals. In case economic interests govern member-state policies, why, then, is the EU Arctic policy so attentive to environmental issues? The Normative Power Europe approach (NPE) is likely to possess greater explanatory value than LI. NPE posits that the EU, functioning as a distinct actor unto itself, behaves according to its own normative identity. In order to research the explanatory value of both theories, and with that this thesis' puzzle, the thesis aims at answering the following research question:

**Why does the EU pursue an Arctic policy that is focused on sustainable development, environmental protection, and international cooperation?**

In the process of answering this question, the thesis aims at answering the following sub-questions:

- **How does the theory of Liberal Intergovernmentalism explain the direction of EU policy?**
- **How does the theory of Normative Power Europe explain the direction of EU policy?**
- **How did the process look like through which the EU Arctic policy came into existence and which actors were involved?**
- **How does the current EU Arctic policy look like?**
- **Is the EU Arctic policy in accordance with the expectations of the theory of Liberal Intergovernmentalism?**
- **Is the EU Arctic policy in accordance with the expectations of the Normative Power Europe approach?**

Concerning the thesis' structure, in chapter two the thesis deconstructs the theoretical debate over EU interest development. Chapter three offers an outline of empirical tests for two selected theoretical frameworks. Chapter four outlines the relevant historiography. Chapter five offers an in-depth analysis of the theoretical mechanisms identified. The thesis concludes with a refined theoretical reformulation.

## **1.4 The relevance of this study**

This thesis contributes to the large literary canon discussing the EU's policy development mechanisms. The question is if the attitude of the EU is the outcome of a constructed process of supranational decision-making, or if it is based on intergovernmental bargaining. This thesis elaborates on the current debate and seeks explanation for EU's policy by testing both LI and NPE.

Empirically, this thesis investigates EU-Arctic policy motivations. The societal relevance of the thesis is that it provides insights for policy-makers. If it, for instance, appears that decision-making is more based on the identity of the EU rather than the interests of individual member states, then there might be a strong incentive for national politicians to take action if they wish to retain their country's autonomy. By studying theoretical behavioral models, this thesis derives some noteworthy implications that actors must take into account.

## **CHAPTER 2 -Theoretical framework**

This theoretical framework, as a means to understand how the EU's Arctic policy is shaped, presents an overview of both the theory of LI and NPE. Along with presenting the theories, the chapter outlines the positions of the theories in the theoretical debate on European integration. Moreover, the theoretical framework sketches how this research in general is situated in that theoretical debate and how that makes this thesis scientifically relevant.

Outlining the theoretical framework starts by explaining the theory of LI, constructed by Moravcsik (1998). LI takes the EU as a platform that consists of loosely related rational member states that all pursue their own preferences. Those preferences are formed during the country's domestic preference formations. The national preferences combined, through substantive bargaining, shape the standpoint of the EU in international affairs. Furthermore, the chapter explicates the problems this theory experiences in its predictions when questioning 'why this Arctic policy?' and 'why now?'. The alternative theoretical explanation dealt with in this thesis, NPE (Manners, 2002), is outlined in the second part of this chapter. The essence of NPE is that it reasons from a norm-oriented viewpoint and takes the EU as a distinctive actor that diffuses norms on the world scene. A normative self-identification of the union determines the way the EU shapes its policy, which provides insight in why a supranational EU pursues inter alia the protection of the environment, sustainable development and international cooperation in the Arctic. The outlining's of these two theories result both in expectations and hypotheses. Those are tested in the analytical chapter and a conclusion on each hypothesis is provided in chapter six. Important throughout the thesis is that the EU's Arctic policy, as the EU presents it through its official publications, is the dependent variable. The independent variables originate from the two different theoretical mechanisms that explain how EU policy came into being. The following paragraphs elaborate upon the independent variables.

### **2.1 Liberal Intergovernmentalism**

LI can be regarded to be a major pillar in the study of regional integration. It is in particular meant to explain the integration of EU-member states within the EU. The theory functions as a grand (or classical) theory, that outlines the European Union as solely being a single overarching unit that consists of variables, the member states, that are only loosely related (Moravcsik, 1998, p. 19). LI consists of a framework that aims at explaining European integration by combining various theories and factors on various levels.

Since the mid-1960s, LI's predecessor, Intergovernmentalism, proved to be in many case studies a useful approach for explaining the process behind the integration of states in a supranational organization (Cini et al, 2013). Intergovernmentalism, constructed by Stanley Hoffmann (1966), does not solely focus on the EU, but on decision-making in international organizations in general. It



explains the process in intergovernmental bodies from the viewpoint of the state and describes an intergovernmental organization as solely an arena in which states meet each other to discuss issues and come to agreement.

LI is a later constructed version of the Intergovernmentalism theory and has been corroborated several times in the past fifteen years. The theory became a dominant paradigm among scholars in analyzing the functioning of the EU and is used by many as a starting point to judge other theories (Cini et al, 2013). As in Intergovernmentalism, state-centrism is also the basic element in LI. States act rational in the arena of the intergovernmental EU, while emphasizing the importance of preferences and power of other states. The actors that matter are the states and the EU should merely be treated instrumentally, as an international forum for policy co-ordination. The member states within this regime are the ones that in the end determine the deals. They have the superior decision-making power and the political legitimacy (Schimmelfennig & Moravcsik, 2009, p. 68). The essence of LI is that the final moment of cooperation or establishment of an international institution is reached through a combination of interdependent rational state choices and intergovernmental negotiations. The EU policy-makers that represent the country's preference at the EU-level impose clear restrictions on the amount of power that will be transferred from the state to the supranational body. The final agreements between the member states are reached on the basis of the 'lowest common denominator'. This means that the bargaining leads to a compromise that lives up to all the participants' preferences as much as possible.

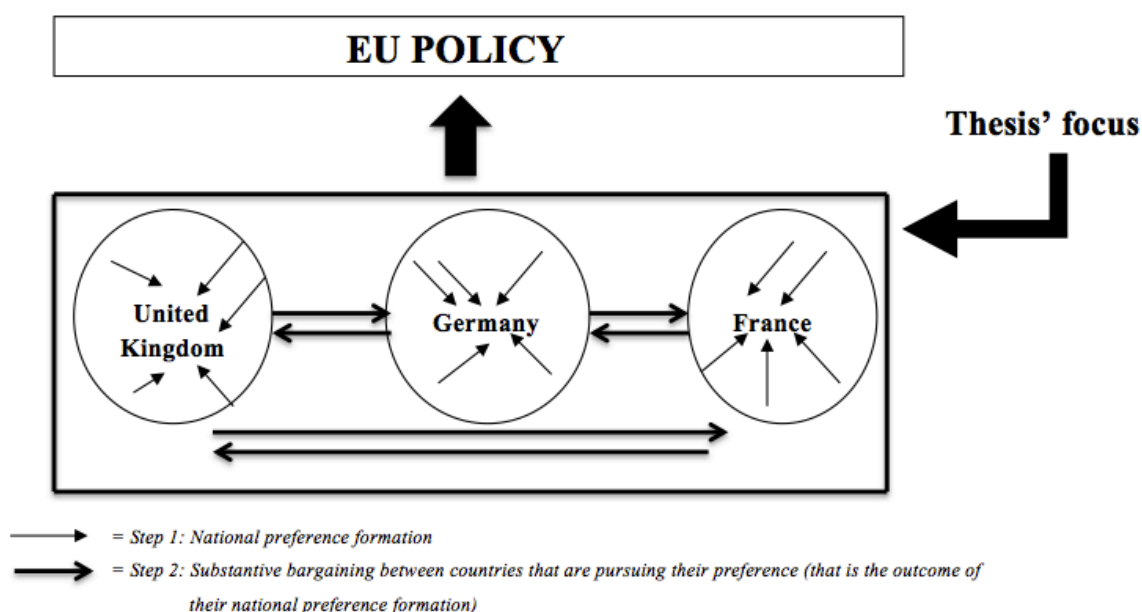
Moravcsik (1998) applied LI to European integration from 1955 until 1992, from 'Messina to Maastricht'<sup>2</sup>. He distinguished three factors in the historical process of integration in order to understand cooperation at the EU-level. European integration is determined by the commercial advantage of cooperation, the influence of the relative bargaining position of the states involved at the international level and finally the willingness of states to increase the credibility of the commitments they agreed upon. The most crucial of these three patterns to explain EU's Arctic policy is the economic interest. In situations in which the economic or commercial interests converge between countries, integration extends. The functioning of economic interest can be illustrated with an example: during the European integration, technological development caused rising capital mobility, which promoted the need for monetary cooperation. The latter caused the increased need for coordinating these trends of technological and economical development (Moravcsik, 1998, p. 3). Further integration emerged because states were liberalizing trade in line with the increased international economic competitiveness and the prevailing macroeconomic policies and preferences. The mechanism LI deals with is a causal sequence of three 'stages of negotiations' that have to be followed in order to reach the phase of full integration in the shape of the institutionalization of an

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<sup>2</sup> Part of the subtitle of Moravcsik, A. (1998). *The choice for Europe: social purpose and state power from Messina to Maastricht*. Cornell University Press.

agreement (see figure 2.1) (Moravcsik, 1998, p. 24). The Liberal Theory of National Preference Formation is stage one, the Intergovernmentalist Analysis of Interstate Negotiations is stage two and the Functional Theory of Institutional Choice is stage three. Underneath these stages functions the mechanism of rational state behavior. LI's causal sequence is presented in figure 2.1 to the extent needed for answering the thesis' research question. It moreover presents the three countries Moravcsik used in his case studies. The paragraphs that follow explain the underlying mechanism and the three stage causal sequence.

Figure 2.1. Schematic presentation of the first two steps of the theory of LI



(Compiled by author)

### 2.1.1 Rationalist framework of international cooperation

That LI is a framework, instead of a theory or model, means that it is able to point out a set of assumptions that permits us to split up the phenomenon we want to explain in separate parts (Moravcsik, 1998, p. 19). The underlying reasoning of actors can be understood through adoption of the assumption of rationality. First of all in the preference formation within a country, were domestic societal groups and the government are striving for political influence on a certain topic as a means to shape it in their interest. That means that preferences of states are not fixed and that the outcome of the preference formation differs across time and topic. When it comes to the international level, states act rationally. In international bargaining that means that they act *'as if' they were efficiently pursuing a weighted, stable set of underlying preferences given a constrained choice of means'* (Moravcsik, 1998, p. 23). It is important to note that this rationality assumption is a weak rationality assumption and it should not be considered to function too far in every instance. States do not pursue hundred percent

purely rational aims and their preferences are not uniform across issues, countries, or long periods of time. Moreover, not only material gains matter, which seems to contradict with what is argued before. Preferences are also embedded in ideas which means that the reasoning of states not only changes in case of exogenous changes in the economic and geopolitical environment in which European integration takes place, but also in the case of ideological changes (Moravcsik, 1998, p. 23). The political systems of states generate stable and considered objectives that are based on a certain 'state of the world'. That 'state of the world' is pursued with the maximum efficiency by the respective states with the maximal possible political means (Moravcsik, 1998, p. 23).

### **2.1.2 Stage 1) National preference formation**

The position a state takes towards a certain policy in the international scene is the result of its domestic preference formation. The Liberal Theory of National Preference Formation provides a guideline to analyze processes of preference formation within the state. National policy preferences are restrained and shaped by the interest of dominant domestic (economic) groups, actors and individuals. This pluralistic understanding of how state-society relations look like is a bottom-up view. The underlying domestic societal factors are the ones that increase the international need for cooperation. The state preferences are constructed by domestic societal groups that are competing for influence with the government's elite (Cini et al, 2013, p. 79). Country's policy-makers at the EU-level represent the combination of those interests thereafter in the supranational organization. An important consequence of that formation process is that the national preferences are not based on the relative position of a state in the international community. That the state can still be seen as a unitary actor means that each act of the states in international negotiations can be taken as an act of a single voice. Even though governments do not necessarily employ a single representative or mechanism of strict hierarchical control in international negotiations. Moravcsik defined the preference of societal groups as: *'a set of underlying national objectives independent of any particular international negotiation to expand exports, to enhance security vis-à-vis a particular threat, or to realize some ideational goals'* (Moravcsik, 1998, p. 20). The coalition of societal actors within the state constructs and reconstructs the preferences of the state. One can assume that those preferences are stable at each position at every issue by all countries during each bargaining (Moravcsik, 1998, p. 24). Moreover, it is important to keep in mind that not all groups have the same influence within the societal preference formation. The crucial groups with decisive influence on the policy choices are the ones with (macro) economic and geopolitical preferences within society and the leading elites.

Moravcsik (1997)'s definition of a societal group states that those groups are:

*'on the average rational and risk-averse and who organize exchange and collective action to promote differentiated interests under constraints imposed by material scarcity, conflicting values, and variations in societal influence' (Moravcsik, 1997).*

There are two types of interest that influence the domestic preference formation. At first, there are the groups, actors and individuals that have political economic interest. Secondly, there are the actors and individuals that have geopolitical interest. Economic interests have been the more important of the two in European integration. Countries pursue integration in order to secure the commercial interest of producers that are influenced by regulatory and budgetary restraints from abroad (Moravcsik, 1998, p. 3). Moravcsik's research shows that the preferences are influenced by the macro-economic desires of the crucial governmental coalitions (Moravcsik, 1998, p. 38). Governments have the interest of staying in power, which means that the societal groups' preferences are being transmitted through domestic institutions and through practices of political representation. In the end pursues the government a specific standpoint towards the respective international cooperation.

### **Political economic interest**

The thesis' focus lies within the political economic interest on the direct economic consequences of the proposed EU policy. In most instances, the position of the states in the international markets is taken into account while constructing preferences along political-economic lines. In the situations where the state preference is incompatible with the market, a zero-sum situation and little incentives for cooperation will be the result. However, negative policy externalities can be decreased through cooperation. Important parties that deal with political economic interest are producers. They strive for influence on politicians when it concerns taxes for example. Those domestic producers influence policy solely through the peak organizations representing three broad economic sectors: industry, agriculture and services. This view suggests that governments of member states support commercial interest till the extent that they meet intolerable fiscal burdens or incompatibilities with regulatory preferences (Moravcsik, 1998). This means that the political-economic interest is two-folded: on the one hand it concerns the importance of regulatory and fiscal constraints, on the other hand it concerns commercial considerations. The balance between the two in EU politics reflects the balance between them in domestic politics of states.

### **Geopolitical Interest and Ideology: Security Externalities**

Moravcsik (1998) claims that the geopolitical interests are less influential than political economic interests on the domestic preference formation. However, in his later work he argues that it is still a type of preference that should be considered (Moravcsik & Schimmelfennig, 2009, p. 70). A geopolitical approach of international economic cooperation sees security issues as the most important

factor within foreign policy affairs. According to that approach the indirect security implications of economic cooperation are most crucial within the direct economic implications (Moravcsik, 1998, p. 26).

In other words geopolitical interests are about the indirect consequences of economic integration, called 'security externalities'. Geopolitical interests are related to the perceived threats to national sovereignty or territorial integrity, which could be military or ideologically. Governments are more likely to cooperate with states with which they are allied in pursuit of a particular geopolitical goal. This means that economic integration is more likely when it generates positive geopolitical externalities. The four factors that determine geopolitical interest are: I) the balance of power, II) the bolstering of the autonomy of Europe, III) the goal to prevent conflict among EU-members and IIII) the strive for a European ideology (Moravcsik, 1998, p. 33).

### **Hypotheses for national preference formation**

The theoretical and applied hypotheses that can be derived from step 1, the National Preference Formation, are the following:

#### Theoretical hypotheses

##### 1.1

If supranational policy X serves the political economic interest of state Y, state Y will be in favor of policy X.

##### 1.2

If supranational policy X serves the geopolitical interest of state Y, state Y will be in favor of policy X.

##### 1.3

When geopolitical interest and political economic interest of societal groups of state Y clash, political economic interest will have the upper hand since that is the crucial factor contributing to European integration.

#### Applied hypotheses

##### 1.1A

If the EU Arctic policy serves the political economic interest of state Y, state Y will be in favor of the EU Arctic policy.

### 1.2A

If the EU Arctic policy serves the geopolitical interest of state Y, state Y will be in favor of the EU Arctic policy.

### 1.3A

When geopolitical interest and political economic interest of societal groups of state Y clash concerning the EU policy on the Arctic, economic interest will have the upper hand since that is the crucial factor contributing to European integration.

## **2.1.3 Stage 2) Substantive bargains**

States bargain within the EU until they have reached a substantive agreement. It is a process in which the state is the actor that pursues a policy based on rational calculation. The essence of this stage is that states have to find a compromise and collectively want to overcome suboptimal outcomes. The so-called 'space' of the agreement, the window of opportunity, is the overlap of the preferences of all states in the bargaining game. The member states have to achieve coordination or cooperation that benefits all and they have to decide how these mutual benefits – in other words the result of the cooperation - should be distributed among the states. The states are seen as closed units, the influence of the supranational organization is minimal during the bargaining and it is all about the interaction between the states. The relative bargaining power of every state, determined by asymmetrical interdependence, is essential for the outcome. The asymmetrical interdependence is caused by the uneven distribution of the benefits of cooperation. The actors within the process that are, compared to the status quo, less in need for reaching an agreement, are the ones that are best able to defect and threaten with noncooperation. They have the power to hesitate in making a compromise and tend to impose conditions in their favor. Moreover, according to the supranational bargaining theory, actors that have access to more detailed information about the preferences of other actors and about the functioning of the supranational institution have more power to influence the outcome of bargaining to their advantage (Moravcsik, 1998, p. 54-60; Moravcsik & Schimmelfennig, 2009, p. 71). However, the difference made by supranational entrepreneurs that possess more information is not decisive in the end for influencing the outcome. It is only in exceptional cases that a supranational entrepreneur has been influential in reaching an efficient bargaining outcome (Moravcsik & Schimmelfennig, 2009, p. 71).

Moravcsik (1998) focuses throughout his book on the UK, France and West Germany when explaining the emergence of the different treaties. He analyses those three countries' internal preference formation and position on the international scene towards the five EU different treaties.

### **Hypotheses substantive bargaining**

The theoretical and applied hypotheses derived from step 2, the substantive bargaining, are the following:

#### Theoretical hypothesis:

##### 2.1

If at EU-level an agreement is reached between member states, it reflects the relative bargaining power and preferences of the member states.

#### Applied hypothesis:

##### 2.1A

If at EU-level an agreement is reached between member states about the Arctic policy, it reflects the relative bargaining power and preferences of the member states.

### **2.1.4 Stage 3) Institutional Choice**

The third stage within the framework of LI is the Institutional Choice. This is the choice for a design of an international institution that assists in reaching a collectively superior outcome. The international institution's purpose is that it reduces for member states the transaction costs, the uncertainty of preferences and behavior of others (Moravcsik & Schimmelfennig, 2009). The institution consists of rules for dividing the gains of international cooperation as was agreed on during the substantive bargaining. It moreover leads to less costs of coordination of bargaining, helps in sanctioning other states in case of non-compliance with the rules and assists in monitoring the behavior of other member states. Finally, the key idea of the institution is that it provides credible domestic commitment, since it gives more power to the government and the societal group that are supporting the EU policy compared to the societal actors that are not (Moravcsik & Schimmelfennig, 2009, p. 73).

The above-described theoretical framework elaborates on the theory of LI to the extent needed in answering this thesis' research question. For that reason it will not further elaborate on LI's stage three. The last stage does not provide clarifications that are needed in order to understand why the EU pursues its current Arctic policy. In other words, the case of the Arctic is not dealing with any international institution that has been created to improve the efficiency of the inter-state bargaining concerning the Arctic.

