

Original Paper

The Present Situation and Direction of the U.S.-Russia Arctic Resource Development Game

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Received: September 29, 2023 Accepted: October 17, 2023 Online Published: October 19, 2023

doi:10.22158/sss.v4n4p54

URL: <http://dx.doi.org/10.22158/sss.v4n4p54>

Abstract

In the current period, Global warming is becoming more serious and Arctic glaciers are melting at a relatively rapid pace. This has led to an increase in its resource, navigational and scientific value. In the Arctic geopolitical relations, the U.S.-Russia relationship is undoubtedly one of the key bilateral relations. The Arctic region is rich in resources, and both countries are working together to develop these resources, while they have fought over border demarcation and shipping lanes. In the future, the U.S. and Russia will continue and even intensify their confrontation in the Arctic region, but both sides are expected to continue to strengthen their cooperation in low-level areas.

Keywords

Arctic region, resource development, the great game, United States, Russia

1. Introduction

The geopolitical and economic value of the Arctic has returned to the public eye as the global climate continues to warm, resource deposits continue to be discovered and development and transportation technologies improve. The Arctic is home to 13% of the world's unexploited oil reserves, 30% of the world's unexploited natural gas reserves, as well as large quantities of unexploited resources such as uranium, rare-earth minerals, gold and diamonds, and rich fisheries resources. Warming of the climate has led to the melting of large areas of Arctic glaciers and sea ice, making it possible to have a permanent presence in the Arctic and to carry out shipping, and, as "circumpolar countries", the United States and Russia are the main participants in geopolitical competition in the Arctic, and have always been in a dominant position in geopolitical competition among the great powers in the Arctic region.

Russia is one of the world's leading resource countries, with 20% of its GDP and a range of exports originating in the Arctic. In the present era, there is a consistent decline in the actual production of conventional oil and gas regions year by year. In this context, the Arctic resource reserves have

progressively emerged as a vital factor enabling Russia to exert influence on the global economic landscape. In the Strategy for the Development of the Russian Arctic and National Security until 2020, Russia has mentioned the need to build its resource reserve base in the Arctic to ensure the country's energy security.

The United States places emphasis not only on addressing global energy demands but also on ensuring that the development process aligns with pre-established environmental standards and respects the fundamental interests of indigenous communities, all while adhering to the principle of an open market. The Biden administration unveiled an updated iteration of the National Strategy for the Arctic Region in 2022, highlighting the imperative to harness diverse Arctic energy sources in order to enhance the United States' energy security in the foreseeable future.

Due to the special characteristics and complexity of the Arctic region, the relationship between the United States and Russia in the Arctic region presents a complex situation of competition and cooperation. The objective of this research paper is to examine the competitive dynamics between the United States and Russia in the development of Arctic region resources. This analysis serves as a foundation for understanding the future trajectory of the United States and Russia in their endeavors related to resource development in the Arctic region.

2. United States-Russian Cooperation in the Field of Arctic Resource Development

Cooperation between the United States and Russia in the resource-based economy has been extensive and wide-ranging. In the middle of the last century, the United States and Russia hoped to establish various types of infrastructure in the Bering Strait. In addition, energy development companies from both countries are looking to work with each other in the complexities of the Arctic, and some cooperative projects have been signed. Furthermore, energy development firms from both nations are actively seeking opportunities for collaboration in the challenging Arctic environment, leading to the signing of several cooperative projects.

2.1 Cooperation on Fisheries Resources

Since 1988, the United States and Russia have been working together on fisheries issues, such as addressing illegal fishing, and in 2013, the United States and Russia signed a joint statement on combating illegal fishing and managing Arctic fisheries scientifically and effectively (Bai, Sun, & Zhang, 2016). At present, the United States and Russia, along with other nations in the region, are actively collaborating on various matters pertaining to Arctic fisheries.

