Two events of major import for Russia’s foreign policymaking occurred in quick sequence in the middle of this pandemically perturbed year of 2021. On May 20, Russia assumed for two years the rotating chairmanship of the Arctic Council, an intergovernmental forum of eight northernmost states—Canada, Denmark, Finland, Iceland, Norway, Sweden, Russia, and the United States—that has had twenty-five years of remarkably smooth sailing. On June 16, the U.S. and Russian presidents met in Geneva and made a start on reducing tensions inherent to the evolving confrontation by identifying issues and areas where cooperation could be fruitful. The Arctic was mentioned only tangentially in their deliberations, but it is definitely one of the more promising fields for cooperation, even compared with the prioritized and overloaded consultations on strategic stability. President Joe Biden put a strong emphasis on his intention to ensure that Russia’s behavior should become “stable and predictable,” and complex interactions in the Arctic are set to constitute a part of President Vladimir Putin’s response to this message. However, for Russia, the double paradox of unprofitable economic development and self-serving militarization of the Arctic leaves its policymaking heading toward a dead end, in which the Kremlin tries to stay on the course of diverging tracks of cooperation and competition but harvests scant fruit on either.

**Fossil Fuels and Burning Taiga**

Russia has traditionally pursued a properly articulated but low-cost policy on climate change and ecology more generally. Putin’s participation in the climate summit called by Biden in April 2021 was correct on discourse but scarce on commitment, even if it was gradually dawning on Moscow that in order to make its chairmanship in the Arctic Council a success, it needed to develop a more impactful agenda. What focused the attention of the Russian leadership was the EU’s plan to introduce a “carbon tax” (officially known as the Carbon Border Adjustment Mechanism) on goods produced in countries with lower environmental standards. According to initial estimates, Russia

---

1 Pavel Baev is a Research Professor at the Peace Research Institute Oslo (PRIO), Norway.
would have to pay as much as $1.2 billion from 2026, more than any other country. Moscow has feebly condemned “green” thrusts in EU policy as malign attempts to curb Russia’s development of hydrocarbons in the Arctic while also eyeing its fast-growing scope of necessary investments for erasing the label “dirty” from Russian oil and gas.

Massive investments are also needed for addressing the combination of man-made and natural disasters in the Russian Arctic. The record-setting oil spill from a collapsed storage tank near Norilsk in May 2020 was not an isolated accident, and the fire on a Gazprom processing plant near the northern city of Novyi Urengoi in August 2021, which disrupted the export of natural gas to Europe, was also a predictable setback. The main cause of the chain of breakdowns is melting permafrost, which turns many elements of the complex infrastructure of oil and gas production unstable while also becoming a major source of emissions in itself. As the research of climate scientists focuses on methane as a dangerous pollutant, the key proposition in Russian energy strategy on expanding the export of natural gas as a “clean” alternative to coal, which is also exported in growing volumes, particularly to China, loses credibility.

What has added urgency to policymaking on these matters are the largest ever forest fires in Siberia in the summer of 2020, which were duly registered by NASA, even if the mainstream Russian media preferred to play them down. The lack of capacity for dealing with this recurrent problem was illuminated by the setback in “firefighting diplomacy” when a Russian Be-200 aircraft deployed to Turkey for help in extinguishing forest fires crashed on August 14, with eight lives lost. Putin made a point about facing “unprecedented” natural disasters (though he was probably more worried about heavy rains in Sochi), and the government has recognized the need to evaluate the prospects and costs of the looming energy transition away from fossil fuels.

These deliberations are conducted without any publicity, not least because the Energy Strategy 2035, approved as recently as April 2020, sets goals firmly on increasing production of oil and gas, particularly from Arctic fields, thus defining the development of alternative “green” energy sources as risks and challenges. Opportunities for cooperation in ecology-focused policies in the High North may be opening, and John Kerry, U.S. special envoy for climate issues, is eager to explore them. The volume of vested interests of Kremlin-connected energy giants, including the privately-owned Novatek, which is eager to expand its LNG projects in Yamal, is, however, so great that every practical step in curtailing emissions, even in such elementary technical matters as gas flaring, amounts to an uphill battle. As the prospect of energy transition begins to loom large, the directive on maximizing the hydrocarbon production in the short-term, until the global demand contracts and prices decline, might seem for Moscow to be a perfectly rational choice.
The Folly of Bracketing Militarization Out

The Arctic Council, according to its statute and tradition, does not deal with military-security matters, and the lively fast-growing community of polar scientists, ecology activists, promoters of rights of indigenous peoples, NGO bureaucrats, and business entrepreneurs is perfectly content with bracketing out the contentious issues pertaining to the expansion of military activities in the Arctic theater. This convenient self-deception makes it easier to proceed with various parochial agendas and to sustain diplomatic consensus, rudely broken by former U.S. State Secretary Mike Pompeo, who dared to upset a meeting of the Arctic Council by bringing up the question of confrontation with Russia and China. The foreign policy style of the Trump administration is not remembered kindly by friends and enemies alike, but the situation where fast-escalating risks of militarized confrontation are ignored by the majority of stakeholders in Arctic security is odd and hardly sustainable.