## 2.2 Normative Power Europe approach

The focus of the research on European integration has shifted in recent years from the state-level (bottom-up) more and more towards an understanding of the EU as a distinct political system (Bache & George, 2006). Academics began analyzing the *sui generis* nature of the EU instead. This can be seen as a shift away from the empirical technique of looking at the institutions and policies of the EU, towards a stronger focus of analyzing the EU through cognitive processes, including substantive and symbolic variables. The unit of analysis in this new perspective became the EU's international identity. Within this new body of literature, that considers the EU as a singular and distinct actor, Manner's (2002) theory of NPE became a prominent approach in the last decade.

Before explaining NPE, the following paragraph explicates the historical development of this approach. Moreover, it situates the NPE theory in a larger theoretical discussion that is focused on constructing Europe's global character. It will thereafter explain the theory, explicate how the current debate on EU's role is ongoing and finally this chapter describes the thesis' expectations through a theoretical and an applied hypothesis.

### 2.2.1 The Role of the EU

Conceptualizing the role of the EU is an important part of this recently emerging body of literature. When dealing with the EU as if it is a distinctive actor, pursuing its own agenda, it is important to look at the role it plays in the world. The *'typologies of roles shed light on its international distinctiveness as an "unidentified political object"'* (Orbie, 2008, p. 2). Scholars doing research on EU's role argue that, based on the statements the EU makes and the position it takes, there might be possibilities to extract that certain role.

There are several typologies constructed that illustrate how to approach this role (Orbie, 2008, p. 2):

*'(..)'magnetic force' (Rosecrance, 1998), a 'gentle power' (Padoa-Schioppa, 2001), a 'normative power Europe' (Manners, 2002), a 'European superpower' (Mc Cormick, 2007), a 'quiet superpower' (Moravcsik, 2003) a 'Kantian paradise (Venus)' (Kagan, 2004), a 'post-modern state' (Cooper, 2003), a 'middle power' (Laatikainen, 2006), a 'neo-medieval empire' (Zielonka, 2006), and a 'responsible Europe' (Mayer and Vogt, 2006)'.*

This high amount of different typologies illustrates how the unique institutional design of the EU makes it complicated to construct one specific character. All those classifications are meant to provide us with a way of improving our understanding of the international activities of the EU, but it is an ongoing debate on which definition is closest to reality.



### 2.2.2 The EU as ‘Civilian Power’ and ‘Normative Power’

A landmark in the theoretical discussion on Europe’s global role is the Civilian Power idea that was, already in the 70’s, constructed by Duchêne (1972; 1973):

*‘The EC will only make the most of its opportunities if it remains true to its inner characteristics. They are primarily: civilian ends and means and a built-in sense of collective action, which in turn express, however imperfectly, social values of equality, justice and tolerance’*

(Duchêne, 1972, p. 20).

Duchêne describes with the concept of Civilian Power the domestication of the international relations of the EU. This becomes more concrete when looking at the two meanings of being civil (Nicolaidis & Howse, 2002). On the one hand it is about pursuing certain policy objectives, but on the other hand it is about the civilizing influence on the community. Concerning the latter, the concept of Civilian Power sees the European community as a certain civilization that consists of a group of states that have more civilian than military ways of pursuing power for canalizing international relations.

However, this idea of Civil Power has often been criticized (Bull, 1982; Zielonka, 1998; Whitman, 1998). Its opposition to the idea of the military role of the EU is theoretically controversial, since it runs counter to the growing European Security and Defense Policy (Bretherton & Vogler, 2006).

Even though treating the EU as ‘Civilian Power’ has been dominant in the debate concerning EU’s global role, the focus shifted: *‘Partly in reaction to the overemphasis on civilian instruments, Ian Manners (2002) pioneered the concept of Normative Power Europe (NPE) in his case study on the EU’s international pursuit of the abolition of the death penalty’* (Orbie, 2008, p. 18). Thirty years after Duchêne had launched the concept of ‘civilian power’, Manners (2002) introduced the NPE theory as a new way of describing the role of the EU in the international scene. Before this, most scholars focused on civilian instruments. Manners instead, created a concept of the role of the EU that is determined by norms:

*‘The concept of normative power is an attempt to suggest that not only is the EU constructed on a normative basis, but more importantly that this predisposes it to act in a normative way in world politics. It is built on the crucial and usually overlooked observation that the most important factor shaping the international role of the EU is not what it does or what it says, but what it is’* (Manners, 2002, p.252).

There are two critical differences between the concepts of Civilian Power and Normative Power (Groothuis & Niemann, 2012). Firstly, Civilian Power deals with tangible power in the form of real empirical activities, while normative power on the other hand is a more conceptual idea of cognitive and ideational factors. Besides that, Civilian Power strongly focuses on a status-quo situation, while NPE tries to show the process of change through the diffusion of norms (Manners, 2002; Groothuis & Niemann, 2012). However, there are certain overlaps between both. The basis of both concepts is 'soft power', as a means of fulfilling foreign policy goals. This implies that goals are pursued through attraction instead of through coercion, for example via relations with allies or economic assistance (Nye, 2004, p.5). Moreover, Civilian Power is not necessarily regulated by norms, although the other way around, Normative Power is essentially civilian (Groothuis & Niemann, 2012).

With the focus on norms, NPE avoids the discussion on the civilian/military dichotomy. In the eyes of the NPE theorist it is not enough to merely look at material interest when explaining Europe's external action. The historical evolution of the normative basis of the EU emerged through inter alia treaties, declarations and policies. That normative basis provides a crucial foundation for understanding the actions of the EU. The union has '*the ability to shape conceptions of "normal" in international relations*' (Manners, 2002, p. 239). This means that what is normal in international relations is what can be constructed as normal and that the EU is particularly well capable to do so.

Manners' (2002) claims that there are three characteristics that portray how Europe is normatively distinct from other organizations and actors: I) The EU is a normatively constructed body, II) which acts in a normative way in the international community, and III) the norms are diffused internationally. The EU does not do that by force but by shaping the idea of what is normal in international relations. Explicitly, there are three concrete aspect of the EU that relate to the emergence of NPE. Firstly, the EU rejects nationalism and imperialism and it aims at preventing the occurrence of wars like in Europe's past. Secondly, the EU is a 'hybrid polity', which means that it is partly supranational and partly intergovernmental (Groothuis & Niemann, 2012). Finally, the emergence of NPE relates to the values that are incorporated in the EU's treaties and practices (Orbie, 2008).

The EU diffuses two sorts of norms, core and minor norms. Together they shape the *acquis communautaire* and the *acquis politique* (Groothuis & Niemann, 2012; Manners, 2002). The core norms are peace, liberty, democracy, respect for human rights and fundamental freedom and rule of law (Manners, 2002). The four minor norms - also known as subsidiary values - that can be distinguished are social solidarity, non-discrimination, sustainable development and good governance (Manners, 2002). The diffusion of these norms takes place by six mechanisms: '*contagion, informational diffusion, procedural diffusion, transference, overt diffusion and cultural filter*' (Orbie, 2008, p.18). The norms can be extracted out of the official documents of the EU, like the Lisbon Treaty of 2007 and the activities of the EU. This means that the EU should act in international affairs

as a power that pursues certain values on which it is founded: democracy, human rights, fundamental freedom and the rule of law (Treaty of Lisbon, Article III-5) and that it is restricted by that. Following Manners' reasoning the EU is a distinctive actor when it is diffusing these values.

Based on the claims by Manners (2002; 2006), which are highly on a conceptual level, a small body of empirical work on this topic was initiated in recent years (Tocci, 2008; Whitman, 2011; Groothuis & Niemann, 2012). Since the amount of literature on this topic is still limited and given the broad range of themes and the territorial diversity of the EU, more research in this field needs to be done. With applying NPE in different cases and by using different operationalizations academics can gain a better understanding on to what extent Manners' reasoning is applicable in a broad range of instances.

### **2.2.3 The link between NPE and the empirical**

This thesis argues that for understanding what the EU *does* a link with the empirical is needed, instead of just arguing what the EU *is*. Manners answered the 'what is the EU?' -question by stating that the EU is a normative power that is constrained by the norms it values in its activities on the international stage (Manners, 2002, p. 252). However, besides explaining Europe's role in the international scene on an abstract level, the ideas should provide an added value at the empirical level (Orbie, 2008). This thesis is also concerned with the idea of Smith (2005): that we should shift from the question of what the EU *is*, towards the question what it actually *does*. By showing that the EU *is* a normative power, it does not mean that it always behaves in a normative manner. This implies that the link that the Normative Power Europe approach suggests is wrong and that the concept needs revision. The normativity through EU's legal framework creates a basis on which it can determine its actions, but it is not clear in the literature how normative power works out in different fields. The question that rises is: if the EU is considered a Normative Power, are then all foreign policy actions of the EU normative? It is surely not the case that every foreign policy action in every instance produces the same normative result.

Following this suggestion for NPE, a substantial debate on the operationalization of the concepts of NPE emerged (Groothuis & Niemann, 2012). Summaries of those debates are given by Manners (2006, p. 169) and Sijrsen (2006a, p. 167-170). The latter touches upon an important point of critique towards Manners: the lack of criteria for empirical research that Manners provides. It is unclear what is meant by normative power, ethical power or civilizing power and how it can be measured: *'While the EU's normative and value-driven aspirations are ubiquitous in the literature, the power instruments (if any) underpinning these international goals are often less clear-cut'* (Orbie, 2008, p.18).

The suggestion given by Smith (2005) is to focus on the ends and the means of the EU, as is carried out in this thesis. Analyzing if they are contributing to norm diffusion is done by judging how the

EU's means and impact are situated within international order and justice (Smith, 2005). Smith (2005) provides the following example:

*'To illustrate, the EU's external aid programmes can be scrutinized. How much aid does the EU give, as a proportion of EU Gross National Income (GNI) – does it meet the UN target of 0.7 per cent? To whom does aid go – the poorest or strategically or politically important partners (particularly in the neighbourhood)? What conditions are attached to development aid and how are they applied in practice?'* (Smith, 2005, p. 79).

A conceptual framework is necessary to understand what can be considered normative, since one is unable to determine if the concept of normative power is not just a form of Eurocentric imperialism (Sjursen, 2006, p. 242). Niemann & Wekker (2010) attempted to operationalize NPE with a three stage-framework of: (I) normative intent, (II) normative process and (III) normative impact. A similar-looking three-stage framework - that is used to test the normativity of the EU in this thesis - is that of Tocci (2008). Tocci's framework is explicitly based on an ethically 'neutral' interpretation of the normativity of foreign policy. To determine whether a normative foreign policy is a good and / or ethical foreign policy, we have to be careful *'not to slide into an imperialistic imposition of what is subjectively considered 'good' on the grounds of its presumed universality'* (Tocci, 2008, p. 4). When it is subjective, it is inevitably tied to power and relations based on power. Tocci's model (2008) is a heuristic instrument that makes a positivistic test of the normative possible. The model can be used to answer the question whether the current Arctic policy of the EU can be considered normative. That it is neutral in ethical terms, means that the definition of normative foreign policy has to be accepted all over and must be as legitimate as possible (Tocci, 2008, p.4). This can be guaranteed by making use of an external reference point. Sjursen shortly describes why such a reference point is needed:

*'If the EU defines itself, and thinks of itself, as a 'force for the good', this risks being a subjective definition linked to a particular European understanding and defined in a particular European cultural context. It may not match what is defined as 'good' or 'valuable' in other parts of the world, conditioned by other cultural or social norms. So the EU's 'normative' power might simply be an expression of Eurocentric cultural imperialism'* (Sjursen, 2006, p. 247-248).

The question that needs to be answered when applying this theory is: to what extent does the EU use its power with the aim of fulfilling the NPE objectives? In other words, this thesis focuses on the strategic effort of the distinctive actor EU to diffuse norms through its foreign policy.

Based on Tocci's (2008) framework, this thesis splits up the research on NPE in two dimensions in order to search for the references that can determine the normativity of EU's policy. The analysis looks further than just the goals of the EU (what it wants) and focuses as well on the next step in policy formation, by looking at the means (how it acts) (Tocci, 2008, p. 5). Tocci also distinguishes a third step, the normative impact of the EU's policy. This thesis does not measure that step, since so far the impact of the EU's Arctic policy is very minimal.

In general, a true normative power is one that is consistent in its actions along all three dimensions in different contexts. Assessing those shows how much the normative policies are chosen, viable and effective.

The hypotheses that can be derived from NPE and are being tested in this thesis are the following:

## **2.2.4 NPE Hypotheses**

### Theoretical hypothesis:

#### 3.1

If the EU's foreign policy is based on the EU's normative identity then the policy's goals and means are in line with the EU's goal of norm diffusion.

### Applied hypothesis:

#### 3.1A

If the EU Arctic policy is based on the EU's normative identity then the Arctic policy's goals and means are in line with the EU's goal of norm diffusion.

There is a relatively large body of literature that questions the actual explanatory power of NPE. Besides that the interest of the member states might not be coherent with the expectations of NPE in every situation, there is also critique on the fact that what is expected by NPE is not always carried out in practice. Questioning NPE this way is in line with the realist critique on the concept of NPE. According to realists, EU's policy is based on rationality and strategic calculations. Realist do not argue that the EU does not strive for normative policies, but they argue that the EU will choose not to diffuse those norms in case that is not necessary (Hyde-Price, 2006). In particular neorealist argue that

the EU is merely an instrument for the member states to achieve their own goals. They describe the EU as a:

*'(...) collectively exercising hegemonic power, shaping its 'near abroad' in ways amenable to the long-term strategic and economic interests of its member states. The instruments employed by the EU in order to shape its milieu were based both on 'soft power' (i.e. diplomatic persuasion, negotiation and compromise) and 'hard power'' (Hyde-Price, 2006, p. 226-227).*

A question that follows is: to what extent is the EU distinctive in the international society concerning its Arctic policy? Does it play its own role in the region or are it the member states that call the shots in pursuing an environmental policy through the Arctic? This provides a reason to turn the LI vs. NPE the other way around as well. The bottom-up approach of LI might provide interesting insights in the motivations of the EU towards the Arctic, which are not expressed on the surface through the EU's policy documents.

## CHAPTER 3 - Methodology

This chapter consists of an outline of the methodological procedures followed in carrying out this literature study. The chapter explicates the methods and the operationalizations and provides an analytical framework as a tool in order to reject or accept the hypotheses. First, the methods that are used in this study are covered. Secondly, the theoretical concepts are operationalized which means that the concepts are defined and clarified in order to make them applicable for analyzing the data. The operationalizations explicate the empirical indicators for the concepts because they are not directly measurable at first sight. Finally, the chapter explicates which sources are used to gather the needed data and it describes their reliability.

### 3.1 Research Strategy

This paragraph explains the underlying research strategy of this thesis. It explains why this thesis conducts a case study research and deals with the method employed. Continuing, it explains how the choice for the case can be justified and to what extent the findings are generalizable to other cases.

#### 3.1.1 Single case study

This thesis is concerned with a single case study in order to get insight in why the EU pursues this particular Arctic policy. Conducting a case study offers the possibility of doing in-depth qualitative research on a complex issue. The study provides in-depth information on what occurred within the boundaries of the case, which provides strong evidence for testing the applied hypotheses. The thesis' choice for a single case study is based on the underlying theoretical contrast between LI and NPE. LI is already suited for a single case study, as Moravcsik (1998) shows by conducting five case studies on the political process towards five different European treaties. NPE on the other hand is made suitable for a single case study by the thesis' operationalization of NPE's theoretical concepts. The underlying puzzle of this study has the shape of a theory-versus-theory framework. Moreover, a single case on which can be elaborated broadly fits within that framework in order to determine which theory better explains the events that occurred within that particular case. Both theories this thesis deals with approach the case, the EU Arctic policy, from a different perspective. LI opens up the EU and tries to offer explanations for how the EU's policy is shaped from the perspectives of the member states. On the other hand the theory of NPE sees the EU as a distinctive normative actor and looks from the perspective of 'into space' towards the EU to explain how the EU shapes its choice of policy. The dependent variable, the EU Arctic policy, can be seen as '*a spatially bounded phenomenon, observed at a single point in time or over some delimited period of time*' (Gerring, 2007, p. 342). The study fits within Gerring's definition of a case study: it deals with '*an intensive study of a single unit for the purpose of understanding a larger class of (similar) units*' (Gerring, 2007, p. 342). This larger class of units concerns other policy areas of the EU in which it might be puzzling whether the EU makes

policy decisions as a distinctive actor or as a result of intergovernmental bargaining. When it comes to for example the enlargement of the EU, some studies argue it is about the economic interest of the member states, while others argue that it is based on the interest of the EU as a distinctive actor diffusing certain norms (for the latter, see Sedelmeier, 2000; Schimmelfennig, 2001 or Sijrsen, 2002). Concerning the generalizability, the case of the Arctic policy can function as an example for other cases. The case falls for a large share under the environmental related policies of the EU and is for that reason part of one of the EU's most important fields of policy. This means there are several other projects, policies and programs that, like the Arctic policy, are built upon environmental objectives. The same reasoning goes for the EU's pillar called 'European Union External Action'. That increases the generalizability, but this research can also provide a better understanding in general on how EU policy nowadays is shaped and what that means for the power of the EU in several other fields of interest.

It is important, when conducting a case study, to be aware that the in-depth analysis should not focus on finding evidence for a certain event, but looks at all things that occurred. To minimize that problem, the thesis uses process tracing in order to create a certain structure in the 'reality out there'.

### **3.1.2 Process-tracing**

The reason behind the EU's choice for a certain policy is analyzed through 'theory-testing' process-tracing in order to trace down causal mechanisms (Beach & Pedersen, 2011, p. 2). Process-tracing provides the possibility of analyzing the occurrence of several events within a case in which various types of evidence are used to show a single inference (Gerring, 2007, p. 173). Looking at a causal mechanism in a qualitative in-depth single case study provides this thesis the possibility of focusing on within-case inferences that give insight in how a certain outcome –in this instance the EU Arctic policy – emerged. The study focuses on evidence within the data that proves that the hypothesized causal mechanism can be found. Within LI, one first has to look at the level of the member-state and see how the member-state's interest was shaped through the national preference formation. To trace this process down, one has to combine different events and pieces of evidence, in order to reconstruct the causal process of the way the national preference towards the EU Arctic policy came into being. The process is carried out in order to analyze the substantive bargaining at EU-level. To determine whether asymmetrical interdependence was influential in the outcome at EU-level, one has to trace down the total process from the beginning till the end. That provides the possibility of finding evidence that proves or contradicts with the theoretical expectations. Likewise within the study of Normative Power Europe, process-tracing provides the possibility for understanding whether the goals and the means of the Arctic policy contribute to the extent one can regard the EU to be a normative power that is pursuing its autonomous interest, regardless of the member states, through the strategic tool of norm diffusion. In order to research whether that is the case, the analysis looks at the EU policy



documents and determines if the main goals and means of the Arctic policy are in line with the legal basis of the EU through which its core values are spread. However, it is a complicated matter to draw conclusions based on the found data since it is non-experimental. For that reason, it is not possible to make a sample of the data. An outline of the whole process towards the current EU Arctic policy is needed in order to understand the motivations for it. Furthermore, it is important to note that the bits and pieces that are studied are not always comparable. This means that the thesis does try to make one logic out of the various parts of evidence, which all provide a certain insight in a single outcome or set of related outcomes (Gerring, 2007, p. 178). From that determination can be concluded that the amount of observations cannot be set beforehand, because it is not certain what contributes to a certain outcome and most of those pieces of evidence are not comparable.