Russia's fishery resources in the Arctic are very rich, and the Arctic fish catch accounts for 15% of Russia's total fish catch. In the coming period, the fisheries catch in this area is bound to increase. Even though the Arctic contains a large number and diversity of resources, it is difficult to exploit. For one thing, the Arctic is a very cold and alpine region, and for another, the development of diverse resources requires attention to the ecological impacts of development activities in the Arctic, which is likely to be significantly impacted by anthropogenic activities. Therefore, Russia needs to actively seek cooperation

with other countries as an inevitable option for accessing the natural resources of the Arctic region, if it is to be supported by adequate funding.

2.2 Cooperation in Energy Development

Around Arctic energy development, both the US and Russia are currently intent on becoming the dominant players in Arctic energy development. There is evidence that Russia will push forward with Arctic oil and gas resource development. Daria and Elena (2020) refutes the application of the resource curse theory to the Russian Arctic, arguing that its proportion of Arctic renewable energy is slightly higher than the global average. In March 2020, Russia introduced the “Fundamental Policy of the Arctic State of the Russian Federation for the period up to 2035”, which considers the Arctic region as a key area for oil and gas development priority region, with the intention of increasing investment in Arctic oil and gas development technology. Given Russia’s advancing strides in Arctic development, the United States has also started to progressively prioritize the exploration of Arctic energy resources. Before 2013, Arctic energy development was not the centerpiece of the U.S. Arctic policy in 2013, after the Obama administration issued a document entitled “National Strategy for the Arctic Region,” the development of Arctic energy began to receive U.S. attention. After Trump came to power, he launched the “U.S. Priority Energy Strategy” and withdrew from the Paris Climate Agreement, with the intention of increasing U.S. fossil energy production, and the development of Arctic energy has gradually been emphasized. In the future, there is a potential for conflict between the United States and Russia regarding the exploitation of Arctic energy resources, but it is important to acknowledge that cooperation between the two sides is not entirely ruled out.

As the Bering Strait littoral countries of the United States and Russia at different levels are actively seeking cooperation in energy development. Due to the poor climatic conditions in the Arctic, and at the same time, the geology is also relatively complex, so even if the Arctic’s own energy reserves are relatively large, it is difficult to explore and exploit them, in this case, development workers must meet the more stringent technical standards. Because most mining vessels must travel through the Bering Strait, the U.S. and Russia hope to collaborate on energy development.

2.3 Cooperation in Waterway Development

The Northern Sea Route is a shortcut that connects the Atlantic and Pacific Oceans, greatly reducing the distance of the route compared to other routes. To minimize transportation expenses and lengthy trading cycles linked to extended routes, this approach promotes the systematic and logical distribution of diverse resource types, effectively reducing resource waste. However, the Northern Sea Route, in addition to effectively addressing these issues, also reduces environmental pollution. Russia has taken measures to enhance the administration of the Northern Sea Route and bolster infrastructure development in order to facilitate the advancement of the waterway. However, the high cost of infrastructure construction and the technical requirements have prompted Russia to cooperate with other countries, and the United States is a good partner.

In May 2018, the U.S. and Russia applied for a joint proposal on the need to construct bi-directional shipping routes, to inform ships of certain hazardous areas that must be avoided, to minimize the probability of collisions between ships, to effectively prevent and reduce pollution, and to maximize the protection of the existing marine environment (Stephanie, 2019). The adoption of this proposal, which significantly improves safety in the Bering Strait due to the small size of the channel, is one of the rare success stories of U.S.-Russian cooperation on Arctic issues.

3. Competition between the United States and Russia in the Field of Arctic Resource Development

The U.S.-Russian relationship in the Arctic is intricate, with cooperation in areas such as environmental protection and competition in military security, and even a complex race to the bottom in the same area (Sun & Zhang, 2021). For Russia, the Arctic region is where its hopes for economic revitalization lie, as well as the bottom line of its strategic space. The U.S., on the other hand, sees great potential for future development in the Arctic region and sees it as a strategic focus for the promotion of “freedom of navigation” and containment of Russia. The conflict of interests and the intensification of cognitive confrontation between the two countries have led to an increasing security confrontation between the United States and Russia in the Arctic region (Jiang, 2020).