Moscow is keen to play on this discrepancy, and Putin promotes the narrative on the Arctic as a territory of dialogue (which happens to be the title of the bi-annual international forum), expecting that his disapproval of geopolitical posturing would resonate positively with Western audiences. The hypocrisy of this discourse is plainly obvious, but there is no shortage of experts eager to elaborate on the assertions that Russian military activities in the High North are strictly defensive in nature and that new military bases amount merely to a partial rehabilitation of old Soviet infrastructure. The message on Russia’s commitment to making the Arctic a “zone of peace” may depart far from the reality of steady build-up of offensive capabilities integrated with the newly-established Northern Fleet Strategic Command, but it works just fine in the particular milieu around the Arctic Council shaped by the interplay of arms-race-free bureaucratic, business, activist, and research interests. For the Biden administration, it may appear useful to take Moscow at its word and focus on what it says, rather than does, as long as Russia’s cooperation with China in the Arctic remains limited and de-securitized.

China has been carefully formulating its Arctic goals as predominantly mercantilist and scientific, avoiding any hints on geopolitical competition and even implicitly disapproving Russia’s heavy emphasis on militarization. This divergence of aspirations with its paramount strategic partner does not restrain in any visible way Russian military activities and modernization of infrastructure according to the requirements of modern high-tech warfare. It is striking, for that matter, that the chain of new military bases along the Northern Sea Route (Sevnorput), which constitutes the central avenue of economic development in Russia’s Arctic policy, is designed primarily for performing air-space defense functions and has next to nothing to contribute to the crucial task of ensuring the safety of navigation. Russian mainstream media, for that matter, reported scantily on the catastrophic forest fires in Sakha-Yakutia but spared no praise for the building of an “air-defense fortress” in Tiksi. For policy planners in Beijing and commerce-charterers in Shanghai, the flight of strategic imagination in Moscow that envisages the mission of
protecting the maritime traffic on the Northern Sea Route from hypothetical airstrikes might appear mind-boggling.

**Risks of Breaking Unprofitable Patterns**

Russian rhetoric on Arctic security has notably softened since the spring of 2021, as the habitual condemnations of NATO “provocative encroachments” have been toned down, and preferences for cultivating cooperative ties with the United States have been signaled from the top level. Russian diplomats have firmly denied any intentions to bring up hard-security matters in the Arctic Council’s deliberations and show unreserved readiness to prioritize the climate and human security agendas. The eagerness to exploit the rare opportunity for boosting prestige by presiding over an esteemed international institution may, however, dissipate as the fact of negative returns from the endeavors in international cooperation is internalized. Even the flagship project of Yamal LNG development runs on Chinese loans and generous subsidies, generating zero revenues for the state budget, while the expectations of profit from the transit traffic on Sevmorput are disappointed. Western sanctions are routinely blamed for exorbitant costs of doing business, but the complex picture of distorted economic transactions and value-subtractions cannot be reduced to a single explanation.

The military build-up, portrayed as protection of economic interests, is actually poorly compatible with development and harmful for cooperation, but it is increasingly hampered by a similar problem of high costs and low returns. Massive investments in modernizing the fleet of nuclear submarines have produced good results (though both Borei-A and Yasen-M projects are behind schedule), but the political usefulness of nuclear weapons is limited, and the talks on strategic stability cannot lift Russia’s prestige. Upgrades of many conventional weapon systems and improved training have granted Russia a position of strength on the Kola peninsula, but Moscow cannot find a way to exploit it for overawing the Nordic neighbors. The program for constructing air-defense bases along the Sevmorput is nearly completed, but the garrisons require supplies and perform few practical tasks. The strategic rationale for prioritizing the Arctic region in resource allocation was never sound, but presently it is further weakened because of the urgent need to invest in rapid response capabilities designated for countering threats emanating from Afghanistan and reassuring allies in Central Asia.

Russian militarization and economic development initiatives in the Arctic are mercurial. It makes good political sense for Russia’s counter-parts to encourage the pronounced intention in Moscow to use the chairmanship of the Arctic Council for advancing potentially profitable cooperative projects; this might require fine-tuning the sanctions regime in such a way that joint ventures in the High North would be exempted, while the export of corruption will be targeted with greater resolve and precision (as Alexei Navalny argues). The impact of such incentives, however, will go only that far and can easily be undone in a new spasm of escalation of irreducible confrontation. The belief in
military force as the most reliable and effective instrument of policy lies at the heart of Russian strategic culture, and a position of power in the Arctic region presents the best opportunity to act upon it.

Conclusion

Putin’s Russia faces a multiplicity of external security challenges, from Belarus to the Caucasus and from Syria to Central Asia, and a possible failure in countering one of those might generate a desire to compensate by scoring a victory in a setting where Russia has a military advantage. What makes such a swing to the High North more probable is the availability of the discourse on Russia’s “ownership rights,” which stretch, for instance, all the way to Norwegian Svalbard (Spitsbergen). Domestic turmoil could produce additional impetus for such exercises in power projection, while public opinion might respond more positively to an assertive action in the Arctic than, for instance, in Central Asia. Fears and whims shape much stronger decision-making in the Kremlin than sober risk assessment, so Russia’s behavior is set to remain volatile and erratic, contrary to the best hopes in Washington D.C.