## **3.2 Liberal Intergovernmentalism**

The following paragraph outlines how the theoretical concepts of the hypotheses on LI are measured in this thesis.

### **3.2.1 National Preference Formation**

As stated in the thesis' theoretical chapter, the applied hypotheses concerning the National Preference Formation are the following:

#### Applied hypotheses

##### **1.1A**

If the EU Arctic policy serves the political economic interest of state Y, state Y will be in favor of the EU Arctic policy.

##### **1.2A**

If the EU Arctic policy serves the geopolitical interest of state Y, state Y will be in favor of the EU Arctic policy.

##### **1.3A**

When geopolitical interest and political economic interest of state Y clash concerning the EU policy on the Arctic, political economic interest will have the upper hand since that is the crucial factor contributing to European integration.

The main aim of measuring the national preference formation is to determine if the analyzed country is driven by political-economic interest and / or by geo-political interest towards an EU Arctic policy. In

order to test hypothesis 1.1A, 1.2A and 1.3A the following paragraph describes how to measure if the country that is researched is driven by political economic interest and/or by geopolitical interest in its policy towards the Arctic. At the end of the chapter is determined what the direction of the EU Arctic policy is, in order to understand if it does actually serve the interest of that particular state 'Y'.

### **Selected countries**

As stated before, Moravcsik analyzed within the European integration process the domestic preference formation of the UK, Germany and France. Within the limits of this research it is not possible to analyze the domestic preference formation of all three states, therefore only one is chosen. With the case study in mind, this thesis analyzes the domestic preference of the UK. Since the UK is GDP-wise one of the major EU member states, its agreement is important. Concerning the bargaining at EU-level the UK has a good initial position, since it has a long history of Arctic involvement (Foreign & Commonwealth Office, 2013). Because of UK's national engagement in the Arctic, it might be less in need for an umbrella Arctic policy through the EU. When that is the case, then, based on Moravcsik's (1998, p. 50-60) theory of Substantive Bargaining, one can expect that the UK had more influence on the outcome, since it can brake the substantive bargaining by defecting or by threatening with noncooperation. Concerning EU policy in general has the UK proven to be a brake country in many areas: *'Germany should be consistent pro-European, France less so and Britain least'* (Moravcsik, 1998, p. 34).

### **Testing hypotheses 1.1A: Is the UK driven by political economic interest towards the Arctic?**

In case the UK has a political economic interest in an EU Arctic policy, then it focuses on the direct economic consequences of involvement in the Arctic for the competitiveness of the UK-based producers. As argued in the theoretical chapter, the preferences of the UK should *'reflect the objectives of those domestic groups which influence the state apparatus'* (Moravcsik, 1998, p. 24). Those domestic groups - the producers - are the most important winners or losers of an EU policy in political-economic terms (Moravcsik, 1998, p. 36). Since there is limited information available on the specific UK preferences towards an EU Arctic policy, this thesis focuses on UK's national policy towards the Arctic. The thesis assumes that the UK's preference will not differ strongly - between political economic preferences or geopolitical preference – towards an EU Arctic policy compared to UK's national policy. This assumption is made, based on LI's claim that EU member states approach the EU as merely a forum for channeling their preferences on a certain topic. If UK's Arctic policy is driven by political economic preferences, it should be in favor of UK's domestic producers, who can be split up along three broad economic sectors: industry, agriculture and services.

Whether the UK wants to improve the competitiveness of the national producers from the industry, agriculture or service sector, can be concluded when in UK's policy documents or in general statements by the government on the Arctic the direct responsibility for the international

competitiveness of the domestic producers is expressed. This is the case when the government directly emphasizes the commercial dimension of its Arctic policy by pointing at specific sectors that have an economic interest in the Arctic. When UK's care for these producers is detected hypothesis 1.1A can be accepted. The hypotheses should be rejected when the UK bases its involvement in the Arctic on goals that are not related to the improvement of the competitiveness of the producers from the three sectors.

#### **Testing hypotheses 1.2A: Is the UK driven by geo-political interest towards the Arctic?**

As argued in the theoretical framework, geopolitical preferences or 'security externalities' (Moravcsik, 1998, p. 33) are linked to the indirect consequences of economic integration. Moravcsik deliberately framed this as being the opposite of the idea that commercial interest drive national preferences. When geo-political preferences are driving the UK's Arctic policy, then the UK is in fact using its economic policies for higher politics of security. To determine if the threats to security and sovereignty are in fact at the top of the Arctic agenda of the UK, the focus is on politico-military objectives in UK's policy documents. The latter means the presence of the following goals and / or statements in the policy:

- A defense against a military threat;
- A defense against a threat towards territorial integrity;
- A defense against a threat towards national identity;
- That UK's policy is based on a response towards major geopolitical problems and an instrument of their resolution, while almost not being focused on fundamental economic trends and changes;

When one of those four objectives concerning UK's security is found in the policy of the UK towards the Arctic, hypothesis 1.2A can be accepted. However, when the UK bases its involvement in the Arctic on goals not related those, hypothesis 1.2A should be rejected.

#### **Testing hypotheses 1.3A: When political-economic interest and geopolitical interest clash**

Finding political economic goals in the UK's policy towards the Arctic does not exclude the fact that also geopolitical goals can be found. However, in case they clash, direct political economic interest will have the upper hand.

### **3.2.2 Substantive Bargaining**

As stated in this thesis' theoretical chapter, the applied hypothesis concerning the Substantive Bargaining at EU-level is the following:

### Applied hypothesis:

#### 2.1A

If at EU-level an agreement is reached between member states about the Arctic policy, it reflects the relative bargaining power and preferences of the member states.

To research the bargaining process at the EU-level, this thesis zooms in on the process that led to the establishment of the Arctic policy at the EU-level. The scope is from 1999, when Finland launched during its first presidency of the European Council the 'EU's Northern Dimension', until 15 May 2013, when the EU's bid got rejected by the Arctic Council - with the Declaration of Kiruna - to gain the status of observer of the Arctic Council (Arctic Council Secretariat, 2013). As stated in the theoretical framework is the aim of the bargaining on the EU-level to reach an agreement that all states can agree on; even if it is not for all of them the maximum optimal outcome. To determine the relative bargaining position of the states that are researched, one has to ascertain the asymmetrical interdependence. In order to do that, the analysis focuses on determining which countries are in favor, which ones take a neutral stance and which countries are against the specific EU policy. Besides the UK, France and Germany - which are the countries Moravcsik (1998) used for his research and which are observers of the Arctic Council - the focus is on Sweden, Finland and Denmark. The latter three are EU member states with Arctic territory and are members of the Arctic Council. The preferences of those six countries towards the EU Arctic policy is determined by answering the following questions:

- Which countries (or country) are in favor of the EU Arctic policy? (These can be the countries initiating at the EU-level the EU Arctic policy, also known as the entrepreneurs).
- Which countries (or country) take a neutral stance towards the EU Arctic policy? (These can be mediating countries or countries that generally do not show much interest in the EU Arctic policy-debate).
- Which countries (or country) are against the EU Arctic policy? (These can be the countries – also known as brakemen - that have their own alternative for an EU Arctic policy. They might for example not (or to a very limited extent) benefit from an EU Arctic policy and /or are in general against more EU involvement).

Hypothesis 2.1A is rejected when an agreement at EU-level about the Arctic policy does not reflect the relative bargaining position of the member states. In that case, it is totally in line with the wishes of the supporter(s) of an EU-Arctic policy, who are for example the initiators, while there were also countries against the policy. The thesis assumes that in that case, there was no influential opposition from countries that are more reserved towards the initiated policy. In case the EU-Arctic policy is not fully in line with the wishes of the supporters, compromises have been made and the policy is shaped as LI would expect and hypothesis 2.1A can be accepted.

### **3.3 Normative power Europe**

The applied NPE hypothesis is the following:

#### **3.1A**

If the EU Arctic policy is based on the EU's normative identity then the Arctic policy's goals and means are in line with the EU's goal of norm diffusion.

#### **3.3.1 Operationalize Normative Power Europe**

Within the literature, there is not one central operationalization of the Normative Power Europe concept and there is a lively debate concerning the discourse around it (Orbie, 2008). There are several different frameworks in the debate on the operationalization of normative power that try to illustrate the normative character of the EU's foreign policy. Based on that debate, this thesis combines aspects of several frameworks and modifies them in such a way that they can be used in the case study on how the interest of the EU towards the Arctic is shaped. The operationalization of NPE combines several assumptions in order to get the measurement of normativity as close to the theoretical expectations as possible. The framework this thesis employs - which functions as a basis for testing if the EU's Arctic policy contributes to the EU's norm diffusion - is that of Tocci (2008). Tocci provides a more practical tool for analyzing policy documents than Manners (2002), while both frameworks share resemblance.

#### **3.3.2 The EU's goals**

It is important to note that goals that contribute to norm diffusion are different from strategic goals. The first type of goals contributes indirectly (instead of directly) to the interest of the EU and is mainly focused on the improvement of the wider environment in which the EU interacts with other actors. EU policies can explicate goals and create normative boundaries that restrict the actor, for example through international regimes, organizations, treaties and laws. Within this thesis' operationalization, it is fundamental for a goal contributing to norm diffusion to be a rule that binds the behavior of the actor. The goals are general statements on the subject of the specific policy document that is being analyzed. An important determination is that the goals do not include any measures to be taken to achieve them, but just describe the general concerns of the EU with its wider environment. They 1) describe the EU's position in the public debate on the subject, 2) they are pursued over time and 3) they are about how the EU wants to shape the conditions outside its own territory. An example is EU's goals concerning peace outside its territory.

This research fulfills the requirement of neutrality of the measurement by referring to an 'external

reference point' (Manners, 2006, p. 171). Manners (2006) illustrates the use of this reference point as following:

*'In the cases of the norms of 'liberty/freedom', 'democracy'; 'human rights', and 'rule of law' the primary external reference point is the Council of Europe's (CoE) 1950 ECHR, together with the CoE's 1997 Convention on Human Rights and Biomedicine, and the case law of the European Court of Human Rights' (Manners, 2006a, p. 171).*

This study determines whether EU's goals do not harm the values stated in an 'external reference point'. This 'external reference point' is the EU Treaty of Lisbon, which is signed by the member states on 13 December 2007 and is officially in operation since 1 December 2009. The treaty can be regarded an agreement that constructs the constitutional basis of the actions of the EU. The treaty explicitly states what values - on which the EU is founded - should guide the EU's legal framework for acting on the international stage. Analyzing it can give insight in whether the goals the EU pursues through its foreign policy are goals that satisfy the condition of 'supporting a normative power in diffusing its values'. In this thesis, the goals that are explicated in the Arctic policy will be compared with the values of the Lisbon Treaty. In case they are in line with the treaty, the goals can be regarded to contribute to the EU's norm diffusion and the first part of hypothesis 3.1A can be accepted.

### **3.3.3 The EU's Means**

Within the NPE literature there is a lively debate on how to determine whether an actor's means – the instruments to carry out a policy – contribute to an actor's norm diffusion (Tocci, 2008). Logically, when the EU is a normative power, both its goals and means should strengthen its norm diffusion. To determine the EU's means, this thesis focuses on how the EU behaves in norm diffusion by looking at how the instruments for norm diffusion are used in the process of carrying out the policy goals. The thesis determines if the means that are used to diffuse norms are non-coercive. Important in determining if means are non-coercive is focusing on *how*, rather than *which* policy instruments are dealt with. An instrument is considered to be non-coercive if it focuses on cooptation instead of coercion, which can be compared with the concept of 'soft power' (Nye, 2004). Soft power is *'the ability to get what you want through attraction rather than coercion or payments. It arises from the attractiveness of a country's culture, political ideals, and policies'* (Nye, 2004, p. x). In order to classify the EU as a normative power, the nature of the instruments that the EU uses to reach its objectives in the Arctic need to be 1) social, 2) diplomatic and / or 3) cultural. Non-coercive means are used by persuasion through 1) diffusion of information, 2) through diplomacy, 3) economic assistance or 4) by trying to be an example for others. This can be illustrated with the following example:

*'In negotiations with Russia, for instance, the EU seldom uses economic instruments in any direct way (and the use of military force is out of the question). Instead, it relies primarily on normative power: it tries to activate existing commitments and persuade by referring to the general rules and practices, as well as to the future mutual gains, that are made possible through co-operation' (Forsberg, 2011, 1194).*

Based on this explanation can be understood that the EU's means are not pursued through a sanction or exclusion. It is a certain interaction with a third party, by which it is important to determine if the actions are legitimate in the eyes of that other party (Nye, 2004, p. x). When one is using Nye's definition of soft power in order to define the EU's means, one can argue that the EU's means are coercive when imposing something on another actor through economic or military measures. If the means expressed in the EU policy documents show any form of 1) military, 2) legal or 3) economic demands - which can be seen as sanctions by which the EU imposes something on another actor -, hypothesis 3.1A will be falsified.

In case it is unclear whether a means is coercive or non-coercive, the thesis assumes it to be non-coercive based on the goal it relates to. When it is connected to a theme not related to economics or military means, the thesis assumes the means to be non-coercive. Coercive measures have a strong impact and since its foundation, the EU has traditionally behaved like a soft power by promoting its values and norms through non-coercive means (Brljavac & Conrad, 2011)..

If the EU is a Normative Power, then its Arctic policy directed by goals and means that both contribute to its norm diffusion. Both the goals and the means of the EU towards the Arctic have to be along normative lines in order to accept hypothesis 3.1A. If the goals are not in line with the Treaty of Lisbon or if one of the means shows a single aspect of coercion, hypotheses 3.1A is rejected.

### **3.4 Determining what dominates the EU policy**

In order to be able to accept or falsify the hypotheses, the direction of the EU Arctic policy needs to be determined, which is carried out in chapter 4.

One of the first concrete impacts of EU's Arctic policy is EU's application for the status of observer of the Arctic Council. For that reason, chapter 4 starts with explaining the status of the Arctic Council in order to outline the full picture of how the EU interacts with its member states on matters related to the Arctic. The first paragraph outlines the Arctic Council's history through academic and historic accounts. It points at the countries that initiated the Arctic Council and it describes the Arctic Council's declarations. Moreover, the paragraph illustrates how the Arctic Council's initial aims have developed through the years and how the role of all parties involved changed.

Paragraph 4.2 describes the main aims of the EU Arctic policy. To determine which aims of the EU towards the region are leading, the analysis focuses on which body within the EU published the respective document and how other bodies responded to it. The claims made in chapter 4 on which EU body responded on which and which body's statements are legally binding, are made with an eye on the traditional supranational 'Community Method' (Wallace & Wallace, 2007, p. 341-342). Even though the EU left the Community Method behind after the Treaty of Lisbon (Europa.eu, 2013), it is still a method that helps understanding till a great extent the EU policy formation (Wegge, 2012, p. 22-23). The following aspects characterize the Community Method (Wallace & Wallace, 2007, p. 341):

- A strong role for the European Commission in '*policy design, policy-brokering, policy execution and managing the interface with 'abroad''*'
- An '*empowering role for the Council of Ministers through strategic bargaining and package deals*'
- '*An engagement of national agencies as the subordinated operating arms of the agreed common regime.*'
- '*A distancing from the influence of elected representatives at the national level, and only limited opportunities for the European Parliament (EP) to impinge.*'

EU's external policy is not always easy to define through one mechanism. Wegge (2012) argues that it should be expected that topics related to the Common Foreign and Security Policy are dealt with through intergovernmental cooperation. However, even though the Arctic policy is a Common Foreign and Security Policy matter, it was not mainly organized through intergovernmental cooperation. Instead, the Commission was till a large extent the policy entrepreneur (Wegge, 2012). For that reason this thesis uses the Community Method as point of departure for determining EU's policy direction towards the Arctic. Choosing this model is not meant to be a disproof of Intergovernmentalism because it approaches the EU as a supranational organization. It is merely used to determine the policy direction of the EU through out its publications and statements. The model's first focus is on the Commission, who puts forward the proposal for a common action and can be regarded to be the entrepreneur. Then the proposal goes to the Council of the EU (called 'Council of Ministers' in the previous quote) and the Parliament. In the end, the Council takes the final decision. The thesis assumes that the Council's decisions are legally binding. However, the publications of the Commission can also be regarded as the main direction of the EU, as long as it follows previously set Council guidelines.

### **3.5 Sources and their reliability**

The thesis makes use of primary and secondary material. The primary material consists of EU documents, speeches and press releases from the Council of the EU, the European Parliament and the European Commission. All of these institutions have webpages from which the documents are



collected. Furthermore, concerning the legal frameworks, the EU legislation will be consulted, by focusing on the current Treaty of Lisbon, signed in 2007. This treaty can be seen as the agreement that is the constitutional basis of the EU. Concerning the data for the reconstruction of the national presence formation, the thesis mainly focuses on official UK government publications. The secondary material the thesis consults for understanding UK's preference is till a great extent written by postgraduate research student Duncan Depledge. Other secondary sources the thesis uses are mainly book chapters and scientific articles that discuss the EU's internal and external policies concerning the Arctic. There are several articles that review these policies through history, explain the development and provide crucial insight in which countries initiated with parts of the EU Arctic policy. Furthermore, at the time of the writing of this thesis, issues concerning the Arctic almost develop on daily base. For that reason there is not always academic literature available on the latest situation and are newspaper-websites like BBC, the New York Times, the Guardian and the Financial Times consulted frequently instead.

## CHAPTER 4 – The EU Arctic policy

This chapter aims at outlining the historical development of EU's Arctic involvement, as a means to determine the EU's dominant policy preference towards the region and with that the policy-document to be analyzed. This chapter starts with outlining the international power position of the Arctic Council and the changes it experienced in light of the developments in the Arctic region. Continuing, the chapter summarizes how, within the EU, the EU Arctic policy evolved throughout the years. The focus is on the period from 1999 towards 15 May 2013. In 1999 Finland initiated the 'Northern Dimension' framework during its first Presidency of the Council of the EU. This can be seen as the first time the EU focused on the higher north. On 15 May 2013 the EU was rejected for the second time in its bid to gain observer status at the Arctic Council. The development is outlined through a chronological overview of the published EU documents dealing with the EU Arctic policy. This chapter ends with an elaboration upon the current position of the EU on the Arctic 'issue', which functions as an introduction and the basis for chapter five.

### 4.1 Arctic Council

The initial idea for cooperation on Arctic issues was launched in 1987 in Murmansk by Michail Gorbachev (Koivurova et al. 2007). The eight Arctic states - Canada, Denmark, Finland, Iceland, Norway, the Soviet Union, Sweden and the United States - came together in Rovaniemi in 1989 to discuss the idea of creating a cooperating diplomatic body on Arctic issues. They met in Rovaniemi again in 1991 to sign the Rovaniemi Declaration, which included the Arctic Environmental Protection Strategy (AEPS). The second and final step in the establishment of the Arctic Council was the signing of the Arctic Council Declaration in Ottawa in 1996. The Arctic Council Joint Communication that was communicated explains the established body: *'The Arctic Council's mandate was defined broadly to cover 'common Arctic issues, in particular issues of sustainable development and environmental protection in the Arctic'* (Koivurova et al. 2007, p. 129). The Arctic Council Declaration was constructed around two pillars: (I) protecting the environment and (II) sustainable development. The declaration included the rules and procedures. For example the rules of participation, which say that there are three categories of participants within the Arctic Council: (I) members, (II) permanent participants and (III) observers. The members of the Arctic Council are the eight Arctic states. The permanent participants are organizations representing the indigenous peoples that live in the Arctic (Arctic Council, 2011). The group of observers consists of states, intergovernmental and interparliamentary organizations (both global and regional) and non-governmental organizations. The decision-making is carried out by the members only, who vote by consensus. The permanent participants and the observers do not have direct influence on the decision-making process but have a more practical influence. The organizations representing the indigenous people can, for example, go to

Arctic Council meetings, propose agenda topics and propose projects. Since 2010, there are six organizations representing indigenous people that have permanent participant status: the Aleut International Association, Arctic Athabaskan Council, Gwich'in Council International, Inuit Circumpolar Council, Russian Association of Indigenous Peoples of the North (RAIPON) and the Saami Council (Kankaanpää et al. 2012).