3.1 U.S.-Russian Border Demarcation Dispute in the Arctic Region

The United Nations Convention on the Law of the Sea (referred to as “the Convention”) is presently the globally acknowledged primary legal framework governing the oceans and seas, it entered into force in 1994 and has been signed and ratified by 152 States, making it universally applicable. The Convention is the “default norm” for the delimitation of polar maritime zones by all countries today, due to the lack of a comprehensive international legal norm applicable to the polar regions. Except the United States, which has not yet acceded to the Convention, Russia, Canada, and other Arctic-area countries are parties to the United Nations Convention on the Law of the Sea (UNCLOS). Although the United States has signed the Convention, it has not been ratified by Congress, and as a result, the United States has been limited in its access to numerous maritime issues. Russia is the largest of the eight Arctic nations, and with its unrivaled coastline in the Arctic, it is still in first place in terms of the size of the Exclusive Economic Zone (EEZ) covered by the Convention. This is why Russia wants to incorporate its continental shelf boundaries into its Arctic strategy, relying on international law.

The United Nations has introduced Convention 76, which is aimed at a large number of developing countries and provides that coastal developing States have an outer continental shelf extending up to 200 nautical miles from their coastline, in which they are free to exploit various types of resources and to conduct more in-depth scientific research. The United States pointed out that this mechanism would safeguard the fundamental interests of all States, but would not be conducive to the navigational interests of the United States in international waters (Miao, 2018). According to U.S. naval experts, the ownership of the Arctic Ocean by a collection of Arctic countries may give rise to a relatively tense

situation. As a consequence, the disparities between the United States and Russia concerning the delineation of the continental shelf in the Arctic Ocean are growing increasingly evident.

3.2 U.S.-Russian Dispute over the Ownership of Shipping Lanes in the Arctic Region

The Arctic sea lanes play a crucial role in the national defense strategies of Arctic countries, serving as vital routes for accessing the coastal regions in the northern areas. The United States is very concerned about “freedom of navigation” and does not believe that Russia has sovereignty over the Arctic Ocean’s coastal shipping lanes. However, due to its geographical location, Russia continues to exercise scientific, effective, and precise control over the northern sea lanes and has implemented a series of security and defense measures.

3.2.1 Attribution of the Northern Fairway

The United States supports the internationalization of the Northern Sea Route, whereas Russia opposes it, asserting its sovereignty over the region. However, the U.S. Arctic Strategy also refers to the need for the U.S. to defend the sovereignty of its neighboring waters and the need for appropriate “control” around the Arctic. The United States asserts that the legal status of the Arctic shipping lanes is that of international straits and contends that they fully satisfy the criteria for such classification. In terms of geographic criteria, the Arctic sea lanes, which connect the Pacific Ocean to the Atlantic Ocean, fully meet the criteria of an exclusive economic zone, which is widely recognized by the international community. The U.S. insists that the Northern Sea Route is a representative international sea route that is accessible to all countries, and in this regard, the U.S. hopes that China and Japan, which are non-Arctic countries, will put pressure on Russia to internationalize the issue of the Northern Sea Route through international multilateral cooperation.

Based on the pre-2020 Principles, the Northern Sea Route is one of Russia’s key national interests in the Arctic (Arctic Issues Study Writing Group: Arctic Issues Study, 2011). Russia has pointed out that non-national vessels wishing to use this waterway are required to apply to it first and, if approved, to abide by the rules of navigation and pay the appropriate fees, as Russia has always considered the Northern Sea Route as its internal waters. The United States and Russia encounter challenges in reaching a consensus regarding the legal status of the shipping lanes, giving rise to substantial disparities and contradictions between the two nations. This divergence significantly impacts the cooperation between the United States and Russia across various Arctic matters. In the current period, the Arctic temperature continues to rise, the glaciers are melting at a very rapid rate, and this contradiction will also gradually increase. In essence, the position put forward by the United States, in addition to failing to safeguard the fundamental interests of Russia, safeguards the fundamental interests of all the other countries, therefore, the international community, the vast majority of countries have supported the United States, and because of this, the issue of the northern sea lanes may be gradually transformed into an international issue (Huang & Zhang, 2014).