The Arctic Council provides a platform for the indigenous peoples to raise their voice. It is important for them to have a say in the Arctic Council's policy since the climate change has had dramatic development for the indigenous (IPCC, 2007). There are around 4 million people living in the region of which around 1/3 are indigenous (Ahlenius, et al., 2005). This 1/3 includes reindeer herders, hunters, fisherman and nomads. These indigenous communities share an intimate relationship with both land and sea. In maintaining their way of life, they are all dependent upon a healthy environment (Ahlenius, et al., 2005, p. 14). This can be illustrated by the fact that caribou, reindeer, polar bears, fish, seals and walrus are crucial for the indigenous communities. This livelihood drives the local economy and is part of their cultural and social identity (Neumann, 2010, p. 6). Because of the change in temperature, several developments are creating though challenges for the indigenous communities. There is for example a change in the ranges and availability of species of animals they hunt on, there is moreover less travel-safety because of the melting of ice and it becomes harder for the indigenous to predict the weather (Neumann, 2010).

It is important to note that the recognition of those organizations representing groups of people in the Arctic Council does not give those groups any legal rights under international law. Every six months has the Arctic Council a Senior Arctic Officials meeting, with representatives from the eight members present. Once every two years there is a Ministerial Meeting in which most member states are represented by their Minister of Foreign Affairs, Northern Affairs or Environmental Affairs. Since May 2013, there are twelve countries to hold observer status: France, Germany, the Netherlands, Poland, Spain and the United Kingdom, China, India, Japan, South Korea, Singapore and Italy. The latter six of these were granted the observer status in May 2013. There are nine intergovernmental and inter-parliamentary organizations that have observer status and eleven non-governmental organizations. The observers can present their perspective but are not able to vote (Arctic Council, 2013). In general can the Arctic Council be considered successful since it is meeting its goals (Kankaanpää et al. 2012):

*'It has found a useful niche as a producer of influential scientific assessments; it has become a mechanism for increasing the prominence of the concerns of the Arctic's indigenous peoples, and it has provided a venue for the development of international initiatives such as the agreement on search and*

*rescue in the Arctic signed at the Nuuk Ministerial Meeting in May 2011'*

(Kankaanpää et al. 2012, p. 1).

In the light of the changing shipping routes is involvement especially important for the Asian countries. According to Olafur Ragnar Grimsson, the Icelandic President, provides the melting of the Arctic ice the people outside the Arctic with a legitimate concern in the Arctic Council. Next to that, he is of the opinion that people outside the Arctic should also be given the possibility for business in the Arctic (The Guardian, 2013). However, especially the application of China is a concern for the international politics of several Arctic Council member states. The arctic region is getting more and more attention in Chinese foreign policy. In august 2012 the Chinese sent their first ships to the new routes and they have been lobbying intensively among the Arctic Council member states to obtain the status of observer. On the one hand, a consequence of the raised attention for the region is the growing prominence of the Arctic Council in international affairs. As stated in the declaration of Ottawa, it was supposed to be a policy-shaping body, but became more like a policy-making body (Kankaanpää et al. 2012). On the other hand, the increasing popularity of the Arctic might also cause that the Arctic Council will lose influence and that countries start to negotiate without it:

*'(..) as issues of jurisdiction and security in the broad sense relating to the Arctic Ocean started to become increasingly prominent, the five coastal states initiated a dialogue among themselves (..)'* (Kankaanpää et al. 2012, p. 12).

The 'Arctic Five' - the United States, Russia, Canada, Denmark and Norway - have met several times to discuss their possibilities of governing the Arctic. This caused tensions in their relationships with the Arctic states that do not have an Arctic coastline. These meetings were mostly organized by Denmark. The Arctic Five signed in 2008 the Iluslissat Declaration, in which they declared themselves to be in a special position concerning the Arctic (Śmieszek, 2013). The problem internationally is that those states have no restrictions on when they meet and what they discuss. The Arctic Five can for that reason undermine the status of the Arctic Council:

*'The Arctic Five's championing of the UN Convention on the Law of the Sea as the mechanism for resolving Arctic Ocean governance was in part directed at EU-level interventions and speculation regarding an Arctic treaty, a proposition wholly rejected by the Arctic states which regard the High North as part of their sovereign domains'* (Depledge & Dodds, 2011, p. 75).

As stated in the introduction of this chapter, the EU has been rejected now two times in its bid to gain observer status at the Arctic Council, while at the same time the Arctic is gaining a more prominent position on the EU-agenda, as the following paragraph describes.

## 4.2 The development of the EU Arctic Policy

This paragraph presents the policy formation, by describing how EU institutions reacted on each other's statements towards the Arctic and elaborates upon their publications' status. The paragraph ends with presenting the current status of the EU Arctic policy and summarizes the content of it. Table 4.1 firstly provides an overview of the different documents published by the different EU institutions on the Arctic. The list of documents starts with the standpoint of the EU towards its northern parts in 1999 and 2006 and ends with the EU's communication about the rejection of the Arctic Council for the EU's bid to gain the status of observer.

Table 4.1 - Historical overview of the EU Arctic policy development

Date	Which actor	Action/Policy	Document reference
<b>1999</b>	EU, Russia, Norway and Iceland	Joint policy called 'Northern Dimension'	
<b>2006</b>	EU, Russia, Norway and Iceland	Joint policy called 'Northern Dimension' (renewed version)	
<b>10 October 2007</b>	EU Commission	Action plan attached to the 'Blue Book' - Communication on an Integrated Maritime Policy (document shortly mentions the need for an EU Arctic policy)	COM(2007) 575 final
<b>3 March 2008</b>	EU's High Representative & EU Commission	Paper on <i>Climate Change and International Security</i> (mentions the Arctic and suggests EU Arctic policy)	S113/08
<b>9 October 2008</b>	EU Parliament	Resolution on Arctic Governance	P6_TA(2008)0474
<b>20 November</b>	EU Commission	Communication ' <i>The European</i>	COM(2008) 763

<b>2008</b>		<i>Union and the Arctic Region'</i> (first official EU Arctic policy document)	
<b>4 December 2008</b>	EU Council	Draft conclusions on the EU and the Arctic region	16826/08
<b>8 December 2008</b>	EU Council	Adopted the draft conclusions on the EU and the Arctic region of 4 December 2008	16862/08 (Presse 359)
<b>8 December 2009</b>	EU Council	Adopted conclusions on topic: <i>The EU and the Arctic region</i>	2985th Foreign Affairs Council meeting
<b>16 December 2010</b>	EU Parliament (Committee on Foreign Affairs)	Report, <i>on a sustainable EU policy for the High North</i> . Motion for a European Parliament Resolution (Rapporteur: Member of Parliament Michael Gahler)	A7-0377/2010
<b>20 January 2011</b>	EU Parliament	Resolution on a sustainable EU policy for the High North	P7_TA(2011)0024
<b>26 June 2012</b>	EU Commission and the High Representative for the EU for Foreign Affairs and Security Policy	Joint Communication to the European Parliament and the Council. <i>'Developing a European Union Policy towards the Arctic Region: progress since 2008 and next steps'</i>	JOIN(2012) 19
<b>15 May 2013</b>	High Representative for Foreign Affairs and Security Policy and EU Commissioner for maritime affairs and fisheries	Joint Statement regarding Arctic Council decision on EU's observer status.	A 255/13

Table 4.1 shows that the attention of the EU for the Arctic occurred relatively recently. Until 2007, the Arctic area seemed of little importance for the EU. The only region in the north that played historically a small role for the EU was Greenland, since it was the only country in the EU with territory above the Arctic Circle (Wegge, 2012). The inhabitants of Greenland were not very content with Greenland becoming a member of the European Community together with Denmark in 1973. The EU wanted to restrict fishery and the hunt on seals, while those practices are for Greenland's population part of their daily work and lifestyle. The situation changed in 1985, when Greenland formally left the European community after a referendum. As a result, the European Community did not any longer have a member that had territories above the Arctic Circle. Greenland is currently independent concerning judicial affairs, policies towards the environment and climate change and the control of its natural resources. In addition, Greenland is not constrained by the legal provisions of the EU (Śmieszek, 2013).

Since Greenland left the European Community, the Arctic topics did not appear on the EC agenda any longer. This changed in 1995, when Finland and Sweden became member of the EU. During its first presidency of the Council of the EU in 1999, Finland launched the 'Northern Dimension Framework'. That framework can be seen as Finland's first political initiative as an EU member-state (Arter, 2000). Even though this joint policy between the EU, Russia, Norway and Iceland was not an extensive Arctic policy and mostly focused on the Baltic States, it was notable that the EU started to focus on the northern region (Arter, 2000). The Finns initiated a renewed version of this policy during their second presidency of the Council of the EU in 2006. Within the Northern Dimension (2006), several priority sectors are listed that showed where to focus on in the future: economic cooperation, freedom, security and justice, external security, research, education and culture, environment, nuclear safety and natural resources and social welfare and health care. In general the Northern Dimension aims at promoting security and stability in the northern parts of Europe. The policy initiated by the Finns focuses on creating a safe, clean, and accessible environment for all people living in the north (Northern Dimension, 2006). Arctic oil and gas are in this document not mentioned as main motivations, but are included within the factors that provide the relevance and importance of this policy for the EU (Offerdal, 2010). The policy framework was non-binding, but however stated that all actors that were involved had to provide an assessment about their efforts towards the objectives of the policy to the Northern Dimension Ministerial and Senior Officials Meetings.

Despite the Northern Dimension joint policy and the new focus on the north, there were no significant steps taken by the EU to develop a statement towards the Arctic region in particular (Wegge, 2012). The Northern Dimension was more focused on regional cooperation instead of initiating an Arctic policy and can for that reason not be seen as the official starting point for EU's Arctic policy (Wegge, 2012, p. 14). The EU did not have a single framework to use in order to deal with Arctic issues. This can be illustrated with the fact that the Directorate-General for External Relations of the European

Commission - responsible for the external policy - had just one official that was responsible for Arctic issues. The lack of more qualified diplomats working on the Arctic constrained the Commission in its capabilities to act towards the region (Offerdal, 2010).

The first steps towards the first official EU Arctic policy were taken during the process of developing the Commission's Integrated Maritime Policy. The creation of the Integrated Maritime Policy took place at the time of the first Barroso Commission and was an important topic for the Commission. During this process, the Commission published in 2006 a 'green book' that was meant as a preparation for the final Integrated Maritime Policy. The purpose of a green book is to start discussion on a certain topic at the EU-level. It is an invitation for the relevant actors to start a process of consultation based on the proposal brought forward in the paper. However, this green book said again hardly anything about the Arctic. A year later, on October 10<sup>th</sup>, 2007, a 'blue book' was presented, which functioned as a vision document (European Commission, 2007b). The Action Plan attached to it stated concerning the Arctic:

*'In 2008, the European Commission will produce a report on strategic issues for the EU relating to the Arctic Ocean, building on work already done under the Northern Dimension Policy and in other fora. The aim of this action is to lay the foundation for a more detailed reflection on the European interests in the Arctic Ocean and the EU's role in this respect'* (European Commission, 2007a).

This Action Plan was a non-binding document that only mentioned the need for an EU Arctic policy. Member of the EU Parliament Diana Wallis was - because of her Arctic expertise - one of the most influential parliamentarians within the EU Parliament on the Arctic issues. Wallis had been dealing with the Arctic for several years and visited for example since 2000 every year the Conference of Arctic Parliamentarians. This Conference is a parliamentary body that consists of representatives of the Arctic states and the EU Parliament, permanent participants representing indigenous peoples and observers (CPAR, 2013). Wallis went for the first time to an Arctic Council meeting in 2001 in the position of Vice-Chair of the European Parliament's delegation to Norway. In 2006 she argued that the parliamentarians should strive for an Arctic Charter, possibly regulating and preserving the Arctic in the same way as the international regime does in Antarctica (Wallis, 2006). However, the coastal states of the Arctic were not supporting this idea. Those states focused instead on protecting their own sovereign rights in the region and used the UN Convention on the Law of the Sea as the legal framework.



In the beginning of 2008 an EU inter-service working group was established by the Commission which started to prepare the Commission's strategic communication on the EU's Arctic issues. The Hungarian János Herman led the group, which consisted of 10 to 15 individuals who partly rotated. Except one, all the members came from the European Commission, primarily from the Directorate-General for the External Relations. The only external member was an Arctic expert from the European Environmental Agency - an EU agency tasked to provide independent information on environmental issues. Surprisingly, the biggest task for the Commission's inter-service group was - before writing that strategic report - to solve the problem of a fundamental lack of knowledge on the politics, the geophysics and the social demography regarding the Arctic (Wegge, 2012). This was a lack of knowledge with which in general most policymakers of EU-institutions were dealing. Only a few members of Parliament had in-depth knowledge on Arctic issues, which caused that just a small group with the actual interest and expertise had relatively much influence on the policy (Wegge, 2012, p.16). However, the Commission's inter-service group was, compared to the European Parliamentary representatives, quickly up to date on Arctic knowledge and politics.

While the Commission's inter-service group was establishing the Arctic policy, it had to deal with a paper from the High Representative Javier Solana and the Commissioner for External Affairs Benita Ferrero-Waldner to the Council of the EU: 'Climate Change and International Security', that was published on 14 March 2008 (European Commission, 2008a). This paper was non-binding, made a few suggestions for actions for the EU and mostly focused on raising awareness by providing facts on several security issues. The paper was in general about the consequences of climate change in terms of humanitarian, political and security risks. It moreover mentioned security challenges concerning the Arctic region, for example the expected increase of disputes in the future on the land and maritime borders. In addition, Solana and Ferrero-Waldner's paper suggested changing the Law of the Sea when it comes to the resolution of potential conflicts. Furthermore, both the High Representative and the Commissioner for External Affairs warned in the paper that the race for energy resources could change the geopolitics of the region, which could affect the European security interest. The European Commission inter-service group chose to ignore the paper's warnings and suggestions in its communication on the Arctic policy, published six months after the publication of the paper by Solana and Ferrero-Waldner (European Commission, 2008). The Commission's Communication had put more emphasis on other topics concerning the Arctic in comparison to the paper and it could be argued that neglecting the paper of 14 March 2008 was because of the fact that the inter-service group had gained a lot more knowledge about other more challenging Arctic matters (Wegge, 2012), like environmental issues. Moreover, the group saw the current Law of the Sea as a strong legal framework for Arctic governance (Wegge, 2012).

On 9 October 2008, the EU Parliament accepted a resolution called 'Arctic Governance'. This was a reaction to its earlier resolutions on the Northern Dimension of 16 January 2003, 17 November 2003, 16 November 2005 and 16 November 2006. Moreover the resolution was an attempt to influence the Commission's Communication on the Arctic policy that was expected to be published in the autumn of 2008. The Parliament argued in the resolution of 9 October that it was looking forward to the Communication of the Commission and at the same time mentions several points the Commission should be aware of. This was the first time the Parliament spoke about the Arctic in particular and it expressed its deep concerns. The parliament:

*'Welcomes the fact that the 'High North' forms part of the EU's Northern Dimension policy, but is convinced that awareness of the Arctic's importance in a global context needs to be raised further by delivering a standalone EU Arctic policy'* (European Parliament, 2008).

The resolution of 9 October 2008 was created with an eye on the upcoming Commission's policy towards the Arctic. It can however be regarded to be mostly an opinion instead of a real EU policy. The resolution focused on welcoming, underlying and emphasizing certain topics concerning the Arctic. Member of Parliament Wallis and the Alliance of Liberals and Democrats for Europe were strong supporters of the resolution's sentences that pursued an increased role of the EU in the Arctic:

*'14. Urges the Commission to take a proactive role in the Arctic by at least, as a first step, taking up 'observer status' on the Arctic Council, and considers that the Commission should set up a dedicated Arctic desk. 15. Suggests that the Commission should be prepared to pursue the opening of international negotiations designed to lead to the adoption of an international treaty for the protection of the Arctic, having as its inspiration the Antarctic Treaty'* (European Parliament, 2008).

The resolution became controversial because of point 14 and 15 and provoked complicated discussions for the European Commission concerning its relationship with the Arctic states. The acceptance of this resolution happened during the Commission's preparation of the Arctic communication, which was about to be published. When the Parliament resolution of October 2008 was accepted, Norway and Denmark took action and did not want the Commission to support the standpoint of the Parliament. The Norwegians were absolutely against EU Parliament's initiative to adopt an international treaty for the protection of the Arctic. Especially the Norwegian Ministry of Foreign Affairs tried to turn down the intentions of the Commission: *'The intense Norwegian effort*

*during this period to follow up on the Commission's work caused the chair of the inter-service group, János Herman, to exclaim that he felt "surrounded by Norwegians" (Wegge, 2012, p. 17).*

The Communication of the European Commission on EU's Arctic policy to the European Parliament and the Council of the EU was published on November 20, 2008 (European Commission, 2008). This was the first time that the EU officially took a general stance towards the Arctic. There were three crucial factors the Commission focused on: (I) protecting and preserving the Arctic in unison with its population; (II) promoting the sustainable use of resources; and (III) contributing to enhanced Arctic multilateral governance (European Commission, 2008). In addition, the Commission pursued for an EU role in the development of Arctic governance, based on the UN law of the Sea Convention. Moreover, the Commission's focus on the support to indigenous peoples and local population can be regarded to be an striking objective in the Communication and new in the overall attention of the EU towards the region. Pursuing a policy on the indigenous inhabitants of the EU-territory is, in comparison to other policies, far from high on EU's general priority list. The only Arctic indigenous peoples that live within the EU territory of the Arctic are the Sami people of Finland and Sweden (Neumann, 2010). Even though Finland and Sweden yield different definitions of the word Sami, it can be estimated that there are around between 15.000 and 25.000 Sami living in Sweden and about 7.500 in Finland (Neumann, 2010). The most complicated aspect of the debate on the indigenous is: *'the question whether indigenous peoples are regarded as 'peoples' with the right to self-determination'* (Neumann, 2010, p. 9). In many instances are states restrained in recognizing such a right to those minorities since they fear that it will lead to secession. That is a fear that is also present in the general debate within the EU towards indigenous peoples (Neumann, 2010). Finally, the 2008 Communication of the Commission suggested that the EU should apply for the status of observer of the Arctic Council and that the EU should pursue a more active role in the Arctic Council. The policy presented in the document was legally non-binding and can be regarded to be merely a political message. It functions as:

*'the first layer of an Arctic policy for the European Union. This will open new cooperation perspectives with the Arctic states, helping all of us to increase stability and to establish the right balance between the priority goal of preserving the Arctic environment and the need for sustainable use of resources' (European Commission, 2008 p.12).*

On 8 December 2008, the Communication of the Commission was presented in the General Affairs and External Relations meeting with the Ministers of Foreign Affairs, *'This meeting was held at the height of the "financial crisis, and very little attention was paid to the report'* (Wegge, 2012, p. 19). Even though the low priority of the Arctic affairs, the Council of the EU stated on 4 December 2008

that it would further reflect on the Commission's Communication during the first half of 2009 (European Council, 2008). In the 'Draft Council conclusions on the European Union and the Arctic region' the Council of the EU agreed with the Commission's Communication. Soon after that it became however clear that this reflection would not be carried out in the first months of 2009. On the one hand there was the enormous financial crisis that dominated the EU agenda. On the other hand, it was the Czech republic that held the presidency of the Council of the EU and who did not have much knowledge on and priority with the Arctic matters. This led to a situation in which the Arctic policy was put on hold. The EU experienced an even greater setback for the initiative to launch an EU Arctic policy when it was not granted the observer status at the annual ministerial meeting of the Arctic Council in April 2009. One of the reasons it was not granted that status was because Canada being worried about the fact that the EU wants to restrict natives to hunt seals, which the EU did later that year by banning the trade in seal products (Economist, 2013). Russia on the other hand was worried about the competition with the EU on natural resources and that letting the EU become involved in the Arctic Council would weaken Russia's power position (Korjeba, 2013). Besides the fact that the indigenous were against the ban on hunting seals, they also expected their roles to decrease when relatively huge actors like the EU would get a greater say. The relationship between the EU and the indigenous was complicated. The EU had initiated several programmes and projects on indigenous peoples. Some of them focused on improving the business of the Sami and on supporting their life and culture. For the long-term however, it was the EU's objective to realize a developed Sami commercial sector that consisted of a close relation between nature, culture and their traditions (Neumann, 2010). In line with this organized the EU a 'Arctic Dialogue Workshop' in 2009. This workshop had the purpose of extending the dialogue between the Arctic Indigenous and the EU institutions. The workshop was organized around the time that the EU banned seal products, which was logically a big deal for the Arctic indigenous. The workshop can be seen as an important effort of the EU in improving the dialogue between both parties (Neuman, 2010).

One year after the Council of the EU adopted the draft conclusions the Council finally published its conclusions on Arctic issues (EU Council, 2009). The conclusions of the Council were very much in line with the main policy objectives as stated in the Commission's communication. An important aspect of the document is the statement at the beginning: *'The Council welcomes the gradual formulation of a policy on Arctic issues to address EU interests and responsibilities, while recognizing Member States' legitimate interests and rights in the Arctic'* (EU Council, 2009, p. 1). The latter means that the Council of the EU wanted the EU to take further steps in creating an overarching policy, while recognizing the position of the member states. Striking in the document is the emphasis on the role of the member states compared to the Commission's communication of 2008:

*‘The Council stresses the importance that Member States in their capacity as flag, port and coastal states should continuously promote and monitor the full implementation and further improvement of existing rules on navigation, maritime safety and security, vessel routing systems and environmental standards derived from the applicable international conventions in the Arctic, in particular within the IMO framework.’ (EU Council, 2009, p. 4).*

The Council of the EU furthermore: I) emphasized its relationship with Greenland, II) wanted increased research in the region, III) emphasized EU’s role in contributing to the reduction of hazardous pollution and IIII) argued that the harvesting of Arctic marine living resources should be regulated (EU Council, 2009). Moreover, the indigenous peoples were an important part that should be included in an EU policy, according to the Council. The Council’s conclusions can be considered a crucial publication in the chain of documents towards an EU Arctic policy. It partly accepts what is stated by the Commission in 2008, but gives its own turn to the EU Arctic policy. It ends with: *‘The Council requests the Commission to present a report on progress made in these areas by the end of June 2011’* (European Council, 2009, p. 5). The conclusions can be regarded binding for the Commission, since it demands the Commission to get back with a report and provide further Arctic initiatives to extend EU’s Arctic policy. The conclusions were however not presented as an EU Arctic policy itself.

The following event related to the creation of the EU Arctic policy was the publication of a report on a sustainable EU policy for the High North, by the British Centre-right Member of EU Parliament Michael Gahler on 16 December 2010. Gahler moreover proposed a motion in the EU Parliament to vote upon constructing a Parliament resolution on the Arctic matters. This resolution, called ‘On a sustainable EU policy for the High North’, was adopted on 11 January 2011. Like the resolution in 2008 on Arctic Governance, the purpose of this resolution was solely to spread the opinion of the Parliament. However, important to note is that even though the resolution took the previous published EU documents in mind, it puts a slightly different emphasize on certain Arctic matters. Some of the aims of this proposal were much more economically oriented, which can be illustrated with article 21 of the resolution:

*‘Recalls the position of the EU as a main consumer of Arctic natural resources, as well as the involvement of European economic actors; requests the Commission to further engage in fostering cooperation and technology transfer to ensure the highest standards and adequate administrative procedures, to establish a sound scientific basis for future*

*trends and governance needs for Arctic resources, such as fisheries, mining, forestry and tourism, and to make full use of the EU competences to regulate in this regard; as economic activities in the Arctic will increase, calls upon the EU to promote the principles of sustainable development therein'* (European Parliament, 2011).

Based on this could be argued that the objective of sustainable development had not the first priority in the eyes of the Parliament. Furthermore, the indigenous populations were considered as an important element of the EU's Arctic policy.

What followed after this EU Parliament resolution was again a time of stagnation of the process towards an EU Arctic policy. The Council of the EU had requested the Commission for a mid-term report to be presented in June 2011. It took until June 2012 before a new official statement from the EU Commission and the High Representative was published in the form of a Joint Communication (European Commission, 2012).

#### **4.2.2 The current EU Arctic policy**

After five years of decision-making at the EU-level can be concluded that the EU came to a general policy that collected several aspects of the several previously released documents and statements. The in 2012 published communication included additional suggestions for EU behavior towards the Arctic compared to the communication of 2008. Important differences are that the EU now wants to be '*supportive of the efforts of Arctic states*' and it wants more emphasis on the life of the indigenous people and local communities (European Commission, 2012).

The Commission and the High Representative propose that the EU policy towards the Arctic is built on three pillars (EU Commission, 2012, p. 4):

- '*Support research and channel **knowledge** to address the challenges of environmental and climate changes in the Arctic;*
- '*Act with **responsibility** to contribute to ensuring economic development in the Arctic is based on sustainable use of resources and environmental expertise;*
- '*Intensify its constructive **engagement** and dialogue with Arctic States, indigenous peoples and other partners.*'

The elements of EU's Arctic contribution are the following (EU Commission, 2012, p. 4):

- ***Fighting climate change:*** *The EU is on track to meet its Kyoto target, has incorporated its 20% greenhouse gas reduction commitment into law and is committed to the long-term target of 80-95% reduction of its emissions by 2050.*
- ***Research on the Arctic environment:*** *The Commission has carried out a pioneering assessment of the EU's current and future Arctic footprint which shows that the EU has a significant impact on the socio-economic and environmental aspects of the Arctic region.*
- ***Investing in sustainable development in the North:*** *The EU is providing over €1.14 billion to develop the economic, social and environmental potential of the Arctic regions of the EU and neighboring areas for 2007-2013.*
- ***Reducing future uncertainties and monitoring changes in the Arctic region:*** *The EU, through the Seventh Framework Programme (FP7), has contributed around €200 million of EU funds to international research activities in the Arctic.*
- ***Shipping and maritime safety:*** *As almost 90% of EU external trade is carried out at sea, the EU has significant experience in shipping, ship-building, satellite navigation, search and rescue as well as port infrastructure development.*

The document is mostly concerned with environmental related topics and EU's responsibility for the indigenous people living in the Arctic. The communication does touch upon hydrocarbons and raw materials in the region, but merely from the perspective of sustainable development. Striking about the communication of 2012, compared to that of 2008, is that the EU's responsibility for indigenous peoples gained a much more prominent place within its key objectives.

The essence of this second communication of the Commission is to review EU's work towards the Arctic since 2008 and to create a route for cooperation with Arctic partners in the future. It *'underlines the need for a coherent, targeted EU approach towards the Arctic, building on the EU's strengths, promoting responsible development while engaging more extensively in dialogue and cooperation with all Arctic stakeholders'* (EU Commission, 2012, p. 4). This document is also non-binding, it clearly builds upon what it stated before in 2008 and it is a follow-up of the conclusions of the Council of the EU of December 8<sup>th</sup> 2009 and the EU Parliament's Resolution on a sustainable EU policy for the High North of January 20, 2011. Concerning the future, the Commission merely states it looks *'forward to discussions with the Council and European Parliament on this Communication'* (European Commission, 2012, p. 5). Since the Commission's communication is build upon the

Council of the EU's conclusions and the Parliamentary resolution it can be regarded to be the current overarching EU policy towards the Arctic region. For that reason it is the leading document that is used in this thesis' analysis on how the emergence of the motivations in this policy can be explained.

Almost a year after the publication of the Joint Communication, the 8<sup>th</sup> Ministerial meeting of the Arctic Council took place in May 2013. During this meeting, the EU was rejected the status of observer again. The EU's diplomatic response after this rejection was: *'Further to previous exchanges with the Canadian authorities the EU will now work expeditiously with them to address the outstanding issue of their concern'* (European Union, 2013). The next time the EU can apply for the status of observer is during the 9<sup>th</sup> Ministerial Meeting in 2015 in Canada.



## **CHAPTER 5 – Analysis**

Is the EU a body that solely represents the will of its member states towards the Arctic or does it operate as an actor on its own? To answer that question, this chapter approaches the EU from two different standpoints. First the analysis zooms in on the preference formation within the UK by analyzing UK government's publications on the Arctic. The first sub-question researched in this thesis is if the British government wants to improve the competitiveness of its producers with its Arctic policy.. The second sub-question is if the UK expresses geo-political concerns in its Arctic policy. At the EU-level though, different country-perspectives are clashing with each other when member states bargain for a substantive agreement on how the EU should approach the Arctic. Paragraph 5.1.2 further elaborates on the substantive bargaining between states. In the second part of this chapter, starting at paragraph 5.2, the EU is approached from 'out of space' by analyzing if the EU acts as a distinct actor towards the Arctic. Paragraph 5.2 elaborates on the question if the EU's behavior is determined by the norms on which it is established. The EU frames its Arctic policy in a very caring way - as if it wants to be the 'best boy of the class' in comparison to many other actors' growing interest in the economic potential of the Arctic. In order to understand EU's behavior as a distinct actor, this thesis researches if the EU aims at the diffusion of certain norms. Therefor the second half of this chapter applies the theory of NPE on the goals and means expressed in the EU Arctic policy.

### **5.1 Liberal Intergovernmentalism**

#### **5.1.1 Preference formation within the United Kingdom towards the Arctic**

Before analyzing if the UK is driven by political-economic or geo-political interest towards the Arctic, this paragraph briefly addresses the history of the UK-Arctic relation in order to understand the deeper background on UK's activities in the Arctic.

##### **Introducing the UK-Arctic relation**

The UK cannot be considered an Arctic-state since it does not have any territorial rights in the Arctic. However, it can be considered a state that is more than just an interested observer (Depledge & Dodds, 2011). The UK has been involved in the exploration of the Arctic since the sixteenth century and is nowadays a leader in the environmental research in the region (Depledge, 2012). In 2007 it was recognized within the House of Lords - the senate of the UK Parliament - that there existed no consistent policy towards the region (House of Lords Debates, 2007). Even though the UK lacked such an Arctic policy and the Arctic is not intrinsically linked to its identity, the UK still pursued its own interest in the Arctic concerning scientific research, national security, economic opportunities and negotiations on climate change (Depledge, 2012). The UK justifies these interests by pointing at the description that it sees itself not as merely a 'near-Arctic' state, but as the 'closest neighbor' of the

Arctic (Depledge, 2012). It was only in 2012 and 2013 that the UK published its first policy documents towards the Arctic region. Those are the publications used in this thesis' analyzes.

To determine UK's position towards the Arctic, the thesis analyzes the following documents:

**Table 5.1 UK government's publications on the Arctic**

<b>Date</b>	<b>Author</b>	<b>Title and reference</b>
20 September 2012	House of Commons - Environmental Audit Committee	Protecting the Arctic  (HC 171, Second Report of Session 2012-13 - Volume I: Report, Together with Formal Minutes, Oral and Written Evidence. Additional written evidence is contained in Volume II);  (UK Parliament, 2013).
27 July 2013	House of Commons - Environmental Audit Committee	Protecting The Arctic: The Government's Response  (HC 333, Fourth Report of Session 2013-14 - Report, Together with Formal Minutes, Oral and Written Evidence);  (UK Parliament, 2013a)
17 October 2013	Foreign & Commonwealth Office	Policy paper: Adapting To Change: UK policy towards the Arctic  (Foreign & Commonwealth Office, 2013)

#### **Hypotheses 1.1A – Is the UK driven by political economic interest towards the Arctic?**

Concerning UK's industry sector, the hydrocarbon companies are the ones that can profit greatly from oil and gas drilling in the Arctic. When focusing on the UK's government statements can be concluded that the UK is clearly interested in the possible energy supplies from the Arctic (Depledge, 2013;

2013a; 2013b). Those supplies can provide great opportunities for UK's business, especially in light of the economic crisis that started in 2008 (Depledge, 2013).

However, major critique rose on the British Arctic policy in 2012. The Environmental Audit Committee, a committee of the House of Commons in the Parliament of the UK, argued that the UK is not protecting the Arctic. Pointing at UK's prime minister David Cameron, the chair of the committee (and Member of Parliament) argued: *'The rapidly disappearing Arctic sea ice should be a wake-up call for his Government to tackle climate change, not pave the way for a corporate carve up of the region's resources'* (UK Parliament, 2013b). The Environmental Audit Committee disagreed with the way the government invested in Shell's operations in the Arctic, since it is uncertain what the risks of those operations are (UK Parliament, 2013). The Foreign and Commonwealth Office responded on the critique by stating that the government is not going to change its policy on drilling in the Arctic. However, the Foreign and Commonwealth Office promised to create a policy framework for its Arctic policy (UK Parliament, 2013a, p. 2). This framework was published on October 17, 2013 (Foreign & Commonwealth Office, 2013) and its main objectives are summarized by the following sentences:

*'With the exception of maintaining access for the purposes of climate and environmental science, and popular pressure to encourage the Arctic states to take their stewardship responsibilities seriously, the UK's interest in the region is largely about maintaining a watching brief for potential risks and (commercial) opportunities that could emerge as the Arctic undergoes profound change with environmental, geopolitical, social and economic implications'* (Foreign & Commonwealth Office, 2013, p. 370).

The UK government wants the country to become the global center with expertise on Arctic oil and gas exploration. The Arctic framework states that the UK government wants to promote London as the hub of business services for the exploration of the Polar region. These statements indicate that the UK policy contributes to the international competitiveness of its producers (The Guardian, 2013a). However, an important side-note to make is that this has to go strictly hand in hand with a responsible way of working in order to prevent any damage to the fragile flora and fauna in the Arctic:

*'The Arctic is thought to hold large reserves of oil, gas, metals and rare earths, which are becoming more accessible with improvements in technology. Responding to these changes, while supporting rigorous protection of the environment, is one of the many challenges facing the region and wider world'* (Foreign & Commonwealth Office, 2013, p. ii).

The framework is split up in six chapters, which gives an indication of which topics the UK is concerned about:

- I) *'Energy Security'*;
- II) *'Shipping'*;
- III) *'Tourism'*;
- IV) *'Fisheries'*;
- V) *'Bio prospecting'*;
- VI) *'UK Commercial Expertise'*.

To be able to determine if the UK is in any way driven by political-economic interests, special focus is put on chapter six of the Arctic framework called *'The Commercial Dimension'* (Foreign & Commonwealth Office, 2013, p. 23). Chapter six states that the UK encourages domestic companies to do business in the Arctic. However, this has to take place in close connection with the Arctic Council, the Arctic States, the indigenous peoples and other relevant actors. The three sub-chapters of chapter six that express UK's political-economic interest are *'Energy Security'*, *'Shipping'* and *'UK commercial expertise'*.

#### *Energy Security*

The UK emphasizes in this paragraph its future dependence on imported oil and gas. In 2012, the UK imported 55% of its gas from Norway and it will continue doing that for the upcoming years: *'Norwegian success in further developing its Arctic gas reserves is important to UK energy security and for British companies that are active on the high northern areas of the Norwegian Continental Shelf'* (Foreign & Commonwealth Office, 2013, p. 24). The aim of the UK is to invest in new infrastructure that links Norway's new Arctic gas with the North Sea pipeline network that already exists. In this paragraph, the UK government clearly speaks for its domestic producers (from the industry sector) located on (or close to) the Arctic.

#### *Shipping*

The UK recognizes that it has globally a prominent role concerning shipping. This paragraph emphasizes the environmental danger and the importance of shipping regulations but also mentions the economic potential of the new shipping routes: *'The UK believes that the UK ports and shipping industry, together with the wider UK maritime cluster, are generally well placed to take advantage of any commercial opportunities that expansion of Arctic shipping may present in the short term'* (Foreign & Commonwealth Office, 2013, p. 25). Here the UK government again speaks for the interests of the domestic producers - from the industry sector - that are responsible for shipping,

#### *UK Commercial Expertise*

This paragraph also clearly expresses UK's commercial interest in the Arctic, by emphasizing that the UK has certain expertise for the Arctic industry and by aiming at the improvement of the international competitiveness of its producers from several sectors.

*'UK companies have substantial expertise in a broad range of sectors operating or supporting activity in the Arctic, including insurance and risk management, maritime, hydrocarbons and mineral extraction. These companies are well-placed to contribute bespoke products and services to the many industries that are growing in the Arctic. The UK Government will promote the UK as a centre of commercial expertise (...)' (Foreign & Commonwealth Office, 2013, p. 28).*

Even though UK's Arctic Framework expresses environmental matters as policy concern number one, the UK shows a high interest in the commercial dimension of the Arctic. The UK hydrocarbon industry wants to have a *'level playing field'* (GBSC, 2008) in the area. There are a couple of UK-based companies that have strong interest in the oil and gas that can be extracted from the Arctic. Like BP, who attempts to secure hydrocarbon exploration in the Arctic (Dulnev, 2011). The growing attention within the UK towards the Arctic increased for example due to the high-profile deal of BP with Rosneft, which is an Russian oil company (Depledge & Dodds, 2011). In the House of Lords – the group of government Ministers – the Minister of State at the Foreign and Commonwealth Office argued in 2010 that agreeing on the border lines between Norway and Russia opens up the possibilities for an increased exploitation of the huge oil and gas resources. The deal between BP and Rosneft seemed to be blown off, when Rosneft pulled back in 2011. But in May 2013, there was a re-launch of the idea: *'opening up a new chapter in BP's often tempestuous relationship with Russia'* (Financial Times, 2013a). There are however also smaller UK oil-operators working in Greenland on offshore exploration, like Cairn Energy, an independent Scottish oil and gas exploration and production company (Cairn, 2013).

Furthermore, there are several insurance companies from the UK interested in the Arctic (Depledge & Dodds, 2011).