3.2.2 Dispute over the Rights and Interests of the Northern Fairway Routes

In the current period, the world climate is gradually warming up, due to the glaciers melting at a very rapid speed, so the Arctic Ocean shipping lanes are being opened, and commercial routes have been introduced, which directly affects the global maritime transportation pattern and has a very important influence on it. The Arctic shipping lanes have become an international issue, and the economic value of the Arctic region is not to be underestimated by the coastal countries, and the competition for the rights and interests of the shipping lanes is the focus of the competition. Russia has a cumulative land area of more than 17,000,000 square kilometers, of which the Arctic accounts for about 8%, but the Arctic's GDP is 20% of that of Russia (Guo, 2009).

The majority portion of the Northern Sea Route is situated within the Arctic Ocean region, north of Russia. Consequently, the emergence of this route has presented Russia with significant economic advantages. The globalization of trade has led to the rising strategic importance of the Northern Waterway. As Russia seeks to create a world-class trade route with global reach, it has continued to legislate to improve the channel's infrastructure, and in 2013 it introduced amendments to the Special Law of the Russian Federation on Amendments to the Government Regulation on Commercial Shipping in the Waters of the Northern Sea Route. From the outset, Russia has consistently prioritized maintaining complete control over the Northern Sea Route and safeguarding its core interests in this maritime passage.

The United States seeks to achieve unrestricted navigation in the Arctic Ocean. To this end, the U.S. military is fully committed to ensuring navigation stability and maintaining a high level of safety throughout the navigation process. In order to accomplish this objective, the U.S. military must conduct comprehensive and meticulous monitoring of various hydrometeorological conditions that could potentially jeopardize shipping safety. This monitoring effort is essential for gathering precise and comprehensive intelligence information. The U.S. military pointed out that environmental monitoring must be associated with all the Arctic countries, and once this program is implemented, Russia in the northern sea lanes in terms of economic income will be significantly reduced.

4. Development Trend of the U.S.-Russian Game of Resource Development in the Arctic Region

The intrinsic relationship between the United States and Russia in the Arctic primarily revolves around security concerns. However, due to substantial disparities in their respective Arctic strategies, the two countries find it challenging to complement each other effectively. Consequently, the intertwining of their diverse interests has resulted in intermittent instances of friction and cooperation when addressing Arctic matters.

4.1 U.S.-Russian Confrontation in the Northern Sea Route will Generally Continue and Even Intensify

In recent years, the United States has increasingly recognized the strategic significance of the Arctic region, leading to a shift in its focus towards the Arctic in terms of diplomacy, economy, and military affairs. Under these circumstances, Russia, which controls the northern sea lanes, has naturally become

the biggest obstacle to the realization of the U.S. Arctic strategy and the launching of the freedom of navigation program. The two most recent U.S. Arctic strategies have identified Russia as a major threat and proposed more determined and decisive measures in the Arctic. In January 2021, the U.S. Navy released a strategic document called “Blue Arctic.” The document states that “without a sustained U.S. Navy presence and partnership in the Arctic, peace and prosperity will be increasingly challenged by Russia and China, two nations with interests and values that are very different from ours” and that “the U.S. Navy must act more decisively in the Arctic to keep Arctic waters free and open” (US navy arctic strategy: New challenges in a “Blue” Arctic, n.d.). In addition, after the new U.S. President Joe Biden came to power, he strengthened the top-level design of Arctic military strategy by introducing a series of Arctic strategy documents, positioning Russia as a “competitor” in the Arctic region. In February 2021, the United States Air Force made a significant move by deploying B-1 bombers, armed with nuclear warheads, to Norway. This deployment marked the first time such bombers were stationed in Norway and ventured deep into the Arctic to engage with their counterparts. In February 2021, the U.S. Air Force deployed B-1 bombers with nuclear warheads to Norway for the first time and launched joint training with other countries in the Arctic, further heating up the situation in the Arctic region (With bombers and boats, US-Russian competition heats up in the frozen Arctic, n.d.).