*'In the case of the insurance and marine services industry, the City of London is well represented in areas such as premium setting and loss adjusting, and hull premiums are charged on the basis of ships remaining within agreed, standard navigational limits both in and beyond the Arctic region' (Depledge & Dodds, 2011, p. 176).*

The Canadian Arctic observer, Ed Struzik, stated that the UK has a special position in the Arctic by being an important center of international banking, maritime shipping, insurances, engineering and environmental consulting industries (Struzik, 2011). When the Arctic becomes more in the midpoint of attention, partly because of globalization, the region is connected to a lot of places/ports across the UK, including London, which increases the accessibility of the region (Depledge & Dodds, 2011). Based on the UK government's policy documents concerning the Arctic and the secondary sources, it can be determined that the UK government is driven by political-economic interest towards the region. The analysis shows that the UK has the urge to support the national producers from several sectors. However, this happens strictly hand in hand with fighting for the preservation of the Arctic nature.

### **Hypotheses 1.2A – Is the UK driven by geo-political interest towards the Arctic?**

Within the UK's rhetoric towards the Arctic region can be found that the UK focuses to a very small extent on security externalities in its Arctic policy. The UK Minister for International Defense and Security gave a speech on the UK-Arctic relation at the NATO/Icelandic Government Conference in 2009 in which he stated: *'We are not returning to the Cold War. But security cannot be divorced from economic activity, environmental interests and political considerations' (...)* *'we also need to look to partners outside of NATO, whether in the EU or elsewhere, to help us take this work forward'* (Taylor, 2009). However, the geopolitical concerns do not directly seem to shape the interest of the UK towards the Arctic and are not a concern within UK's general Arctic policy. Within the UK government policy document 'Protecting the Arctic' of September 2012 there are no military related topics and no territorial issues mentioned. Within the UK government's policy document of June 2013 (House of Commons, 2013) 'Protecting the Arctic: The Government's response', the only link made with geopolitics, by referring to UK's foreign and military policies, is:

*'The Government remains committed to working bilaterally and multilaterally with Arctic states and others to ensure a stable, peaceful Arctic, well governed by the Arctic states, supplemented and complemented by international agreements and treaties on specific issues'* (Parliament, 2013a, p.1).

However, these aims are not classified being geopolitically oriented following this thesis' operationalization. Within the Arctic framework of October 2013, the UK government slightly touches upon the geopolitical aspects of an UK Arctic policy. However, neither of the mentioned objectives refers to any threat to the UK itself, but merely focus on the stability in the Arctic:

*'The UK remains committed to preserving the stability and security of the Arctic region. This objective will be pursued through a wide range of defence engagement and bilateral security co-operation with a number of close allies and partners in the region. This will include the essential*

*training needed for the military on cold weather training exercise. The role of NATO will remain central, as will the UK's participation in the Arctic Security Forces Roundtable forum, which promotes security co-operation on issues such as situational awareness and search and rescue missions'* (Foreign & Commonwealth Office, 2013, p. 13).

For that reason does the thesis neither classify these aims as being geo-politically oriented.

### **Summarizing the preference formation within the United Kingdom towards the Arctic**

Based on the analysis of the UK policy documents on the Arctic can be concluded that the UK pursues partly an economic agenda towards the region. The Arctic framework of October 2013 was leading in this analysis; since the Framework can be considered to be the first official UK statement towards the region. Even though protection of the environment is according to the Framework on top of UK's Arctic agenda, commercial interest is expressed as one of the main pillars.

### **5.1.2 Substantive bargaining on EU level**

In order to understand how the Arctic policy on EU-level came into being, this paragraph analyzes the asymmetrical interdependence of the involved states, which determines their relative bargaining power. To point out this interdependence, the paragraph focuses on the interest of the 'crucial' member states, the UK, France and Germany and on the interest of the EU member states that are member of the Arctic Council, Sweden, Finland and Denmark, towards the EU Arctic policy. When their share in the creation of the EU Arctic policy is nowhere to be found, the country's national Arctic policy is being analyzed.

#### **Countries in favor of an EU Arctic policy**

Countries in favor of an EU Arctic policy are those who for example brought up the topic of the Arctic at the EU-level.

#### **Finland**

Finland can be regarded to be the member-state most dedicated to act at the EU-level towards the Arctic from the very first day it joined the EU (Śmieszek, 2013). Strengthened by historical ties, Finland is the entrepreneur of an active role of the EU in the Arctic (Maurer, 2012a). Finland's interest is based on geo-political and political-economic interest. The geo-political interests come from the fact that the Finns seem to aim for a greater say in the Arctic. Finland launched during its first presidency of the Council of the EU in 1999 the 'EU's Northern Dimension', which can be seen as its first political initiative as an EU member (Arter, 2000). Even though this was not an extensive Arctic

policy and it mostly focused on the Baltic states, Sweden and the relationship between Finland and Russia, it was the first proposal within the EU to focus on the northern hemisphere (Arter, 2000). Finland renewed the policy during its second presidency of the European Commission in 1996. The policy document again aimed at a stronger focus of the EU on the northern region (Northern Dimension, 2006). The Northern Dimension of 1996 describes the challenges and opportunities for the northern countries and focuses on a better dialogue between the northern countries that are under the European Economic Area and Russia. Within the Northern Dimension (2006) there are several priorities and sectors outlined concerning the region that should gain a higher priority on EU-level: economic cooperation, freedom, security and justice, external security, research, education, culture, environment, nuclear safety and natural resources, social welfare and health care. The Arctic became through out the years an important region for Finland and its objectives can be summarized by its focus on 1) business opportunities, 2) sustainable development and 3) international cooperation (Prime Minister's Office Finland, 2013). The EU was for Finland the excellent mechanism for pursuing those objectives, since it is one of the platforms for Finland to increase its power in the north. Finland expressed its focus by devoting its Arctic Strategy of 2013 (Prime Minister's Office Finland, 2013, p. 5) to the following subthemes (the pages are mentioned as a means to indicate the emphasis of the strategy):

- 'Finland's Arctic population' (2 pages);
- 'Education and research' (1 page);
- 'Finland's business operations in the Arctic' (11 pages);
- 'Environment and stability' (3 pages);
- 'International cooperation in the Arctic' (3 pages);

Besides geo-political aims, like strengthen Finland's position towards the Arctic Five, is Finland's Arctic agenda strongly political-economically oriented: *'Finland prioritizes economic development in the region, especially in the shipping sector where extensive Finnish experience of winter shipping and in Arctic shipbuilding could be used'* (Śmieszek, 2013, p. 172). The text devoted to the Arctic business operations of Finland, deals with the topics: *'Arctic business opportunities, Energy industry, Arctic maritime industry and shipping, Renewable natural resources, Mining industry, Clean technology, Tourism, Traffic and transport systems and Data communications and digital services'* (Prime Minister's Office Finland, 2013). The government of Finland describes its business in the Arctic as follows:

*'Because of the challenges facing the global economy and the great significance of exports and economic relations to Finland, it is extremely important for Finnish business and industry to seek growth in all areas where the prospects are favourable, and where Finnish companies have a*



*chance of success. Such prospects are offered by the Arctic region'* (Prime Minister's Office Finland, 2013, p.26)

Finland has been strongly supporting the application of the EU for the status of observer of the Arctic Council and it has explicitly called the EU an 'Arctic player'. The goal of Finland is to further improve the EU Arctic policy and to let the Arctic become an important means for the EU in its external relations (Minister's Office Finland, 2013).

### **Concluding**

Based on Finland's campaign for an EU Arctic policy, one would expect through the lenses of LI that Finland has to make compromises concerning what it wants to achieve, in order to get all member states to sign an EU Arctic policy. Because of the working of asymmetrical interdependence can be argued that Finland - because of a higher dependence of the agreement – has less bargaining power in the process towards the agreement.

### **Countries against an EU Arctic policy**

The countries that are against an EU Arctic policy are those countries that do not benefit from the EU Arctic policy and / or have pursue an alternative (national) policy towards the Arctic.

### **The United Kingdom**

The actual start of the development of the EU Arctic policy can be traced back to the initiative by an English representative within the EU. John Richardson, the ambassador of the UK, was the leader of the taskforce that wrote in 2007 the Integrated Maritime Policy. This policy mentioned the Arctic for the first time on EU-level. It consisted of a consultation and analysis of the role of the EU towards the sea. In an interview Richardson states that *'the timing was largely due to external developments including increased media interest in the region and the Russian flag planting at the North Pole sea bottom'* (Wegge, 2012). Richardson stated that he became more convinced that this policy was needed after visiting Norway, including Svalbard, two times with the maritime policy taskforce. Concerning economic preferences, the UK is definitely interested in the oil and gas that can be exploited from the region (Archer, 2012). However, concerning the EU Arctic policy the officials of the UK have only been partly involved. The EU Arctic policy was for the European Scrutiny Committee of the House of Commons an issue that gave them reason to question the competence of the Commission (Archer, 2012). This was linked to the European Union Act of 2011; an agreement that requires the UK to have a referendum in case the EU's increases in competences. *'Thus, given the fairly skeptical public opinion on increasing EU supremacy, the British government prefers working through international channels such as the Arctic Council and the International Maritime Organization (IMO) rather than through EU bodies in Arctic matters'* (Archer, 2012, p. 36). Even though Richardson's effort in

establishing the EU Arctic policy, the UK government showed a clear skepticism towards an Arctic policy through the EU. The only time the UK mentions the EU in its Arctic Framework, is when referring to the trade in seal products and fishing: *'The UK fully implements the EU-wide policy on trade in seal products'* and *The UK will work with and through the EU on discussions on sustainable management of Arctic fishing and fisheries'* (Foreign & Commonwealth Office, 2013, p. 20; p.21).

## **Denmark**

Denmark might be considered to be the most striking example of all EU member states that has signed the EU Arctic policy. Due to its special territorial relationship with the Arctic - since it represents Greenland and the Faroe Islands - one would expect the Danish not to be strong supporters of EU involvement in the Arctic (Maurer, 2012, p.17). When the EU Commission published the Arctic Communication in 2008, Denmark expressed that it was against the initiative of the EU being more involved in the management of the Arctic. For that reason the Danish did not want the European Parliament to support the Commission's policy (Wegge, 2012). Denmark was trying to influence the Commission's policy by positioning itself as the representative of Greenland. This is the same position the Danish took when they were participating in the inter-service group on developing the Arctic Communication of 2008.

The Danish policy-makers became very unpopular in the Commission due to their effort to stop the upcoming ban on seal products by the EU, since a large part of the inhabitants of Greenland is depended on the trade in seal products. The Danish were moreover questioning the skills of the inter-service group for the creation of the EU Arctic policy, while the inter-service group on the other hand argued that cooperation with Denmark was the most complicated of all member states (Wegge, 2012). When the Commission and the High Representative published in June 2012 the Arctic policy, the Danish presidency of the Council of the EU was almost over: (...) *'this may illustrate the actual and/or perceived Danish lack of support for an enhanced EUAP'* (Daemers, 2012, p. 8). Denmark clearly expressed its hesitation towards involvement of the EU in the Arctic in its Arctic Strategy of 2011, by calling EU Arctic policy only of interest *'where desirable and possible'*:

*'(...) It will be in the Kingdom's interest to leave its mark on the shaping and implementation of EU policies, for example, in energy, climate, fishing, hunting, exploitation of minerals and the relationship to the populations and indigenous peoples in the Arctic. For the parts of the Kingdom that are not in the EU it will be of interest to participate in relevant EU programs where desirable and possible. Furthermore, it will be important that the EU's involvement in the Arctic takes place on the Arctic populations' own terms. We must seek to avoid further cases where the laws, traditions, cultures and needs of Arctic societies are neglected, as for example in the EU's ban on*

*the import of seal products'* (Kingdom of Denmark, 2011, p. 52).

Denmark underlined in its Arctic Strategy the need of a good relationship between Greenland and the EU. Enlarging the cooperative relation between the two would be a first step. The Danish stated: *'The Kingdom will actively contribute to the shaping of EU policies relevant to the Arctic and Arctic challenges, and in this context seeks to ensure the Arctic peoples' rights and interests'* (Kingdom of Denmark, 2011, p. 52). The Danish are supporting EU's application for observer status in the Arctic Council and to let it have a place in the Arctic in general. However this will only be in cases where *'desirable and possible'* through *'cooperative relations'*.

### **Concluding**

Both Denmark and the UK were opponents of an EU Arctic policy. Based on LI one can expect that the actors within the process that are, compared to the status quo, less in need for reaching an agreement, like Denmark and the UK, are the ones that are best able to defect and threat with noncooperation. Especially Denmark can be considered to be an EU member-state that could potentially loose power in case of an overarching EU Arctic policy as it was proposed by Finland. For that reason, Denmark was trying to defect and impose conditions through several possible ways. Based on LI one can expect that Denmark has influenced the final agreement, by imposing constraints and can for that reason be considered to be a 'brakemen' in the bargaining process.

### **Countries that are neutral towards an Arctic policy**

Countries taking a neutral stance are those that show to a relatively small extent interest in an EU Arctic policy.

### **Sweden**

Where on the one hand Sweden's neighbor Finland has a very clear interest in an EU Arctic policy, has Sweden on the other hand to a very small extent interest in this policy and it happened only recently that it published a document on its national interest in the Arctic. This national policy of Sweden towards the Arctic is mainly focused on climate change, the Arctic communities and the environment (Śmieszek, 2013). The only striking aspect about Sweden's standpoint is that it competes with Germany for being the best negotiator between the Arctic Five and the EU (Maurer, 2012a). That the Swedes held the presidency of the Council of the EU in July 2009 was however important for the development of the EU Arctic policy (Wegge, 2012). Since Sweden is an Arctic country and a member of the Arctic Council it has clear knowledge on what is happening in the region. On the one hand, Sweden had an independent interest that was similar to the interest of other Arctic states, while on the other hand it also followed the EU's policy preferences towards the Arctic. Sweden positioned

itself as a mediator in the process and found its role by balancing the interest of the EU with the interests of the Arctic states (Wegge, 2012). In general, Sweden did not have much to loose from negotiating an EU Arctic policy, since it was not supporting nor opposing it. Important to mention is that this situation is however more complicated for the Swedes then it looks like form a first sight. The question for the Swedes - while being president of the Council of the EU - became: how strong should the EU still pursue an Arctic policy now that it is rejected for gaining the observer status of the Arctic Council? Another problem that emerged was that the Swedes had to make a choice between the EU that was trying to become stronger on the world stage, the Arctic Council which Sweden wanted to cooperate with and at last its national membership with Finland and Denmark in a so-called 'Arctic club'. Sweden's final decision was to become a mediator and strategist. It told the supporters of an active EU Arctic policy to phrase statements in the Council of the EU in a way that did not upset or influence the role of the Arctic states on the world scene. By canalizing the behavior of the proponents, the Swedes ensured that the EU would pursue long-term aims which would decrease the differences for example concerning opinions on the hunt on seals. The latter goal indirectly aimed at improving the relationship between the EU and the Arctic Council (Wegge, 2012).

Sweden's choice for taking this position can be traced back to the conclusions of the Council of the EU on December 8, 2008 (European Council, 2009). The Council of the EU argues that the Arctic Council is crucial for the regional cooperation in the Arctic. Furthermore, the Council of the EU puts a lot more emphasizes on the Arctic Council member states by aiming for a policy that is based on the interest and responsibilities of the EU but that at the same time recognizes the legitimate rights of the member states in the region.

## **Germany**

Germany was likewise less interested in an EU-Arctic policy and it argued that a specific EU-strategy towards the Arctic was simply not necessary. Some called this behavior of the Germans '*Arctic blindness*' (Masala, 2012). The main goal of the German industry is to have a '*reliable*', '*sustainable*' and '*affordable*' supply of energy, but not necessarily from the Arctic (Mair, 2012). Germany-based companies did not see the need of being involved in the exploitation of Arctic resources as long as the market was providing them enough (Mair, 2012).

*'The underlying reasons for this blindness are the overall perception of the Arctic countries as having open and transparent markets that simply do not require special attention and engagement as well as high uncertainty about the actual exploitation possibilities'* (Mair, 2012).

The only interest Germany had, like the UK, was in the active strategic Arctic research (Degeorges, 2013).

## **France**

The French standpoint towards an EU Arctic policy is not very clear. France stated that it wants to become involved in geopolitical issues in the area itself (Major & Steinicke, 2011). France was especially focused on the exploitation and security of the energy supplies in the area and the new shipping routes that are emerging. In general, France is a relatively big oil and gas importer of Norwegian oil and has in particular interest in establishing French oil companies in the Arctic (Major & Steinicke, 2011). Former French Prime Minister Michel Rocard, special ambassador of the Arctic and Antarctica, challenged the claims of Canada that the new shipping routes are part of Canadian territory. He expressed his support for the standpoint of the EU towards the shipping routes and argued:

*‘On numerous occasions, French officials underlined the relevance of environmental security in the Arctic. The discourse has focused on two main areas: firstly, the danger of pollution in general and oil spills in particular and, secondly, the protection of sensitive environmental zones’* (Major & Steinicke, 2011, p.8).

## **Concluding**

Sweden, Germany and France did clearly not show a strong interest in an (EU) Arctic policy. However interesting of those three is Sweden, being a mediator between the EU and the Arctic states. Through the lenses of LI, one would expect that all three did not have much influence on the EU Arctic policy, since they had most likely no demands or opposing ideas.

## **5.2 Normative Power**

Within this part of the analysis the normative power of the EU as a distinctive actor is assessed in case of its policy towards the Arctic. If the EU is a normative power that bases its policy on a certain self-identification, then the goals and the means of the EU contribute to the EU’s strategic goal of norm diffusion. When that is the case, then this thesis concludes that the EU shapes its interest towards the Arctic as based on ‘a greater idea’ or in other words ‘its identity’.

### **5.2.1 Goals**

Within the Treaty of Lisbon, the EU explicates several values and interests that are focused on the improvement of the wider international sphere in which it interacts. These values are however at the same time restricting the EU since they describe guidelines for the outcome of the EU’s policies.

Article 2 of the Treaty of Lisbon gives a first glimpse of the core values of the EU. Since the EU is founded based on these values, the EU's policy has to be formulated in a broad sense according to them, internally and externally:

Treaty of Lisbon, Article 2 (European Union, 2008)

*'The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail.'*

However, since the Arctic is for the largest part outside the EU and the EU is spreading a policy that concerns the whole region, it is more important to look at the article of the Lisbon treaty in which the EU explicates its values concerning its external action.

Treaty of Lisbon, Article 3.5 (European Union, 2008)

*'In its relations with the wider world, the Union shall uphold and promote its values and interests and contribute to the protection of its citizens. It shall contribute to peace, security, the sustainable development of the Earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and the protection of human rights, in particular the rights of the child, as well as to the strict observance and the development of international law, including respect for the principles of the United Nations Charter.'*

The values and interest expressed in Article 3.5 can be considered universally applicable and to be addressed towards the wider environment in which the EU operates. They are providing guidelines that should be leading in the EU's foreign policy. Further down in the Lisbon Treaty are these values repeated and are also some other related values mentioned on which the EU will define and pursue common policies and actions in its international relations. The ones relevant for this research are:

Treaty of Lisbon, Chapter 1 General Provisions on the Union's External Action, Article 21-2 (European Union, 2008)

*'(...) (g) assist populations, countries and regions confronting natural or man-made disasters; and (h) promote an international system based on stronger multilateral cooperation and good global governance.'*

In order to determine whether there are goals mentioned in the 2012 Joint Communication of the Commission and the High Representative of the European Union for Foreign Affairs and Security Policy that contradict with the values expressed in the Treaty of Lisbon, table 5.1 and 5.2 are created. For every goal of the Commission towards the Arctic, the thesis analyzes whether it is in line with the values of the Lisbon Treaty or whether it contradicts.