Russia has important national interests and sovereignty claims in the Arctic. The Strategic Plan for Arctic Development until 2035, which was published in 2019, reiterates the economic and political importance of the Arctic region. Russia’s strategic objectives in the Arctic are mainly achieved by geopolitical advantages and strong military power (Sun & Ma, 2016), therefore, in order to control the Arctic region’s extremely critical Northeast Passage, Russia will inevitably continue to strengthen its military presence in the region in order to stabilize its own national interests and to deter the United States and its allies. At the end of 2020, Russia announced that it plans to deploy in the Arctic region its state-of-the-art Dagger “In late 2020, Russia announced plans to deploy in the Arctic its most advanced air-launched hypersonic missile, the Dagger, which is capable of changing trajectory in flight to avoid interception by missile defense systems.

4.2 The United States and Russia are Expected to Continue to Strengthen Cooperation in the Low Arctic

The U.S. and Russia have had a good basis for cooperation in the past in Arctic scientific research, tourism, and joint exercises by border services, and are expected to continue to strengthen their cooperation in these areas in the coming period. Here’s why: the U.S. Freedom of Navigation Initiative is a global program, not just for the northern shipping lanes. The Arctic is also not the core strategy of the United States, but only part of its global strategy. In recent years, the United States has been enhancing its infrastructure and military footprint in the Arctic region, however, it has yet to directly confront Russia. For example, as far as icebreakers are concerned, Russia currently has four nuclear-powered icebreakers, with a fifth to be built at the end of 2020 at the Baltic Shipyard in St. Petersburg. In contrast, the United States has only one icebreaker in Coast Guard service. At the same

time, to contain the rise of China, the United States will also choose to ease relations with Russia to a certain extent, and the Arctic is a good choice for a low degree of cooperation. U.S. Secretary of Defense nominee Lloyd Austin said the U.S. and Russia have a long history of cooperation in the Arctic, and hopes that this cooperation will continue (U.S. Defense Secretary nominee hopes Cooperation with Russia in the Arctic will continue, n.d.).

Unlike the United States, the Arctic is for Russia the resource base for its future economic development and an important dependency for its renaissance. Especially in the aftermath of the Russia-Ukraine conflict, Russia is confronting severe sanctions imposed by Western nations, as well as strategic encirclement from the United States and NATO in both the eastern and western directions. Consequently, the strategic significance of the Arctic region has been further amplified. Currently, Russia's main goals in the Arctic are to develop its economy, develop the northern sea lanes, protect the environment, and safeguard its sovereignty, although it has continued to strengthen its military presence in the Arctic, it does not mean that it will take the initiative to provoke a conflict. On the contrary, Russia has conveyed its inclination to collaborate with the United States to a certain degree in the Arctic region. Nikolai Korchunov, a specially commissioned ambassador of the Russian Foreign Ministry and a senior official of the Arctic Council of the Russian Federation, has said, "If the U.S. also considers such cooperation appropriate, Russia will be ready to engage in a dialog with the new U.S. administration on the matter. The Arctic needs to engage both bilaterally and multilaterally" (МИД готов к диалогу с новой администрацией США по проблемам Арктики, n.d.)

To summarize, the bilateral relations between the United States and Russia, as world powers and Arctic powers, will not only have a direct impact on the development of the Arctic geopolitical landscape in the coming period but will also be closely linked to the international landscape. After Biden's rise to power, the confrontation between the United States and Russia in the Arctic region will continue or even intensify in the future, and the United States may carry out regularized "freedom of navigation operations" in the northern sea lanes, but the two sides are still expected to continue to strengthen their cooperation in the low-intensity areas.

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