**Table 5.2 – Goals of the EU towards the Arctic**

<b>Elements of the EU's Arctic contribution:</b>	<b>In line with the values expressed in the Treaty of Lisbon?</b>	<b>Contradicts the values expressed Treaty of Lisbon?</b>
<i>Fighting climate change;</i>	Yes (Article 3.5)	
<i>Research on the Arctic environment;</i>	Yes (Article 3.5)	
<i>Investing in sustainable development in the North;</i>	Yes (Article 3.5)	
<i>Reducing future uncertainties and monitoring changes in the Arctic region;</i>	Yes (Article 3.5)	
<i>Shipping and maritime safety.</i>	Yes (Article 3.5)	

**Table 5.3 – Goals of the EU towards the Arctic**

<b>To further develop the EU's policy towards the Arctic, the EU will:</b>	<b>In line with the values expressed in the Treaty of Lisbon?</b>	<b>Contradicts the values expressed Treaty of Lisbon?</b>
<i>Support research and channel knowledge to address the challenges of environmental and climate changes in the Arctic;</i>	Yes (Article 3.5)	
<i>Act with responsibility to contribute to ensuring economic development in the Arctic is based on sustainable use of resources and environmental expertise;</i>	Yes (Article 3.5)	
<i>Intensify its constructive engagement and dialogue with Arctic States, indigenous peoples and other partners.</i>	Yes (Article 21-2 (g), and Article 21-2 (f))	

### **Summarizing**

Based on the above analysis can be concluded that the main goals of the Arctic policy are in line with the legal basis of the EU, the Treaty of Lisbon, through which its core values are spread. The goals

expressed in the Arctic policy are essentially concerned with the wider environment, within which international relations unfold. This conclusion means in essence that, according to the theory of NPE, the goals contribute to the norm diffusion of the EU.

## 5.2.2 Means

As stated in the methodological chapter, this thesis focuses on whether the EU, uses coercive or non-coercive means to diffuse its norms. The 2012 Joint Communication formulates clearly the objectives of the EU and expresses which instruments should be used to realize them. The document is structured along the three main pillars of the EU Arctic policy: 1) Knowledge, 2) Responsibility and 3) Engagement. Table 5.8 expresses a means that requires further explanation as can be found below, since it can be regarded striking following the thesis' methodology.

**Table 5.4 The Structure of the 2012 Joint Communication of the European Commission**

Knowledge
<ul style="list-style-type: none"> <li>- 1.1 Developing environmental expertise and dialogue and enhancing the protection of the Arctic environment;</li> <li>- 1.2 Meeting tomorrow's challenges through research;</li> <li>- 1.3 Harnessing information</li> </ul>
Responsibility
<ul style="list-style-type: none"> <li>- 2.1 EU funding for sustainable development;</li> <li>- 2.2 Promoting the sustainable management and use of resources Engagement</li> </ul>
Engagement

The following three tables mention the means that are expressed per subtopic and if they are coercive or non-coercive.

**Table 5.5 Means of the EU towards the Arctic to achieve its goals concerning the theme**

### **'Knowledge'**

<b>'Knowledge'</b>	<b>Coercive</b>	<b>Non-coercive</b>
<i>1.1 Developing environmental expertise and dialogue and enhancing the protection of the Arctic environment;</i>		<ul style="list-style-type: none"> <li>- Work with others;</li> <li>- Establishing a legally binding global instrument to cover the life-cycle of mercury;</li> </ul>
<i>1.2 Meeting tomorrow's challenges through research;</i>		<ul style="list-style-type: none"> <li>- Step up cooperation with Arctic partners;</li> </ul>



<i>1.3 Harnessing information</i>		<ul style="list-style-type: none"> <li>- Promote the sharing of information with Arctic states and other interested parties to support policymaking;</li> <li>- Implement a preparatory action, approved by the Budgetary Authority with a budget of €1 million;</li> <li>- Deployment of satellites under the Global Monitoring for Environment and Security Programme;</li> <li>- Developing a platform to pool data.</li> </ul>

**Table 5.6 Means of the EU towards the Arctic to achieve its goals concerning the theme ‘Responsibility’**

<b>‘Responsibility’</b>	<b>Coercive</b>	<b>Non-Coercive</b>
<i>2.1 EU funding for sustainable development</i>		<ul style="list-style-type: none"> <li>- Reinforcing and interlinking the various funding initiatives at its disposal;</li> <li>- Committed to particular funds;</li> <li>- Broadening the geographic scope and priorities of future external action.</li> </ul>
<i>2.2 Promoting the sustainable management and use of resources</i>		<ul style="list-style-type: none"> <li>- Work with Arctic partners and the private sector;</li> <li>- Strengthened partnership between EU and Greenland;</li> <li>- Assist in the development of sustainable shipping;</li> <li>- Supporting the work of the Arctic Council;</li> <li>- Following up on the recommendations on maritime safety;</li> <li>- Build stable and long-term partnerships;</li> <li>- The EU continues to advocate a precautionary approach;</li> </ul>

**Table 5.7 Means of the EU towards the Arctic to achieve its goals concerning the theme ‘Engagement’**

‘Engagement’	Coercive	Non-Coercive
		<ul style="list-style-type: none"> <li>- Seek to step up its cooperation on Arctic matters in its bilateral dialogues;</li> <li>- Enhanced dialogue on Arctic issues with Greenland;</li> <li>- Step up their efforts to hold regular dialogues with indigenous peoples;</li> <li>- Pursue its involvement within relevant international frameworks;</li> <li>- Continue to cooperate with international partners on reporting and assessments;</li> <li>- Enhance its outreach to Arctic non-governmental organizations.</li> </ul>

**Table 5.8 – Striking means of the EU towards the Arctic**

‘Responsibility’	Coercive	Non-Coercive
<i>2.2 Promoting the sustainable management and use of resources</i>		<i>Actively pursue a raw materials diplomacy.</i>

The means in table 5.8 can be regarded to be non-coercive since its linked to the promotion of sustainable management, even though it is a striking means compared to all others mentioned. It is a means within the document that is open for different interpretations and that seems to contradict with the goals of sustainable development and environmental protection. It could be explained as the Commission having the desire for the EU to be involved in extraction itself and that it is aiming at economic gains. However, this thesis decided to look at the overall theme every instrument is linked to, which is the promotion of the value of sustainability in this case. The latter is in line with the values expressed in the Treaty of Lisbon.

### **Summarizing**

Based on the above analysis can be concluded that the means expressed in the Arctic policy are contributing to the strategic norm diffusion of the EU, since they are non-coercive. The means are for example cooperation, diplomacy, dialogue or funding and are all focused on persuasion of others.

There are no means expressed that are limiting the power of other actors, by for example exclusion or sanctions.

## CHAPTER 6 – Conclusion

Despite its cold climate, the most northern part of the globe is a hot topic. As the ice melts faster, regional political developments evolve quicker. In August 2013 it reached the international press that melting sea-ice caused a polar bear's death. The story garnered so much attention that it was published on the cover of *The Guardian* (2013b), illustrating how the media has directed attention towards the Arctic and, in turn, influenced the popular imagination.

In light of environmental changes, new economic possibilities, and increasing international attention, it is not surprising that the EU wants to dip its toe in Arctic waters. The EU has strong ties with more than half of the countries that comprise the Arctic region; EU member states Sweden, Denmark and Finland have permanent seats in the Arctic Council; Iceland, another Arctic Council member-state, is on its way to becoming a member of the EU (BBC, 2013b); Norway and Iceland are members of the European Economic Area; six EU member states have the status of observer of the Arctic Council; and, finally, the EU is indirectly tied to Greenland and the Faroe Islands by having Denmark among its member states.

Interest in the Arctic extends both near and far. The interest from far can be illustrated by the fact that in May 2013, India, Singapore, and China were granted observer of the Arctic Council status. The EU, geographically a close neighbor of the Arctic, started officially expressing its interest in the region in 2008. This happened shortly after Russia planted a flag on the Arctic ice. For a large part, countries' interests are based on the fact that the Arctic hides the world's largest fields of unexploited oil and gas. For that reason, opportunities for financial gain abound. However, according to the EU Commission's latest Arctic Communication (2012), the interest of the EU in the Arctic revolves around international cooperation, environmental protection, and sustainable development. The opportunity of extracting natural resources for the EU is not directly mentioned in the EU's policy objectives. The question addressed in this thesis is whether the EU's focus is purely based on member-state interests after intergovernmental bargaining or based on its own identity as a normative power. At first glance, it seems problematic to assume the first because there is no explicit link between expanding member states' economic capacity and advocating for international cooperation, environmental protection, and sustainable development. An overarching EU policy seems to restrict more specific Arctic resource exploitation policies. Especially for a country like Denmark that possess extensive territorial rights in the region, an umbrella EU Arctic policy would only restrict its power in the Arctic. This thesis focused on two theories in an effort to illuminate less intuitive explanations for the EU's policy in practice. The thesis' Arctic question framed a deeper theoretical discussion of EU interest formation and institutional cost-benefit analysis.

This chapter summarizes the aim of the thesis and the theoretical debate in which it is situated, combining the methods of chapter three with chapter five's tentative conclusions. A presentation of key research findings is followed by the verification and falsification of the specific hypothetical assumptions. The chapter reflects on the consequences of its findings on the explanatory power of both theories and provides insight into how these findings fit into the current literature. The chapter ends with a reflection on pragmatic limitations and suggestions for further empirical and theoretical research.

## **6.1 Summary of the research**

The following paragraphs provide a comprehensive summary of the research carried out this thesis and the answers it provided.

### **6.1.1 The research question**

The research question this thesis aimed to answer was:

*Why does the EU pursue an Arctic policy that is focused on sustainable development, environmental protection, and international cooperation?*

### **6.1.2 Answering the research question**

#### **LI's phase one: Domestic preference formation**

*Can the shaping of EU's Arctic policy be explained by the theory of Liberal Intergovernmentalism?*

UK's private commercial preference can be accounted for in part by the documented political and economic preferences of the UK government towards the Arctic. Even though the protection of the environment is on top of UK's Arctic agenda, the 'Commercial Dimension' has a prominent position in UK's policy documents (Foreign & Commonwealth Office, 2013). Besides oil companies, several other organizations within the UK — including those focused on shipping, tourism, and insurances — have an economic interest in the Arctic. Careful analysis shows that the UK's foreign policy towards the Arctic is partly determined by political-economic preferences that support the economic interests of the UK-based producers. That the UK government is for example restrained in restrictions on the oil drilling in the Arctic, as stated by the UK Environmental Audit Committee, is in the advantage of the domestic producers in the hydrocarbon industry.

Additionally, because of these foreign policy preferences, LI expects that the UK would be in favor of an EU Arctic policy that serves the interests of the UK-based producers. However, the EU Arctic policy is not focused on economic interests as the UK expresses them in its Arctic Framework. In fact, it can even be regarded as the opposite. Since the EU gives priority to sustainable development, environmental protection and international cooperation it would mean that an EU Arctic policy will

only restrict the activities of UK-based companies that are for example striving for Arctic resource exploitation or are organizing touristic cruises. In line with LI's expectations, the UK has however not supported an EU Arctic policy and the initiative even gave the UK reason to question the competence of the EU Commission at large.

In general, the UK sees more advantage in pursuing its interest through other international bodies involved in the Arctic such as the Arctic Council and the International Maritime Organization (IMO). Concerning geo-political concerns, the UK devotes only one paragraph to that in its Arctic policy framework. In this lone paragraph, the UK expresses its desire to contribute to the stability and security in the Arctic. Quite surprisingly, reference to British security, sovereignty, or territory is conspicuously absent. For that reason, one cannot assume that the UK is focusing on the Arctic because of constituent state geo-political interests. Based on analysis of government documents, this thesis concludes that British Arctic policy remains dependent upon the nation's private political and economic interests.

### **LI's phase two: Substantive bargaining**

The thesis' analytical part dealing with intergovernmental bargaining at the EU-level presents the different standpoints of six EU member states towards the Arctic. By comparing those standpoints, their relative bargaining power is determined and the outcome — the current EU Arctic policy — explained.

The analysis shows that, at the institutional level, divergent interests towards an EU Arctic policy exist among EU member states. Finland was the only country among the ones researched that was strongly in favor of EU Arctic involvement. Finland's motivation for an umbrella EU Arctic policy has been partly geopolitically oriented. Even though Finland possesses territories above the Arctic Circle and is a member of the Arctic Council, it did not take part in the meetings of the Arctic Five and for that reason felt excluded and diminished. Finland thus turned to the EU as a tool for improving its Arctic influence concerning international cooperation. Besides that, Finland strongly focuses on business opportunities in its Arctic strategy documents. Due to asymmetrical interdependence, LI would expect that Finland had more to lose in the bargaining process compared to involved states that are less interested in an EU Arctic settlement. With Finland enjoying less bargaining power, LI expects that the EU Arctic policy would not be perfectly shaped according to Finland's preferences alone, but instead, include elements determined by more oppositional states.

Denmark was a strong opponent of the EU's Arctic interventionism. LI expects that countries like Denmark in that case will refrain from making compromises and try to impose policy conditions in line with their own preferences. Based on that, one can assume that Denmark has had more bargaining power in the process of creating the EU Arctic policy. As the analysis has shown, Denmark did,

indeed, undertake several attempts to limit the EU's involvement in the Arctic region. For example, before the EU Commission published its Arctic Communication in 2008, the EU Parliament presented a resolution advocating a stronger EU involvement in the management of the Arctic through the establishment of an international treaty for the protection of the Arctic. The Danish insisted that this objective would not be adopted in the Communication of the EU Commission. They, in turn, attempted to influence the inter-service group that was constructing the Communication. The Danish were in support of Arctic environmental protection by the EU, but opposed to the EU's involvement in Arctic management. That is in line with the current Arctic Policy, which is revolving around knowledge, responsibility and engagement, without strong EU involvement in the Arctic management. Another important aspect to take into account is the fact that Denmark represented the interests of indigenous Arctic Greenlanders. Due to that, Denmark got into a complicated situation when the EU banned seal products, which is an important part of the indigenous Greenlanders' daily existence. Denmark however successfully advocated increased focus on the Arctic indigenous peoples in the EU Arctic policy. In general, Denmark clearly expressed its hesitation towards involvement of the EU in the Arctic in its Arctic Strategy of 2011, by calling the EU Arctic policy only of interest '*where desirable and possible*'.

The UK government was also against an EU Arctic policy and it aimed at pursuing a national Arctic policy and it wanted to pursue its policy through other platforms. The UK was skeptical towards the increasing EU supremacy and did not see the need for the EU to pursue an umbrella Arctic policy. Based on that, one would expect that the UK was imposing conditions on the EU Arctic policy. However, these exact conditions could not be found within the data.

Analysis of other countries' preferences towards an EU Arctic policy shows that France, Germany, and Sweden were positioning themselves as more or less neutral. France was pursuing its own activities towards the Arctic, while Germany did not see the need for EU involvement. Following LI one would expect that those countries were capable of imposing conditions on an EU Arctic policy, since their need for it was not as strong as that of countries such as Finland. However, the evidence does not show support for this assumption. In reality, they were simply less interested in an EU involvement in the Arctic and, generally speaking, preferred to focus to a small extent on their national Arctic policies or not on the Arctic at all. What connects the interest of France, Germany, and Sweden is that they all have an interest in increasing the Arctic research efforts. The latter is an important element of the 2012 Joint Communication of the EU Commission as well.

### **NPE's goals and means**

*Can the shaping of the EU's Arctic policy be explained by the Normative Power Europe approach?*

As outlined in the methodological chapter, the analysis of possible norm diffusion through the EU's Arctic policy was split into two dimensions. The analysis first focused on the EU's goals and thereafter it focused on the EU's means.

In case the EU is a normative power, then its Arctic policy has to contribute to its norm diffusion. To research that, the thesis' analysis compared EU's goals, as expressed in the communication of the EU Commission and the High Representative in 2012, to the EU's values concerning its external action as stated in the Treaty of Lisbon of 2009. The analysis shows that there are no inconsistencies between the goals in the EU Arctic policy and the values in the Lisbon Treaty. In case the EU would have pursued goals like oil-drilling or claiming a piece of sea on the Arctic, it would not have acted in line with the Lisbon Treaty and its policy would not have contributed to norm diffusion. No inconsistencies between both documents means that – according to NPE - the goals of the Arctic policy contribute to the extent one can regard the EU to be an actor that is applying the strategic tool of norm diffusion. This in-between conclusion provides a first piece of evidence that the EU in case of its Arctic policy can be regarded to act like a normative power in its wider environment.

Concerning the EU's means, this study focused on how the EU wants to carry out the goals of its Arctic policy. Out of every goal expressed in the EU Arctic policy the means have been extracted. For every single means, the thesis' analyzed if it is coercive or non-coercive. The analysis shows that the EU does not use any coercive means in pursuing its goals towards the Arctic. The EU uses inter alia the instruments of cooperation, funding, and dialogue. None of the means that are mentioned are dealing with sanctions or exclusions and they are solely focused on cooptation. For that reason are the results of the analysis in line with the expectations of NPE. Both the goals and the means contribute to the norm diffusion of the EU.

### **Answer to the research question**

Based on the case study conducted in this thesis can be concluded that both sub questions — *Can the shaping of EU's Arctic policy be explained by the theory of liberal Intergovernmentalism?* and *'Can the shaping of the EU's Arctic policy be explained by the Normative Power Europe approach?* — can be answered with a 'yes'. However, while NPE provides an insight in why the EU pursues this EU Arctic policy, the extent till which LI provides an insight is weak.

Focusing on the main research question - *Why does the EU pursue an Arctic policy that is focused on sustainable development, environmental protection, and international cooperation?* - the following can be concluded. First of all, the UK government pursued - besides the expressed strive for the environmental protection of the Arctic, the sustainable development and the responsibility for the Arctic inhabitants - a political-economic interest towards the Arctic through which it speaks for the interest of several UK-based groups of producers. This political-economic orientation is not in line with the EU Arctic policy as presented by the Commissions communication in 2012. EU's policy



focuses on environmental protection, sustainable development and international cooperation. This means that EU's Arctic policy cannot directly be explained by UK's preferences on 'Energy Security', 'Shipping' and 'UK Commercial Expertise, classified as the 'Commercial Dimension' within UK's Arctic Framework (Foreign & Commonwealth Office, 2013). Through this 'Commercial Dimension', the UK expressed its dependence on oil and gas, the economic potential of shipping routes through the Arctic and its intentions to share its Arctic (industry-) expertise with the rest of the world. This means that the thesis can determine that the political economic preferences of the UK are not explaining why the EU is pursuing its current Arctic policy. That does nonetheless not mean that LI can be falsified, since the UK was not interested in an Arctic policy itself.

However, related to that: it cannot go unnoticed that there's one aspect in EU's policy that should be mentioned as a potential snag. The Commission's communication expresses the following means: '*actively pursue a raw materials diplomacy*' (European Commission, 2012, p. 9-10) linked to the goal of '*promoting the sustainable management and use of resources*' (table 5.8 of this thesis). As mentioned before, the general pillars of the EU Arctic policy seemed to support the political-economic preferences of for example the UK-based producers. However, this sentence in the policy still opens up the possibility - even though it's the only one - of interpreting EU's Arctic-policy being more commercially oriented than the three main goals of sustainable development, environmental protection and international cooperation seem to point out.

The analysis of the substantive bargaining at the EU-level on the EU Arctic policy shows that the direction of the policy is influenced by the asymmetrical interdependence of the involved countries, taken into account the relatively little interest of the member states in the EU Arctic policy. By focusing on the position of the countries towards the EU Arctic policy and on their national interest towards the Arctic, the final EU policy turns out to be an outcome that includes several aspects of their interests. Based on Finland being the entrepreneur, Sweden being a mediator, the UK and Denmark being 'brakemen' and Germany and France being not very interested, the current shape and outreach of the EU Arctic policy was influenced by bargaining.

The aim of Finland was to further improve the EU Arctic policy and to let the Arctic become an important means for the EU in its external relations. Finland's policy towards the Arctic was geo-political and political-economically oriented. That was however clearly not what the Communication (2012) of the EU Commission aimed for. The EU Arctic policy does not entail mainly the goals of the entrepreneur Finland, who focused strongly on increasing its power in the north and among the Arctic-five through Arctic management and other forms of international cooperation and who moreover had a strong focus on Arctic business opportunities. This means that Finland had to make compromises in its objectives. The EU Arctic policy can instead be characterized by soft power, since the terms

‘knowledge’, ‘responsibility’ and ‘engagement’ refer to a policy carried out through non-coercive means. There are no direct measures mentioned that increase the power of the EU in the north or that focus on economic gains. This compromise seems to be partly in line with the demands of Denmark, who was against EU Arctic management through for example the establishment of an international Arctic treaty - since it wanted to keep its own control over Greenland - and it argued for the interest of the indigenous Arctic Greenlanders. The latter can be noticed through the fact that the current policy of 2012 includes an increased – compared to the EU Arctic Communication of 2008 – focus on the indigenous peoples living in the Arctic. Since the EU Arctic policy is not perfectly in line with Denmark’s, UK’s and / or Finland’s preferences (the countries analyzed with a clear statement towards the Arctic), the policy can be regarded to be a compromise between the supporting and the opposing countries. Based on these conclusions one can state that through LI the EU Arctic policy can only partly be explained. Applying the first part of the theory of LI, the domestic preference formation, does not show evidence that the EU Arctic policy supports the domestic preferences of a member-state. There is no clear link between UK’s political-economic preference through which it represents its domestic producers and the current EU Arctic policy. However, since the UK was against an EU Arctic policy, LI cannot be rejected. The second part of the theory of LI, substantive bargaining, shows that countries made a compromise at EU-level triggered by asymmetrical interdependence.

Following the theory of NPE, the thesis’ sub-question is if this Arctic policy did contribute to the strategic norm diffusion of the EU. Based on applying this thesis’ operationalization of NPE, one can conclude that the theory did explain why the EU pursues its current Arctic policy. Both the goals and the means of the EU, as expressed in the Arctic policy, are contributing the EU’s norm diffusion. This conclusion means that based on the analysis, the EU’s behavior towards the Arctic fits within the definition of the normative power identity. Firstly, the goals are in line with the norms the EU wants to spread. Secondly, to realize those goals, the EU uses non-coercive means.

Based on these conclusions is the answer to the research question that both, LI and NPE, contribute to the understanding of why the EU pursues an Arctic policy based on environmental protection, sustainable development and international cooperation. It’s clear however, that the explanatory power of LI is weak. Applying LI’s mechanism of domestic preference formation on the UK did not show how the interest of domestic producers was supported by the EU Arctic policy. The theory on substantive bargaining at the EU level explained however the formation of the Arctic policy as it exists currently.

## **6.2 Theoretical expectations and testing the hypotheses**

The thesis started at the current Arctic policy and reasoned backwards. In the EU Commission's Joint Communication of 2012 can be found that the EU is striving for environmental protection, sustainable development and international cooperation. The next step was to analyze how this policy came into being, in order to answer why EU's policy is different from the interest of some of the EU member states.

In order to research this puzzle, the thesis made use of the theory of Liberal Intergovernmentalism and the Normative Power Europe approach. Since the 1990's is LI (Moravcsik, 1998) a very often-used framework for understanding the integration of EU policy. It is an approach that puts emphasize on the preferences of the member states, who are the units of analysis when researching the EU's behavior. LI expects that the member states always act rationally and that their aim is to influence the direction of the EU policy as much in their interest as possible. According to LI is the EU merely a coordinator that does not influence the content of the Arctic policy by itself. The EU solely manages the bargaining, while the member states call the shots. Phase one of LI consists of the preference formation within a EU member state towards the respective EU policy in order to determine where a country's preference at the EU-level is based on. LI distinguishes two types of interest of dominant domestic societal groups: political-economic interest and geo-political interest. The combination of the preferences of the societal groups, transmitted through domestic institutions and practices of political representation leads to a single standpoint of a country at the EU-level. Continuing, phase two consists of the bargaining at EU-level between member states, until a substantive agreement is reached. The states analyzed in this thesis are the ones that are also studied by Moravcsik (1998) in order to prove his theory. Besides that, the EU member states possessing Arctic territory are also included.

Even though LI is considered to be a grand theory in the literature on European integration and for that reason a solid starting point for this thesis to analyze the shaping of EUs interest, it faces complications in understanding the outcome of EU policy-making in the shape of the current EU Arctic policy. There seems to be a contradiction between the interests of some member states and the EU's Arctic policy, and for that reason this thesis applied the theory of NPE. NPE approaches the EU from a normative viewpoint, and argues that the EU is a distinct actor that diffuses norms by its external policy. The norms the EU diffuses shape the EU's wider context in which it interacts with other actors. For that reason, NPE expects that the goals and the means to realize a certain policy are contributing to this norm diffusion. NPE argues that the values the EU pursues through its policy are incorporated in the treaties and practices of the EU. For that reason the treaty of Lisbon forms an important external reference point for analyzing if the goals of the Arctic policy do contribute to the strategic goal of norm diffusion. The same goes for determining if the means expressed in the Arctic

policy are either coercive or non-coercive. They need to be the latter in order to contribute to norm diffusion.

The following paragraph determines the consequences for the theoretical expectations based on this thesis' case study. Paragraph 6.1.2 has answered why this policy occurred and what follows is an answer on the theoretical puzzle. First will be reflected upon the applied hypotheses. Thereafter, the thesis evaluates the general theoretical hypotheses and the consequences for the explanatory power of both theories.

### **6.2.1 Hypotheses National Preference Formation**

Concerning the national preference formation, the thesis tested the following applied hypotheses:

#### **1.1A**

If the EU Arctic policy serves the political economic interest of state Y, state Y will be in favor of the EU Arctic policy.

#### **1.2A**

If the EU Arctic policy serves the geopolitical interest of state Y, state Y will be in favor of the EU Arctic policy.

#### **1.3A**

When geopolitical interest and political economic interest of state Y clash concerning the EU policy on the Arctic, political economic interest will have the upper hand since that is the crucial factor contributing to European integration

Based on the answers presented in paragraph 6.1.2 can be concluded that hypotheses 1.1A and 1.2A are **accepted**. The UK is clearly not in favor of an EU Arctic policy and at the same time the EU Arctic policy does not serve the political-economic interest of the UK. The commercial dimension is an important pillar of the UK's Arctic Framework, which is however not to be found in the EU Arctic policy. Moreover, concerning hypotheses 1.2A, there are no clear geopolitical motivations to be found in UK's Arctic framework. Based on the latter can be concluded that there is no clash between geopolitical interest and political economic interest, which makes hypothesis 1.3A not applicable.

Although not in depth researched, its important to mention briefly the national preferences of Denmark and Finland. Denmark had a strategic interest in as few EU-involvement in the Arctic as possible, mainly because of Greenland. Finland on other hand wanted to increase its power in the north and aimed for enlarging its Arctic business. Both Denmark and Finland seemed to be partly driven by geo-political interest, which is however a preference that cannot be traced back in the

current EU Arctic policy. Based on the indication of Finland's and Denmark's interests, hypotheses 1.2A could in case of Denmark be accepted. In case of Finland it is however questionable if 1.2A could be accepted. The EU Arctic policy is not expressing geo-political or political-economic concerns, while Finland is strongly supporting the EU policy. Based on these indications, one could speculate that Finland partly used the EU Arctic policy for fulfilling underlying geo-political goals; this however remains a topic for further research focused on for example whether Finland was representing its domestic societal groups.

### **6.2.2 Hypothesis Substantive bargaining**

Concerning the substantive bargaining at EU-level, the thesis was testing the following applied hypothesis:

#### **2.1A**

If at EU-level an agreement is reached between member states about the Arctic policy, it reflects the relative bargaining power and preferences of the member states.

Based on the answers in paragraph 6.1.2 hypotheses 2.1A can be **accepted**. The thesis' analysis shows that the EU Arctic policy reflects the asymmetrical interdependence of the countries researched in the bargaining process at the EU-level. Finland was strongly supporting an EU Arctic policy while on the other hand Denmark was opposing an increased EU involvement in the region. In the end, the Arctic policy did not include suggestions for Arctic management, like an international Arctic treaty with legally binding agreements, or increased Arctic business as was both supported by Finland. The final outcome did not have strong implications and did not deal with actual involvement in Arctic politics, focused on environmental protection, sustainable development and international cooperation and can for that reason be regarded a middle way. Furthermore, the Commission's Communication of 2012 shows an increased focus on the indigenous peoples living in the Arctic, as was of importance for Denmark.

### **6.2.3 Hypothesis Normative Power Europe**

Concerning the theory of NPE, the thesis was testing the following applied hypothesis:

#### **3.1A**

If the EU Arctic policy is based on the EU's normative identity then the Arctic policy's goals and means are in line with the EU's goal of norm diffusion.

Based on the answers presented in paragraph 6.1.2 this thesis concludes that hypothesis 3.1A can be **accepted**. The analysis shows that the goals the EU pursues towards the Arctic are contributing to the norm diffusion of the EU, since they are in line with EU's values as expressed in the Treaty of Lisbon. Moreover, also the means through which the EU carries out its policy towards the Arctic contribute to the normative character of the EU, since they are non-coercive. The goals and the means fit within the values the EU intends to spread through its external action, as stated in the Treaty of Lisbon.

## **6.3 Reflection on the consequences for the theories**

Concerning the domestic preference formation, the thesis was testing the following theoretical hypotheses:

### **1.1**

If supranational policy X serves the political economic interest of state Y, state Y will be in favor of policy X.

### **1.2**

If supranational policy X serves the geopolitical interest of state Y, state Y will be in favor of policy X.

### **1.3**

When geopolitical interest and political economic interest of societal groups of state Y clash, political economic interest will have the upper hand since that is the crucial factor contributing to European integration.

Accepting hypotheses 1.1 and 1.2 means that the theory of LI does not experience complications in explaining the interest of the EU, as stated in its policy, towards the Arctic. LI argues that when a country has political-economic interest towards a certain topic, as stated in hypothesis 1.1, this should be reflected in the related overarching EU policy. Since the UK is not in favor of an EU Arctic policy, hypothesis 1.1 can not be falsified in this thesis and for that reason there are no consequences for the theory. Hypothesis 1.2 can neither be falsified in the case of the UK. Although the UK does express geopolitical preferences towards the Arctic, the fact that it is against the EU Arctic policy makes it not possible to reject hypothesis 1.2. That hypothesis 1.2 could be relevant in other cases – even though not in depth researched in for example the case of Denmark and Finland – is striking. Moravcsik argues that political-economic interests are way more relevant in the process of EU integration than geopolitical interests (Moravcsik 1998). Important to mention is that the conclusion on hypotheses 1.1 and 1.2 provides reason for further research on the function of LI, since this is a weak acceptance of the

hypotheses. The UK is still bound by the overarching EU Arctic policy, while it is not in line with its goals.

Concerning the substantive bargaining at the EU-level, the thesis was testing the following theoretical hypothesis:

### 2.1

If at EU-level an agreement is reached between member states, it reflects the relative bargaining power and preferences of the member states.

That hypothesis 2.1 is accepted means that this thesis does not cause any strong implications for the part of LI on substantive bargaining on the EU-level. However, it is important to make a side-note here: the EU Arctic policy lacked relatively strongly the interest of the EU member states. Just a couple of states were interested in the policy formation and bargaining at the EU-level and there was a lack of knowledge on the Arctic. LI expects a central role for the member states in the formation of EU policy but it also accepts that the Commission can play a role in case the states do not strongly speak out their interest. This role of the commission provides reason to focus in further research on the actual decision-making on EU-level. That focus should be on the degree of influence of the member states and that of the commission on the outcome.

Concerning the theory of NPE, the thesis was testing the following theoretical hypothesis:

### 3.1

If the EU's foreign policy is based on the EU's normative identity then the policy's goals and means are in line with the EU's goal of norm diffusion.

That NPE is able to explain why the EU pursues this recent established policy in the Arctic is in line with the recently initiated refocus in the literature on explaining EU policy formation. The literature refocused from the empirical way of looking at the institutions and policies of the EU towards a stronger focus on analyzing the EU through cognitive processes that include substantive and symbolic variables. The theory of NPE is a relatively young theory that is still in its infancy when it comes to the possibilities of empirically applying it. Since Manners (2006) initiated the measurement tool of comparing an actor's policy with an 'external reference point', several operationalizations based on that have been created in the years that followed. Those operationalizations have the common problem of having difficulties providing strict guidelines on how to measure the normative character of the EU. Most of the studies on NPE are testing the normativity of the EU by focusing on the diffusion of a certain norm. This thesis reasoned the other way around by stating that: if the EU is a normative actor,

then the goals and means expressed in a specific policy should contribute to its norm diffusion. That idea makes this research contribute to the current debate, since it provides the possibility of measuring the normativity of a specific EU policy instead of measuring the normativity of the EU itself. This means that this research showed how the theory of NPE is applicable in a single case study. By focusing on the treaty of Lisbon when analyzing EU's goals and by analyzing if EU's means are non-coercive, the study showed that there can be useful operationalizations constructed to apply NPE on a single EU (foreign) policy. This thesis concludes that NPE has the potential of explaining why the EU pursues a certain policy. However, one has to be restrained in concluding that the EU diffuses norms through its policy by merely checking if the goals and means fit within the criteria, since one is studying a certain subject in a certain context. This critical thought can be illustrated by the review of the means '*actively pursue a raw materials diplomacy*' (European Commission, 2012, p. 9-10). Within the operationalization of this thesis this is considered to be non-coercive, but there is room for a different interpretation when taking the recently emerged international diplomatic interest in the economic potential of the Arctic into consideration. This final critical note, showing that EU policy is maybe not to a full extent focused on norm diffusion, provides reason to combine both LI and NPE in future research in this case. Since LI cannot be fully rejected, it might be plausible that till a certain extent the theories combined creates a stronger understanding of why the EU does what it does in the Arctic. The EU Arctic policy might be driven by norm diffusion and rational interest of the member states at the same time, both however not to a full extent.

## 6.4 Reflection on the limits of this research

Even though this research is carefully prepared, there are several shortcomings. Concerning the sources that are consulted, interviewing officials within the EU would have given further insight in the substantive bargaining between countries towards the establishment of the EU Arctic policy. It would also have been an option to focus more in depth on the countries that had relatively more influence on the policy formation on the EU-level, like Denmark. Concerning the research on the domestic preference formation, it would have been useful to study the interest formation of Finland, who is highly in favor of the EU Arctic policy. Because the UK was not in favor of a EU Arctic policy, it could be considered to be a weaker case for making conclusions towards hypotheses 1.1 and 1.2. When testing hypothesis 2.1, one would expect that the UK argued against the EU Arctic policy and that the outcome was depended on the power and preferences of the relevant member states. This seemed the case, however, a stronger in-depth analysis of what states pursued individually on the EU-level towards an EU Arctic policy would have provided a stronger acceptance of hypothesis 2.1. Furthermore, the EU is a complex bureaucratic system in which a large amount of actors are involved that cannot all be analyzed within the limits of a thesis. The current research offers a glimpse of how the developments at different EU institutions concerning the Arctic policy have affected EU's



general policy direction towards the Arctic. Moreover, concerning the functioning of the theory of NPE, an assessment could have been made of which specific norms the EU tries to pursue through its Arctic policy, like sustainable development and respect for human rights. Analyzing if the Arctic policy aims at diffusing those norms can give a better understanding on what the EU externally tries to achieve with its Arctic policy.

## 6.5 Prospect of further research

Further research should focus on the question whether member states – in case they particularly focus on political-economic and/or geopolitical goals – might use an EU External Action policy rationally as a means to obtain a legitimate voice in a particular region. It might be that Finland partly did this, by using the EU to gain a greater say due to the fact that it was not welcome in the meetings of the Arctic Five. Business opportunities and international cooperation are among the main motivations for Finland, while the EU does not address them directly. For EU member states that do not have a legitimate voice in the Arctic can the EU be the perfect platform to get a piece of the Arctic pie. A first step in researching this could be by an in-depth comparison of the Arctic strategies – of the countries that have one – and outline their overlap and differences.

Further research should moreover focus on whether the EU as an actor itself could have a strategic interest in shaping the norm it diffuses in such a way that it, as a main focus, does not bring any damage to the EU's economic competitiveness. The latter could for example be the case within the EU enlargement policy. It can be questioned if enlargement is based on diffusing certain norms or if it is based on a more economic way of reasoning. The on-going debate between scholars on the underlying-motivation of an EU policy shows that it is not always entirely clear what the commitment of the EU exactly means. Is it for example really focused on the Arctic sustainable development or is there an economic ambition underneath it for the EU, as '*Actively pursue a raw materials diplomacy*' could indicate (European Commission, 2012, p. 9-10)? This question could be studied by focusing on the actual impact of the EU's policy on its own economic competitiveness in the long run, by looking at for example the investments of the EU towards the Arctic and their consequences.

Another prospect of further research is to study the general interest of the EU member states in an umbrella Arctic policy. There was a strong lack of member states-involvement in the creation of the EU Arctic policy and partly due to that the development experienced a couple of setbacks. However, the EU institutions did not devote a lot of attention to the Arctic either, as can be concluded based on the delays in publishing documents by the EU Commission and the Council of the EU. There were a couple of EU policy-makers having a relatively high amount of knowledge on the Arctic and they were for that reason more influential. It is moreover striking that the inter-service group working on

the EU Arctic policy consisted of mostly members from the Directorate-General for the External Relations and that an Arctic expert from the European Environmental Agency was the only external member. Having only members from a certain department could strongly influence the policy direction. In order to research whether certain policy makers have been fighting for the interest of their department one could for example carry out a bureaucratic politics analysis. Such an in-depth assessment potentially provides key insights in how the EU Arctic policy is created on another level, between the member states-level and the EU-level.

*That the EU Commission had a central decision-making role within the formation of the EU Arctic policy provides a reason to question the functioning of LI and increases the belief in the functioning of NPE. By applying LI this thesis presents the highly differentiating preferences of member states towards the Arctic. In case the EU is living up to a certain normative identity then the high differentiation in preferences of the member states means that the EU needs to be careful in choosing the identity it is portraying of itself on other actors through its Arctic involvement. There are a few member states interested in an umbrella Arctic policy, of which a couple have different preferences then expressed in the EU Arctic policy. Moreover, for some non-EU countries, like Canada or Greenland, is the EU risking a good relationship over the hunt for seals. This thesis shows that the EU is therefore from several perspectives politically standing on thin ice with its recently established Arctic policy.*

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Picture of the thesis's author at the Nordkapp, Norway (Photo by Tuomas Helminen, 16 December 2012)